

YEAR-END FINANCIAL RESULTS 2023-24

Summary: To provide the Board with a review of the year-end financial position of the Cotswolds National Landscape Board for 2023/24

Recommendation: That the Board notes the report

Report by: Magda Glanowska – Head of Finance
Andy Parsons – Chief Executive

1. FINANCIAL OVERVIEW

Statement from the Chief Executive

- 2023/24 has been a very positive year for the Board, with new opportunities being delivered successfully, e.g. National Highways' Biodiversity Improvements project.
- Over the past 2-3 years the Board has recognised the urgent need to build a new 'Development Fund' in reserves to allow the organisation to look forward with more confidence, grasp new opportunities to enhance the landscape, and secure a longer term office and storage solution for the team. The financial performance of the past 12 months has gone a long way to ensuring that this identified need is met.
- Thank you to the team for their continued dedication and skill, ensuring the Board continues to build greater financial stability.

2. FINANCIAL RESULTS 2023/24

Below is an overview of the headline figures from the financial results for 2023/24. The Finance and Governance Committee have provided scrutiny and questions on the suite of information provided to them. There are no concerns about the year-end position and any variances to forecast and budget are as expected and have been discussed in detail.

- **Income for the year was £3.67m** (2022-23: £2.5m), £935k ahead of the budget as a result of increased Defra FiPL funding (+£484k), National Grid Landscape Initiatives ("LEI") grants higher than expected (+£323k), and an additional Defra "Non-Core Grant" for Removing Barriers works (access improvements) for £51k. Increase vs prior year driven by a higher Defra FiPL grant for Year 3, Biodiversity Project with National Highways (£644k – Year 1) and National Grid LEI. Total income 5% ahead of reforecast. Defra FiPL underspent was £2,847 which will be returned to Defra, this is an excellent result and shows we have managed to utilise over 99% of FiPL funding received.
- **Grants Paid were £1.6m**, £396k more than budgeted due to additional Defra FiPL (+£587k) and Defra Removing Barriers grants (+£26k). This is offset by less grants paid out for Cotswolds Champions (-£195k) as the progress utilising the mitigation sum has been predictably slow which is largely due to persistent challenges in maintaining communication and securing permissions to deliver works on sites identified as a high priority for lineside mitigation. These funds remain in the reserves and a plan for the coming year (24/25) has been agreed with a view to ensuring Rail Corridor Enhancement project will end no later than March 2025. Grants paid were £244k less than forecast, mainly due to Cotswolds Champions due to same reason.
- **Total expenditure for the year was £1.49m** in line with forecast and £210k over the original budget (16%), due to:
 - higher tools and equipment cost (+£40k) to enable additional Cotswold Way works including four new wheelbarrows, Glorious Grasslands works and rebranding costs;

- increased consultants and professional fees including legal fees (+£65k) and contractors (+£37k) to facilitate National Highways Biodiversity project;
- vehicles costs (+£24k) – purchase of additional vehicle for Wardens from funding from National Trails UK for Access for All Grant which we successfully bid for;
- slightly higher payroll costs (+£16k) and car allowance expenses (+£10k).
- The year-end position has improved for both restricted and core areas, against both original budget and forecast 2. The 2023/24 year-end **total net surplus of £584k** (vs £256k budget, vs £191k forecast 2, vs £19k prior-year). The large net surplus is primarily due to National Highways Biodiversity project where £405k is in restricted reserve for landowners' payments over the next 30 years. This money is being held in the interest accounts.
- The balance sheet is in healthy position with no concerns. Total capital assets and reserves stood at £1,244,787 as at 31 Mar 2024 compared to £660,732 prior year.

Year-End Reserves position

- Total Reserves at the year-end are £1,245k (budget £883k, forecast 2 £1,022k, prior year £661k).
- Made up of:
 - **General Fund £79k** (prior year £76k)
 - **Designated Funds £158k** (prior year £151k)
 - **Restricted reserves £1,008k** (prior year £433k)
- The above is in line with the revised Reserves Policy which was adopted by the Board at February's Board meeting.

Supporting documents

- Appendix A – Year End Financial Report 2023-24

JUNE 2024