

LOCAL AUTHORITY CONTRIBUTIONS

Summary: To present an overview of the current local authority contributions to the Cotswolds National Landscape Board.

Recommendation: That the Board notes and discusses the report.

Report by: Andy Parsons (Chief Executive)

INTRODUCTION

1. In autumn 2023 the Chief Executive wrote to all 15 local authority partners requesting (after many years of no increases) a CPIH increase in their individual contributions, 5.9% at that time.
2. 11 of the 15 authorities approved the increase, with Gloucestershire County Council increasing its contribution by 10% (and then fixing for a further two years).
3. The four authorities that didn't approve an increase and asked to be invoiced at 2023/24 levels were:
 - Bath and North East Somerset Council
 - Cotswold District Council
 - Wiltshire Council
 - Worcestershire County Council
4. This paper will provide some historical context to the contributions and highlight some of the concerns as we move forward.
5. The Board acknowledges the financial challenges on all local authority services.

BACKGROUND

6. In 2008/09, a partnership agreement set out how the Conservation Board for the Cotswolds Area of Outstanding Natural Beauty ("the Board") would be financially supported by the local authorities comprising the Cotswolds Area of Outstanding Natural Beauty (AONB) in order that the Board can effectively undertake its duties and functions as set out in the Cotswolds Area of Outstanding Natural Beauty (Establishment of Conservation Boards) Order ("the Order").
7. The term was for an initial three years and rolling thereafter.
8. The financial contributions made by each local authority at the commencement of the agreement for the financial year 2008/09 are shown in *Appendix 1*, alongside the contributions for this current year (2023/24).
9. The combined contribution in 2008/09 was £175,877 and in 2024/25 it is £145,071.
10. With regard to how the sums were calculated in 2008/09 the agreement states that they "*reflect the proportion of the AONB within the individual local authority's area*".
11. The agreement also stated that "*any local authority may terminate its financial support for the Board after giving at least twelve months written notice expiring on 31 March in any year, such notice to be served upon the Board's Chairman or Director*".

DEFRA FUNDING

12. By comparison, Defra's grant in 2008/09 was £577,926.
13. Following years of reductions and freezes, in 2022/23 Defra increased the core grant by 14.7% to £529,743 and then fixed for the next two financial years (2023/24 / 2024/25).

14. The Defra grant is conditional on the Board securing additional funding equivalent to at least 20% of its core expenditure, such that the grant does not contribute over 80% of our core expenditure in any one financial year.

CONCERNS

1. The *first* concern is the discrepancy of the level of funding provided by some authorities when compared to their geographic area of the Cotswolds National Landscape. The principle (as agreed in 2008/09) that the level of contribution should reflect the proportion of the 'AONB' within the individual local authority's area hasn't stood the test of time.
2. The *second* concern is that the Defra grant is very close to the 80% threshold. The Defra grant and the local authority contributions represent the organisation's 'core' funding, their respective contributions are currently as follows:
 - Defra 78.5%
 - Local authorities 21.5%
3. Potential future increases in Defra funding at the next Comprehensive Review (likely to be in 2025) could mean that their funding will be greater than 80%, leaving the Board at risk of not being able to accept the full grant.
4. Lead Officers and the National Landscapes Association are looking at ways to mitigate this risk by liaising with Defra (during their business planning process) to reassess the current thresholds.

Supporting papers

- Appendix A – Annual Financial Contributions (financial v. geographic area)

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