MINUTES OF THE MEETING OF THE EXECUTIVE COMMITTEE HELD ON WEDNESDAY 2 MARCH 2011, IN THE LODGE, 90 STATION ROAD, CHINNOR, OXON OX39 4HA, COMMENCING AT 10.40 AM AND CONCLUDING AT 1.20 PM.

Present:

Dr Heather Barrett-Mold    Board Member
Mike Fox                   Board Member
Cllr John Griffin          Board Member
Cllr Shirley Judges        Board Member
Kevin Mayne                Board Member
Cllr Marion Mustoe         Board Member
Cllr Richard Pushman       Board Member
Steve Rodrick              CCB Chief Officer
Cllr Jeremy Ryman          Board Member
Chris Smith                CCB Finance Officer
Cllr Bill Storey           Board Member

In Attendance:

Maureen Keyworth           BCC and Clerk to the Board

1. APOLOGIES FOR ABSENCE

Apologies were received from Alan Walters and Mike Woods.

2. DECLARATIONS OF INTEREST

None.

3. MINUTES

The minutes of the meeting held on 8 December 2010 were agreed as a correct record.

4. MATTERS ARISING

Item 9 – Report on Cost Cutting and Income Generation Options
Members were informed that training had begun on ways to generate additional income. With regard to creating a ‘Caring for the Chilterns’ fund, it was hoped a proposal would be ready for the Executive Committee meeting in May.

Item 11 – Commons Project
The bid has been sent to the Heritage Lottery Fund and the Board should hear in June as to whether or not it was been successful.

5. PUBLIC QUESTION TIME

No members of the public were present.
6. FINANCE REPORT

Members received the report of the Finance Officer the purpose of which was to advise members of the Board’s financial position to the end of January and likely position at the end of the financial year.

It was noted that projected expenditure was under budget with a predicted year end variance of £31,181. This was higher than initially forecast as additional cost saving measures had been introduced during the year.

The current financial position remained satisfactory in a difficult climate. At the year end, the four year plan would be revised to show the changes.

The Executive Committee NOTED the current financial position.

7. REVIEW OF INTERNAL AUDITOR

Members received the report of the Finance Officer, the purpose of which was to present a review of the performance of the Board’s internal auditors for the consideration of members.

The Executive Committee NOTED and AGREED the review of the effectiveness of internal audit.

8. REVIEW OF RISK REGISTER

Members received the report of the Chief Officer, the purpose of which was to approve the half-yearly review of the Risk Register in accordance with the Committee’s policy.

The register had been amended to show the additional risks of:
- 2 Performance - Low morale of staff. It was proposed to introduce an incentive scheme/additional leave in lieu of salary increases.
- 3 – Financial - lack of financial resources and poor planning control. A budget realignment plan would be put in place as a control measure.

There is currently only one red risk, which relates to the possible reduction in grant aid - the Budget Realignment Plan would deal with this. It was suggested and agreed that Local Authority contributions should be included under this heading.

The Executive Committee

1. Confirmed the current version of the Risk Register as controlling risks currently faced by the Board.

2. NOTED that the Register will be reviewed in six months time

9. BUDGET 2011 - 2012

Members received the report of the Chief Officer and Finance Officer, which presented a draft of the 2011-12 budget for consideration, pending confirmation of grant income from local authorities.

The Chief Officer stated that the budget had been based on an assumption that local authority support might fall by up to 35%. It was noted that not all Local Authorities had confirmed their contributions for the coming year and he was hopeful that the assumption may be proved to be pessimistic.
In answer to a member’s question about whether Local Authorities needed to give notice of a reduction in their grant, it was noted that this is not the case. Currently there is no Memorandum of Agreement in place but it was anticipated that once the current year’s settlement was in place work would be undertaken to put in place a three year agreement, which will mirror the similar agreement with Defra. A paper would be presented at the next meeting for discussion.

The report contained information on initiatives identified to reduce the deficit. It was noted that the draw down from reserves were estimated to be £18,865 but this may change if local authority contributions are higher than originally anticipated.

A member asked whether a column could be added to the spreadsheet to show the larger financial variances.

The Executive Committee:
1. NOTED and AGREED progress to date in preparing the budget for 2011-12
2. NOTED that a final budget will be presented to the Board for formal approval at its next meeting.
3. AGREED that an additional column be added to show larger financial variances.

10. BUDGET RE-ALIGNMENT PLAN

Members received the report of the Chief Officer and Finance Officer, which sought to advise the Executive Committee that the necessary steps are being taken to balance the budget as forecast. A target to reduce expenditure by £175,000 has been set over the four year period to 2015 and a plan will be put in place to document and monitor progress.

The following was noted:
- The draft plan shows the expenditure categories and it was noted that the majority of expenditure is core staff employment costs. Cost of living awards will be re-introduced from 2012/13 at 2% per annum subject to review each year.
- There will be reductions in the Sustainable Development Fund commencing next year.
- To avoid cash flow problems, negotiations are underway with Defra to ensure grant payments are made on specified dates.
- With regard to precepting powers, the Chief Officer said he had raised this with Defra who were not unsympathetic. However, it will need legislation to put it in place and is therefore not a realistic possibility for several years.

The Chief Officer stated that he thought it was acceptable to use the reserves to help balance the budget during the next four years but the Board needed to ensure that its expenditure did not, unacceptably, exceed its annual income by 2015.

Members received a report on the workshop held for staff by Kevin Mayne, looking at how to raise income. Discussion took place with regard to the fact that some staff may be able to raise more income than others because of the areas in which they work. Members agreed on the need for sensitive management so that this work does not become divisive.

It was noted that the proposed incentive scheme was based on a collective target and a flat rate payment to all staff.

The Committee NOTED and APPROVED the Budget Re-alignment Plan.
11. REPORT ON STAFF ALLOWANCES AND INCENTIVES

Members received the report of the Chief Officer and Finance Officer which addressed the risk of reduced staff morale. The report gave options for the introduction of incentive schemes and changes to the car allowance.

The paper proposed creating an incentive scheme which would make payments if a target for generating income was exceeded. The total amount payable as bonuses was based on a sliding scale depending upon the extent to which the target was exceeded.

This scheme would only remain in place until discretionary incremental and cost of living increases were reinstated. A member expressed concern that once a bonus scheme was introduced it would be difficult to remove. It was suggested that this should be a standing item on the agenda in order to monitor the situation.

An additional day’s leave for staff was also proposed as no cost of living award would be made in 2011-2012.

It was proposed that the essential car user’s allowance should be increased to £770 per annum from £702 per annum in recognition of the increased cost of fuel and other costs of running a car, but that there should be no increase in the mileage rate of 40p per mile.

RESOLVED:

1. The Executive Committee APPROVED, with effect from 1 April 2011
2. The proposed incentive scheme, targets and payments;
3. An increase in the Essential Car User Allowance;
4. The Award of an additional day of annual leave for staff.

12. REVIEW OF MEMBERS ALLOWANCES

At the last Board meeting, the Executive Committee had been instructed to prepare options for consideration by the Board at its next meeting.

It was noted that prior to 1973 allowances were introduced as compensation for loss of earnings. The 1973 Act brought in a system of allowances for members. Prior to the formation of the Board, only mileage expense was paid. Allowances were introduced when the Board was formalised.

In discussion the following was noted:

• Allowances were paid to Board members who were also members of the Executive and Planning Committees and Sustainable Development Fund Panel.
• Members recognised that it was important to offer an allowance scheme to ensure that financial considerations were not a barrier to applying for membership.
• A scheme based on an attendance allowance was not supported.
• The report highlighted the option for members to continue with the current scheme and exercise their discretion not to claim their allowances.
• Some members offered the view that this was a means by which they could be seen to help reduce the operating deficit.
• It was decided to maintain the policy of adjusting members’ allowances by the same percentage as the cost of living award given to staff – 0% in 2011-12.
• It was also suggested that the scheme should be reviewed annually.
The Executive Committee resolved to recommend that the members’ allowances should continue to change in line with the annual cost of living award to staff.

13. REVIEW OF TREASURY MANAGEMENT

Members received the report of the Finance Officer, which gave details of a draft Treasury Management Strategy for the Conservation Board, for the approval of the Committee.

Whilst it was not a statutory requirement to have a Treasury Management Statement, it was considered good practice to have one in place. The statement covered borrowing and lending by the Board. The Committee noted there has been no change in the Statement.

With regard to the policy on delegation it was noted that the Finance Officer dealt with placing funds on the money market. The decision on variation to the policy will be approved by the Finance Officer and reported to the next Committee.

The Committee

1. ADOPTED the Treasury Management Strategy outlined in the report and the Treasury Management Policy Statement, as detailed in appendix 1 of the report;

2. RECEIVED a report on the performance of the Treasury Management after the end of each financial year and to review its Treasury Management strategy before the start of each year.

14. REPORT ON RESERVES POLICY

Members received the report of the Finance Officer, which presented a review of the current Reserves Policy for the Conservation Board, for the approval of members.

It was noted that whilst there is no change to the Policy, the practice is to review it annually. The Policy related to the level of reserves needed and members were referred to the guidance in the report.

The Executive Committee AGREED

1. That the General Reserve be maintained at a minimum of four months direct operating costs;

2. That the Policy be reviewed each year when the budget and grants are set.

15. REPORT ON RE-DEVELOPMENT OF CHILTERN AONB WEBSITE

Members received the report of the Information and Interpretation Officer, which sought approval to allocate up to £20,000 in total for the re-design of the Chilterns AONB website.

The Committee was informed of the need to make future savings and generate extra income. As part of this strategy it was considered that the website would play a key part by attracting advertising revenue and promoting sales. However, the current website software programme was out of date and an consultant was brought in to advise on how the site should be re-designed. By updating the website, annual running costs could be reduced which would go towards recouping the initial outlay, and it should pay for itself within four years through advertising and sales of goods.

The timetable for the work is as follows:

| April/May       | Tenders sought and contractor appointed |
June/July | Work on re-build
---|---
August | Initial testing
September/October | Website goes live

The Finance Officer stated that additional funds had been identified for next year and would be reflected in the next report. Initially funding would come from Reserves.

The Committee APPROVED the expenditure of up to £20,000 on the re-development of the website.

16. REPORT ON HS2 - PUBLIC CONSULTATION

Members received the report of the Chief Officer, which sought to advise the Committee of the public consultation phase.

The Committee was informed that the consultation has now gone live. The Chief Officer stated that the amount of community energy was extraordinary, with activities taking place all along the proposed line.

The following was noted:
- The press coverage broadly appears to be in agreement that the proposal is not the correct one. The Green party has voted to oppose it and currently the Labour Party opinion appears to be split.
- Legal advisers are working on whether this is a proper consultation.
- There is no roadshow in the Chilterns until after the local elections and officers will visit the earlier shows to prepare themselves for what will be presented here.
- It was considered that more legal and technical expertise was needed.
- The consultation closes at the end of July but the Board should aim to publish its views in May so that others may use the information.
- A member expressed concern that MPs were not being lobbied enough. It was important to get the message across to other parts of the country and encourage everyone to respond. Every constituency in the country will be paying for HS2.
- The HS2 Action Alliance is working on discrediting the business case.

The Committee AGREED

1. To promote awareness of the consultation and encourage responses on both the overall strategy and impact of the preferred route;

2. To publish information on the local environmental impact, especially if not provided by DfT and HS2 Ltd;

3. To continue participating actively in the Stop HS2 campaign;

4. To contribute up to £2,000 to the costs of commissioning external technical experts to assess the revised business case and environmental impacts;

5. To prepare a full draft response for consideration by the Executive Committee at its meeting on 18 May.

17. CHIEF OFFICER’S REPORT

Members received the report of the Chief Officer, giving information on various issues, some of which had been covered under other agenda items.
With regard to the Wycombe Community Stadium, a member stated that the AONB’s name had been left out of the list of objectors. The Chief Officer agreed to re-send their comments to Gerry Unsworth.

The Executive Committee NOTED the report.

18. ANY OTHER BUSINESS

None.

19. DATE OF NEXT AND FUTURE MEETINGS

The next meeting of the Executive Committee will be held on Wednesday 18 May 2011

Dates of future meetings:

14 September    7 December

CHAIRMAN