



Executive Committee

**10.30 a.m. 13th September
The Lodge, Chinnor**

Agenda

1. Apologies
2. Declaration of Interest
3. Minutes
4. Matters Arising
5. Public Question Time
6. Treasury Management
7. Finance Report to August 2011
8. Medium Term Financial Plan (2011-2015)
9. Review of Budget Re-alignment Plan
10. Review of Risk Register
11. Proposed Amendment to Reserves Strategy
12. Allowances for members of the Sustainable Development Fund Panel
13. Review of Member's Allowances
14. Financial Support from Parish Councils
15. Report on HS2
16. Chief Officer's Report
17. Presentation on new Chilterns AONB Web Site
18. A.O.B.
19. Dates of meetings



DRAFT MINUTES OF THE MEETING OF THE EXECUTIVE COMMITTEE HELD ON TUESDAY 13th SEPTEMBER 2011 at THE LODGE, 90 STATION ROAD, CHINNOR OXON. OX39 4HA COMMENCING AT 10.30 AM AND CONCLUDING AT 13.20PM

Present:

Mike Fox	Chairman, Board member
Cllr Bill Storey	Board member
Cllr Richard Pushman	Board member
Cllr Alan Walters	Board member
Cllr Jeremy Ryman	Board member
Steve Rodrick	CCB Chief Officer
Chris Smith	CCB Finance Officer

In attendance
Deirdre Hansen

Clerk to the Board

16. Item 1- Apologies for absence.

Apologies were received from: Cllr Shirley Judges, Cllr John Griffin, Kevin Mayne and Mike Woods.

17. Item 2- Declarations of interest

No declarations of interest were made.

18. Item 3- Minutes of the previous meeting

The minutes were approved and signed by the Chairman once Cllr Walters had been added to apologies for absence.

19. Item 4- Matters arising from the minutes of the meeting 18th May 2011:

Item 9: proposed financial memorandum of agreement with local authorities for 2012-15. The CEO has not pursued this yet. It is his intention to start with an informal approach.

Item 12: Report on HS2- public consultation response. He had been called to give evidence at the public enquiry and gave a brief report on this.

Item 13: Cycleway. Wokingham Borough Council had submitted a bid to the Sustainable Transport Fund for funding for a link with the Chiltern cycleway and other linked routes.

Item 13: Wycombe Community Sports Stadium: the proposed plans have been withdrawn by WDC.

20. Item 5- Public Question time

No members of the public were present.

21. Item 6- Treasury Management:

The Finance Officer gave the members a report on the interim review of the Treasury Management Strategy for 2010-11. The review showed income slightly less than forecast £8,555 rather than £8,575 a 0.2% shortfall.

Funds that are temporarily surplus are invested. The average rate of return achieved during the year was 1.28%.

The Committee NOTED the Treasury Management performance for the year 2010-11.

22. Item 7- Finance Report to August 2011:

The Finance Officer advised members of the Board's financial position as at the end of August 2011 and the likely position at the end of the financial year. The current financial position is satisfactory.

A detailed quarterly review of financial activity is undertaken. These reviews have resulted in some changes to the anticipated final overrun as was shown in the accompanying papers.

They included a higher than anticipated local authority grant income.

The Committee NOTED the financial position for the year to August 2011.

23. Item 8- Medium Term Financial Plan 2011-2015:

The Chief Officer and the Finance Officer presented an update to the Forecast presented to the Executive Committee in May 2011.

The latest update to the Forecast showed a slight improvement in the projected financial position.

Since the last Executive meeting in May a number of changes in the financial position have occurred:

- i. Core expenditure in 2011-12 is now projected to be £33,500 lower than the original budget
- ii. Funding of £46,575 has been secured from the Environment agency for Chalk stream work. The allocation includes a £2,000 contribution towards overhead costs.
- iii. £4,500 has been allocated to the EU Timber Project to be met from Earmarked Reserves.

The net result of the changes is a reduction in the forecast funding shortfall 2014-15 to £125,000 unless appropriate measures are taken. The intervening years show less challenging figures. The Chief Officer highlighted the need to be in balance by 2014-15.

The Committee NOTED the updated position and NOTED that half-yearly updates to the medium plan (2011-2015) will be presented to the Board.

24. Item 9- Budget Re-alignment Plan:

The Finance Officer and the Chief Officer reported updates on the progress of the previously adopted budget re-alignment plan to ensure all actions needed to reduce costs and increase income are undertaken.

A cost reduction programme is already underway, but will need to be increased over the next 3 years. The drive to increase earnings has also begun, but will take longer to achieve.

The Board's ability to raise additional income will be dependent upon the aptitude of staff. A number of steps have been taken to ensure staff understanding of the context and to provide greater skills for the successful generation of income.

- i. A financial briefing session is held at each monthly staff meeting.
- ii. A workshop on fundraising has been held, led by Kevin Mayne.
- iii. A review of the web site had been undertaken with the view of carrying more advertising, sponsorship and on-line sales.
- iv. An internal review is being undertaken of all events to reduce costs and increase potential revenue.
- v. An internal review of all costs has been undertaken identifying potential cost reductions of £30,000 p.a.
- vi. An internal review has been undertaken of all literature assessing scope to review print runs and attract income

The Committee NOTED the progress to date against the Budget Re-alignment Plan.

25. Item 10- Review of Risk Register:

The Finance Officer and the Chief Officer presented the recent risk register review they had undertaken. They had concluded that in the majority of cases the control measures in place are adequate to control the risks facing the Board. A reduction in the risk likelihood has been applied to risks 2e and 3a. Risk 3a now also includes the possibility of a reduction in local authority grant aid.

- 1. The Committee CONFIRMED this version of the Risk Register as controlling risks currently faced by the Board.**

- 2. The Committee NOTED that the Register will be reviewed again in six months.**

26. Item 11- Financial Reserves Policy:

The Chief Officer and the Finance Officer outlined the proposed changes to the structure of the Board's financial reserve holdings.

1. The Chiltern Conservation Board reserves policy provides for the following categories of reserve:
 - a. General Reserve equal to approx. 4 months core management activity. This reserve stands currently at @ £170,000
 - b. Restricted Reserves created by donations and grants provided for specific purposes. These reserves total £23,781.
 - c. Earmarked Reserves created by the Board for particular future use. These reserves total £328,612 which include a budget equalisation reserve of £228,466 to fund the transition to a reduced funding regime

2. It is proposed to amend the policy for the following reasons:
 - a. As core Board expenditure will reduce in future the reserve could be reduced by a similar percentage.
 - b. The equalisation Reserve balance is greater than the funding deficit forecast over the four year period; hence this reserve could be reduced.
 - c. There will be a lack of funding for one-off projects.
 - d. If the proposal is adopted it will be necessary to agree a strategy and process for identifying suitable activity and allocation of funds.

1. The Committee AGREED to reduce the General reserve to £135,000

2. The Committee AGREED to reduce the Budget Equalisation Reserve to a maximum of £150,000

3. The Committee agreed the transfer the residual fund of £113,466 to a new earmarked reserve, The Development Reserve.

4. The Committee AGREED to advise the full Board to delegate authority to the Executive Committee to approve allocations from the Development Reserve

27. Item 12- Re-instatement of allowances for members of the Sustainable Development Fund panel.

Mike Fox and Alan Walters declared a personal interest as members of the SDF panel.

The Chief Officer and the Finance Officer outlined the proposal to re-instate the annual allowances to members of the SDF panel allowing for the full annual payment to be made. Payments to be made from the existing fund.

1. It was AGREED to re-instate an annual allowance of £550 to member of the SDF panel.

2. It was AGREED to re-instate an allowance of £824 to the Chairman of the panel.

3. It was AGREED that the allowances would apply to the year 01/04/2011-31/03/2012.

28. Item 13- Review of Member's Allowances.

The Chief Officer outlined the proposed review mechanism, sought approval for the terms of reference and advised the committee to appoint a member to the review panel. The committee recommended to the board that the review panel should be entirely independent and 2 members should have a financial background.

- 1. The Committee APPROVED the terms of reference.**
- 2. The Committee APPROVED the proposed independent membership of the panel.**
- 3. The Committee NOTED the likely cost of the review.**

29. Item 14- Financial support from Parish Councils.

The Chief Officer reported to the committee that the Board's resolution to seek financial contributions from town and parish councils had been implemented.

The Committee NOTED that all town and parish councils had been requested to provide a financial contribution of between £25-£500 from 2012 onwards.

30. Item 15- Report on HS2

The chief Officer reported on the formal public consultation on HS2. He outlined the main areas of activity, as provided in the report, and sought guidance from the Committee on the Board's next steps in its campaign to stop HS2 crossing the Chilterns.

The Committee AGREED the Board's strategy upon HS2 for the period until the government makes an announcement on whether it intends to proceed.

31. Item 16- Chief Officer's report.

The Chief Officer has submitted written reports on the following:

High Speed 2, The Timber project, Ancient Woodland inventory, Commons, Planning and Development, Wycombe Stadium; see item 19, Arla Development near Aylesbury, Draft National Policy framework, Chalk Streams, Chalk Grassland Day, Natural Environment White Paper, Historic Environment, Green Tourism Business Scheme, Cycleway, Events attended.

The Committee NOTED the Chief Officer's reports.

32. Item 17- Presentation on the new Chilterns AONB web-site.

Claire Forest gave the members a comprehensive presentation of the new web-site, which met with general approval. Work has not yet been completed, but it will be launched at the Forum. The control of the site will be in-house, but an external webmaster will be required.

33. There was no other business.

34. Future meeting dates: Wednesday 7th December at 10.30am at the offices in Chinnor.

The meeting closed at 1.20pm.

The Chairman..... Dates.....

Item 6 **Treasury Management**

Author: Chris Smith Finance Officer

Summary: The review of the Treasury Management strategy for 2010-2011 shows that income was slightly less than forecast (£8,555 rather than £8,575, a short fall of 0.2%).

Purpose of Report: To advise members on the interim review of the Treasury Management Strategy for 2010-11.

Background :

1. In 2001 the Chartered Institute of Public Finance and Accountancy (CIPFA) published “Treasury Management in the Public Services: Code of Practice”.
2. Public services have been taken to include those organisations which are, in terms of government expenditure classification, the public sector, together with certain other organisations which are materially reliant on government funding or subsidy, and/or have significant social, democratic or political influences on their activities.
3. In the case of local authorities the Code has a particular significance, since adoption of its recommendations satisfies the requirement for “proper practice” under the provisions of the Local Government and Housing Act 1989.
4. Whilst the same legal requirement does not apply to the Board the adoption of the good practice contained in the Code is recommended as an appropriate step for the Board.
5. Treasury Management activity is defined in the document as:

 “The management of the organisation’s cash flows, its banking, money market and capital market transactions; the effective control of risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
6. The Code recommends that the organisation should receive two reports each year on its Treasury Management activity – an annual strategy and plan in advance of the year and an annual report after its close. The remainder of this paper comprises the second of those reports and covers performance in 2010-11.
7. The Board re-adopted its Treasury Management Strategy in February 2011.

Treasury Management Activity 2010-11

8. Funds that are temporarily surplus are invested. The average rate achieved during the year was 1.28%.
9. Funds were invested through HSBC on the money market, with Bank of Scotland, and in a HSBC Deposit Account into which current account balances over £1,000 were invested automatically each day.
10. The original budgeted income for 2010-11 was £8,575. The actual income generated was £8,555.
11. In line with the Treasury Management policy no sums have been invested for more than 364 days.

Recommendations

1. **To note the Treasury Management performance for 2010-11.**

Item 7 Finance Report

Author: Chris Smith Finance Officer

Summary To the end of August 2011 the expenditure against the core budget was 3.9% below profile and income 0.8% below profile. Total expenditure, including projects, is 2.9% below profile and income 10.7% above profile. This latter is due to early payment of Chalk Streams grant money from the Environment Agency. The end of year surplus is currently forecast to be £30,999 above the budget at £12,134, largely due to higher than anticipated local authority grants.

Purpose of Report: To advise members of the Board's financial position to the end of August and likely position at the end of the financial year.

Background

1. The current financial position is satisfactory with no significant problems to report.
2. In view of the importance of income generation a detailed sheet of "other income" is attached for the Committee's information.
3. "Non-core projects" are those funded by Natural England (SDF and Chalk Streams), and others funded by other external sources and from reserves. One significant development has occurred since the start of the year which is a large grant from the Environment Agency for Chalk Streams work. Although the grant has been received the expenditure is yet to be incurred.
4. The budget for core income includes the balancing figure required to match the aspirations in the four year plan. Progress is being made against this target as shown on the final attached sheet. In addition merchandise sales are 50% above profile.
5. Although expenditure is below the profile it is anticipated that this will change by the end of the year.
6. A detailed review of financial activity is undertaken at the end of each quarter, particularly on employment costs such as employers' national insurance. These reviews have resulted in some changes to the anticipated final outturn as shown in the attached document and include the higher than anticipated local authority grant income.

7. Other initiatives will affect reserve balances. These will be explained at the meeting.

Recommendations:

1. **To note the current financial position.**

BUDGET 2011-12

MONTH 5: AUGUST 2011

Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
Expenditure							
Department 100:							
Promotion and Awareness							
Core expenditure:							
Information Officer & E&A Officer	(88,315)	(36,798)	(36,748)	50	(88,195)	120	
Travel and subsistence	(1,700)	(708)	(378)	330	(1,700)	-	
Subscriptions magazines / newspapers	(400)	(167)	(49)	118	(400)	-	
Web site	(13,000)	(5,417)	(6,804)	(1,387)	(13,000)	-	
Printing & distribution costs	(2,400)	(1,000)	(814)	186	(2,400)	-	
Events and exhibitions	(1,500)	(625)	(535)	90	(1,500)	-	
Photography	-	-	-	-	-	-	
Miscellaneous	(400)	(167)	(9)	158	(400)	-	
Core projects:							
103 Countryside Festival	(4,510)	(1,879)	(297)	1,583	(4,510)	-	
105 Annual Report	(1,100)	(1,100)	-	1,100	(1,100)	-	
106 Annual Forum	(2,000)	(833)	(50)	783	(2,000)	-	
107 Chalk and Trees / What's On	(13,365)	-	(315)	(315)	(13,365)	-	
108 Environmental education	(2,500)	-	(1,007)	(1,007)	(2,500)	-	

109 Getting Close to Nature	(1,000)	(417)	(9)	408	(1,000)	-	
110 Enjoying Woodlands	(3,500)	-	-	-	(3,500)	-	
111 Environmental Tourism	(1,000)	(417)	(263)	154	(1,000)	-	
112 Chilterns Awards	(500)	(208)	-	208	(500)	-	
113 Historic Environment	(2,000)	(833)	(711)	123	(2,000)	-	
Sub total	(139,190)	(50,569)	(47,988)	2,580	(139,070)	120	
Department 200:							
Countryside Management							
Core expenditure:							
Countryside & FLU Officer	(73,345)	(30,560)	(30,614)	(54)	(73,475)	(130)	
Travel and subsistence	(2,000)	(833)	(194)	639	(2,000)	-	
Publications	(250)	(104)	-	104	(250)	-	
Events / exhibitions	(300)	(125)	-	125	(300)	-	
Miscellaneous	(200)	(83)	(50)	33	(200)	-	
Core projects:							
203 Commons	(7,000)	(1,215)	(63)	1,152	(7,000)	-	
204 Chalk grassland group	(3,000)	(1,250)	(354)	896	(3,000)	-	
205 Land management survey	-	-	-	-	-	-	
206 State of Environment Report	(2,000)	(833)	(335)	498	(2,000)	-	
207 Support for Trees & Woods Mgt	(3,500)	-	-	-	(3,500)	-	
208 Orchards Project	-	-	-	-	-	-	
209 Ancient Woodland Survey	(5,000)	-	-	-	(5,000)	-	
Sub total	(96,595)	(35,005)	(31,610)	3,394	(96,725)	(130)	
Department 300:							

Planning and development							
300 Core expenditure:							
Planning Officer	(59,280)	(24,700)	(24,676)	24	(59,200)	80	
Travel & subsistence	(1,180)	(492)	(308)	183	(1,180)	-	
Miscellaneous	(150)	(63)	-	63	(150)	-	
Core projects:							
301 Planning Committee	(570)	(140)	(111)	29	(570)	-	
302 Planning conference	(1,200)	-	-	-	(1,200)	-	
303 Design guidance	-	-	(12)	(12)	-	-	
304 Building design awards	(1,500)	(1,500)	(1,318)	183	(1,500)	-	
305 Technical assistance	(1,500)	(625)	(633)	(8)	(1,500)	-	
309 Wood Fuel Group	(500)	(208)	-	208	(500)	-	
310 Planning Policies	(1,500)	-	-	-	(1,500)	-	
311 High Speed Two	(1,000)	(417)	(3,115)	(2,698)	(3,000)	(2,000)	£2,000 added by Exec Committee for external experts
Sub total	(68,380)	(28,144)	(30,172)	(2,028)	(70,300)	(1,920)	
Department 400:							
Recreation and Access							
Core expenditure:							
Access Officer	(25,635)	(10,681)	(10,622)	59	(25,495)	140	
Travel and subsistence	(500)	(208)	(322)	(113)	(500)	-	
Miscellaneous	(100)	(42)	(133)	(91)	(100)	-	
Core projects:							
401 Chiltern country leaflets	(3,100)	(100)	(395)		(3,100)	-	

				(295)			
402 Access conference	(1,000)	-	-	-	(1,000)	-	
404 Countryside Close to Home	-	-	-	-	-	-	
405 Cycling in the Chilterns	(3,000)	(1,200)	(1,100)	100	(3,000)	-	
Sub total	(33,335)	(12,231)	(12,572)	(341)	(33,195)	140	
Department 500:							
Corporate Services							
Core expenditure:							
Chief Officer / Admin Officer	(99,405)	(41,419)	(41,953)	(535)	(101,430)	(2,025)	
Travel and subsistence	(1,750)	(729)	(311)	418	(1,750)	-	
Staff training	(2,555)	(1,065)	(790)	275	(2,555)	-	
Premises	(27,570)	(12,549)	(12,232)	317	(26,963)	607	
Office costs	(14,115)	(5,665)	(5,288)	376	(13,825)	290	
Office furniture & equipment	(1,000)	(417)	(160)	257	(1,000)	-	
IT (incl OS licences)	(10,470)	(2,279)	(916)	1,363	(10,470)	-	
Meetings & events	(375)	(156)	(163)	(7)	(375)	-	
Finance	(19,810)	(6,021)	(3,676)	2,345	(19,810)	-	
Personnel	(1,580)	-	-	-	(1,580)	-	
Legal services	(6,000)	(2,500)	(3,030)	(530)	(3,500)	2,500	
Insurance	(8,200)	-	-	-	(8,200)	-	
Miscellaneous	(565)	(235)	-	235	(565)	-	
Sub total	(193,395)	(73,034)	(68,519)	4,515	(192,023)	1,372	
Department 600							

Member Services							
Core expenditure:							
Members' allowances	(34,320)	(14,300)	(13,810)	490	(34,320)	-	
Board member training	(1,750)	(729)	(1,171)	(442)	(1,750)	-	
Board meetings	(1,355)	(565)	(406)	159	(1,355)	-	
Miscellaneous	(50)	(21)	-	21	(50)	-	
Core projects:							
601 Executive Committee	(150)	(63)	(36)	27	(150)	-	
Sub total	(37,625)	(15,677)	(15,423)	254	(37,625)	-	
Central Budgets							
Inflation at 2% on non staff costs	-				-		absorbed in cash limited budgets
Increase in VAT rate	-				-		absorbed in cash limited budgets
502 Project support budget	(2,960)	-	-	-	(2,960)	-	
Sub total	(2,960)	-	-	-	(2,960)	-	
TOTAL CORE EXPENDITURE	(571,480)	(214,660)	(206,285)	8,375	(571,898)	(418)	
Other expenditure							
Contribution to SE Protected Landscapes Co-ordinator	(2,000)	(2,000)	(2,458)	(458)	(2,458)	(458)	
Merchandise purchases	-	-	-	-	-	-	

Project expenditure:							
- Friends of Red Kites	(1,000)	(417)	(451)	(34)	(1,000)	-	
- Conserving the Chilterns Chalk Streams	(37,865)	(15,777)	(12,756)	3,022	(82,440)	(44,575)	Additional Environment Agency Project
- EU Timber Project	-	-	(4,500)	(4,500)	(4,500)	(4,500)	Met from reserve
- Sustainable Development Fund	(40,000)	(230)	(769)	(539)	(40,000)	-	
- Ancient Woodland Survey	(18,000)	-	(13,941)	(13,941)	(18,000)	-	
- Chilterns Commons Project	(78,835)	(4,315)	(3,238)	1,077	(78,035)	800	
GRAND TOTAL EXPENDITURE	(749,180)	(237,399)	(244,397)	(6,999)	(798,331)	(49,151)	
Income							
Natural England: SDF	19,320	9,660	9,660	-	19,320	-	
Natural England: Chalk Streams	19,220	9,610	9,610	-	19,220	-	
Natural England: Core	465,305	232,652	232,652	-	465,305	-	
Local Authorities	75,335	105,085	105,085	-	105,085	29,750	Greater than forecast grants
Merchandise sales	5,000	2,083	3,127	1,044	7,500	2,500	
Other earned income	29,655	11,748	7,864	(3,884)	30,980	1,325	
Red Kite donations	1,000	417	40	(377)	1,000	-	
Chalk Streams external income	18,645	7,769	58,857	51,088	65,220	46,575	Additional Environment Agency Project
Ancient Woodland Survey external income	18,000	-	-	-	18,000	-	
Chilterns Commons Project: HLF	53,130	-	-	-	53,130	-	
Chilterns Commons Project: other	25,705	15,820	10,220		25,705	-	

				(5,600)			
Chilterns Cycleway external income	-	-	-	-	-	-	
GRAND TOTAL INCOME	730,315	394,844	437,115	42,271	810,465	80,150	
NET INCOME / (EXPENDITURE)	(18,865)	157,445	192,718	35,273	12,134	30,999	
RESERVE MOVEMENTS:							
Restricted Reserves:							
- Chalk Streams Reserve	-	-	-	-	2,000	2,000	Management fee from Environment Agency
Earmarked Reserves:							
- Budget Equalisation Reserve	(18,865)	-	-	-	14,634	33,499	
- Woodland Research	-	-	-	-	(4,500)	(4,500)	for EU Timber Project match funding
TOTAL TRANSFERS TO / (FROM)	(18,865)	-	-	-	12,134	30,999	
RESERVES							

	Other Income	Budget	Budget	Actual	Variance	Projected
		for year	to date	to date		Outturn
		£	£	£	£	£
5						
100.4900	Earned income	-	-	71	71	65
103	Countryside Festival	4,510	1,879	3,026	1,147	4,510
106.4900	Annual Forum	500	208	-	(208)	500
107.4004	Chalk & Trees/What's on	4,345	1,810	2,110	300	4,345
107.4901	C&T subscriptions	-	-	375	375	400
109.4900	Getting Close to Nature	1,000	417	990	573	1,000
108.4900	Environmental Education	-	-	50	50	50
203.4900	Commons	300	125	66	(60)	300
204.4001	Chalk Grassland	200	83	264	181	265
206.4900	State of the Environment Report	-	-	270	270	270
300.4900	Earned income	-	-	50	50	50
302.4900	Planning Conference	1,200	500	-	(500)	1,200
304.4003	Building Design Awards	500	208	-	(208)	500
401.4900	Access Publication	2,500	1,042	131	(911)	2,500
402.4900	Access Conference	1,000	417	-	(417)	1,000
405.4400	Cycleway adverts	-	-	200	200	200
500.4008	Interest received	7,000	225	225	0	7,225
500.5900	Unidentified income			37		6,600

		6,600	4,833		(4,796)	
		29,655	11,748	7,864	(3,884)	30,980

Item 8 Medium Term Financial Forecast

Author: Chris Smith Finance Officer
 Steve Rodrick Chief Officer

Summary The latest update to the Forecast shows a slight improvement in the projected financial position.

Purpose of Report: To present an update to the Forecast presented to the Executive Committee in May 2011.

Background

8. A paper presented to the Board on January forecast a funding deficit of over £175,000 by 2014-15. An update to the Executive Committee in May 2011 reflected a reduction in that forecast deficit to £126,000, largely as a result of better than expected local authority grant allocations. Options were presented that largely removed that deficit.
9. Since that meeting a number of changes have occurred.
 - i. Core expenditure in 2011-12 is now projected to be £33,500 lower than the original budget, largely due to higher than anticipated local authority grants.
 - ii. Funding of £46,575 has been secured from the Environment Agency for Chalk Streams work. The allocation includes a £2,000 contribution towards overhead costs that will boost the Chalk Streams Reserve.
 - iii. £4,500 has been allocated to the EU Timber Project to be met from Earmarked Reserves.
10. The net result of these is, unless appropriate measures are taken, to reduce the funding shortfall by 2014-15 to £125,000, together with less challenging figures in the intervening years.
11. The figures attached reflect these changes and also assume approval to the proposed restructuring of the Board's reserves so as to create a Development Reserve.
12. At the May meeting members discussed whether the four year targets for income generation should be lowered. On balance it was thought they should be retained but a decision would be made on an annual basis whether to retain a link with the salary reward scheme.

Recommendations:

- 2. To note the updated position and note that half-yearly updates to the medium plan (2011 – 2015) will be presented.**

Item	2011-12	2012-13	2013-14	2014-15	Notes
	£	£	£	£	
Expenditure:					
Core - staff employment costs	347,795	353,120	360,085	367,190	
Core - non staff costs	224,103	224,103	224,103	224,103	
Contribution to SE Landscapes Officer	2,458	2,000	2,000	2,000	
Chalk Streams Project	82,440	37,865	37,865	37,865	
SDF	40,000	40,000	40,000	40,000	
EU Timber Project	4,500				
Ancient Woodland Survey	18,000				
Commons Project	78,035				
Friends of Red Kites	1,000				
Merchandise purchases					
Total expenditure	798,331	657,088	664,053	671,158	If no action is taken
Income:					
NE Core					
NE Chalk Streams					

SDF								
Natural England Total Grant	503,845		476,637		450,899		418,096	21.5% reduction excl. inflation
Local authorities	105,085		96,632		91,414		84,763	21.5% reduction excl. inflation
Chalk Streams external funding	65,220		16,781		15,103		13,466	35% reduction excl. inflation
Commons Project	78,835							
Ancient Woodland Survey	18,000							
Earned income, sales, donations	39,480		29,655		29,655		29,655	
Total income	810,465	-	619,705		587,071	#	545,980	If no action is taken
Funding shortfall	-12,134		37,383		76,982		125,178	If no action is taken
Item	2011-12		2012-13		2013-14		2014-15	Notes
	£		£		£		£	
Options								
Increase Earned Income	-		12,000		15,000		20,000	compared to 11-12
Use of Earmarked Reserves	2,500		12,500		12,500		20,000	
Reduction to SDF								compared to 11-12

	-	12,500	20,000	20,000	
Reduction of core non staff expenditure	-	18,000	20,000	25,000	compared to 11-12
Reduction in Chalk Streams Project expenditure	-	-	5,000	8,000	compared to 11-12
Reduction in members' allowance payments	-	5,000	5,000	5,000	compared to 11-12
Sub total	2,500	60,000	77,500	98,000	
Use of Budget Equalisation Reserve	14,634	22,617	518	27,178	-£10,591
Total	12,134	37,383	76,982	125,178	
Reserves					
Brought forward	522,393	534,527	544,644	532,662	
Surplus from 2010-2011					
Less earmarked reserves used	2,500	12,500	12,500	20,000	
Less equalisation reserve used	-14,634	-22,617	-518	27,178	
Total	534,527	544,644	532,662	485,484	
Breakdown of Reserves	End of 11-12	End of 12-13	End of 13-14	End of 14-15	
General	135,000	135,000	135,000	135,000	

Budget Equalisation	164,634	187,251	187,769	160,591
Development	113,466	113,466	113,466	113,466
Earmarked	97,646	85,146	72,646	52,646
Restricted	23,781	23,781	23,781	23,781
Total	534,527	544,644	532,662	485,484

Item 9 Budget Re-alignment Plan

Authors: Chris Smith Finance Officer
 Steve Rodrick Chief Officer

Summary: A progress update to the previously adopted budget re-alignment plan has been prepared to ensure all the actions needed to both reduce costs and increase income are undertaken. This is a component of the risk management strategy to ensure that the Board can balance its budget by 2015.

Purpose of Report: To advise the Executive Committee of the progress made to date in implementing the Plan.

Background

1. The Board has approved a medium term financial forecast which involves significant reductions to its operating budget and the need to generate more earned income in addition to funding needed for specific new projects. The Budget Re-alignment plan (Appendix 1) outlines the steps which need to be taken in order to achieve a balanced budget by 2015.
2. In total the Board is aiming to reduce its operating costs by £112,000 p.a. (excl. inflation) and increase its earnings by at least £32,000 p.a. by 2014-2015. The cost reduction programme is already underway but will need to be steadily increased over the next 3 years. The drive to increase earnings has also begun but will take longer to achieve.
3. The Board's ability to raise additional income will largely be down to the staff. Some additional income can be assumed as interest rates rise, but this will not be sufficient to achieve the targets. It is vital that the staff both understand the challenges ahead and are equipped with the skills and outlook needed.
4. A number of steps have been taken to ensure that staff understand the context and have the skills for successful generation of income.
 - a) A financial briefing session is held at each monthly staff meeting.
 - b) A workshop on fund raising has been held, led by Kevin Mayne.
 - c) A review of the web site has been commissioned from an external consultant with a view to carrying more advertising, sponsorship and on line sales.
 - d) A review has been undertaken with external guidance, on opportunities to carry advertising on the web site.

- e) An internal review is being undertaken of all events to reduce costs and increase the potential to generate income.
- f) An internal review of all costs has already been undertaken which has identified potential cuts of £30,000 p.a.
- g) An internal review has been undertaken of all literature assessing scope to review (even stop) print runs and attract income.

Recommendation

1. **To note progress to date against the Budget Re-alignment Plan**

Item 9 Appendix 1

Budget Realignment Plan 2011-2016: Progress Report

The paper attached records progress to date against the Budget Realignment Plan adopted by the Committee on 2 March 2011.

ACTION PLAN

CATEGORY	ACTION	WHO	WHEN	PROGRESS AS AT AUGUST 2011
Staff costs	(a) Devise and gain approval for a staff incentive scheme that will offer reward in return for achieving income growth in excess of a pre-determined level.	Steve Rodrick / Chris Smith	By 31 st March 2011	Completed – approved by Executive Committee March 2011.
	(b) Investigate ways of using staff skills to provide consultancy services to other bodies, including training events for CPD	Steve Rodrick / All now referred to Allen Beechey / Colin White	Ongoing	<p>A management fee of £2,000 is being charged to the Environment Agency for management of two river improvement projects.</p> <p>A charge will be levied for providing a speaker to a Reading University course</p>
Non-staff costs	<p>(a) Review the Members' Allowances Scheme with a view to reducing the cost.</p> <p>(b) Review of all elements of the budget</p> <p>(c) Re-design of the web site begun to reduce annual cost and to increase advertising revenue</p> <p>(d) Net cost of all literature to be reduced with immediate effect</p> <p>(e) Net cost of all events to be reduced with immediate effect</p> <p>(f) Review externally provided services</p>	Steve Rodrick/Chris Smith/All staff	<p>By 31st March 2011</p> <p>Ongoing</p> <p>By August 2011</p> <p>From March 2011</p>	<p>(a) Completed – adopted by Board 23 March 2011.</p> <p>(b) Ongoing at each staff meeting.</p> <p>(c) Ongoing – scheduled for completion October 2011.</p> <p>(d) Print runs are being delayed and reduced</p> <p>(e) The net cost of all events is being reduced. In most cases a break even or better position is the target</p> <p>(f) The cost of internal auditors, clerk to the Board and IT services have all been reduced</p>

Chalk Streams	(a) Review all existing and potential funding sources in order to maximise external funding levels.	Allen Beechey	Ongoing	Ongoing dialogue with Thames water, the Thames Water Restoration Trust, and others. The Environment Agency has already committed funding for 2012-213
	(b) Review options to apply existing earmarked reserve over the four year CSR period.	Allen Beechey / Chris Smith	By 31 st March 2011	Four year forecast completed that will draw down the reserve. Will be updated at regular intervals.
Sustainable Development Fund	(a) Revise guidelines to favour bids less than £5,000 for small community and business interests.	Kath Daly	By 31 st March 2011	(a) Completed – guidelines revised.
	(b) Develop handbook to assist applicants secure funds from other sources	Kath Daly/Cathy Rose	Ongoing	Staff are constantly updating knowledge on other sources of assistance.
Sales of merchandise	(f) Review existing range of merchandise	Cathy Rose	By 31 st March 2011	(h) Tied in with website re-development – by October 2011
	(g) Develop new products based on existing information and archives e.g. People and Places booklet.	All	Ongoing	People and Places booklet to be investigated further once new web site is up and running.
	(h) Set up electronic payment facility on line	Claire Forrest /Chris	By July 2011	On line payment facility will be available on the new web site from October.
	(i) Create on line shop	Claire	By July 2011	

Events	(a) Review all existing events to reduce costs and increase all forms of income including sponsorship, delegate fees and advertising. The aim is for all events to at least be self financing.	Cathy/All	By 31 st March 2011	(a) Pre-planning application fees schedule in preparation, income earning talks being given by the Planning Officer and charges being made for the Planning Conference. The target for all events is to at least break even. A delegate fee is being charged for all events Delegate fee now charged for Chalk Streams Annual Forum and consultancy / management fees secured by Chalk Streams Officer.
	(b) Investigate scope to develop a series of events designed to generate income	Cathy/All	By July 2011	
Donations	(a) Develop proposal for a "Caring for the Chilterns" Fund	Steve	By June 2011	Proposal adopted by the Board and now being actively developed
Advertising	(a) All printed material and web site to carry advertising	Claire/All	Ongoing	Adverts now being placed by local businesses on Cycleway web pages.
Sponsorship	(a) All printed material and events to have a sponsor	All	Ongoing	(a) Education pack was co-sponsored by Bucks CC
	(b) Policy guidelines need to be prepared for sponsorship	Steve	May 2011	(b) In draft
Interest on investments	(a) Review the Board's cash flow forecast with a view to making longer term investments of one year as far as possible consistent with maintaining minimum cash levels.	Chris	By 31 st March 2011	Completed – greater proportion of surplus reserves now invested for longer periods and earning higher interest.

Miscellaneous grants	(a) Scope to apply for external grants to be investigated including a recharge for overheads	All	Ongoing	Constantly under review
Other	(a) Discuss with DEFRA the scope for securing a precepting power	Steve / Chris	Ongoing	Was raised in 2010 but currently not a priority for DEFRA
Reserves	(a) Review the Restricted Reserves with a view to their utilisation over the CSR period.	Steve / Chris /relevant member of staff	By 31 st March 2011	Constantly under review
	(b) Review the Earmarked Reserves with a view to their utilisation over the CSR period.	Steve / Chris /relevant member of staff	By 31 st March 2011	Proposal presented to Executive Committee September 2011
	(c) Review the level of General Reserve needed by the end of the CSR period.	Chris /Steve	By 31 st March 2011	Proposal presented to Executive Committee September 2011

Item 10 Review of Risk Register

Author: Chris Smith Finance Officer
 Steve Rodrick Chief Officer

Summary The Risk Register first adopted by the Committee on 27th February 2008 has been reviewed. Changes are proposed as described in para 9 below.

Purpose of Report: To approve the half-yearly review of the Risk Register in accordance with the Committee's policy.

Background

1. The Board's objectives, and the environment in which we operate, are constantly evolving and, as a result, the risks we face are continually changing.
2. Effective risk management requires a reporting and review structure to ensure that risks are identified and assessed and that appropriate controls and responses are in place.
3. Risk management comprises two separate activities:
 - Risk identification and evaluation
 - Management of the risk
4. The first step is to identify the risks facing the Board. Each risk is then evaluated by assessing both its likelihood and its impact on a scale of 1 to 4. The two scores are then multiplied to give an overall risk score. (For example a likelihood score of 3, with a severity of impact if it occurred of 4 would give an overall score of 12).
5. The next step is to manage each risk by identifying a suitable response. There are four possible responses;
 - (a) transfer it (e.g. insurance)
 - (b) tolerate it (accept the risk)
 - (c) remove it (discontinue the activity that gives rise to the risk)
 - (d) treat it (take action to control it)
6. The Risk Register is a live document that will be reviewed and amended on a regular basis. The Executive Committee will review the latest version every six months.

7. The latest appears on the following pages. Highest scores are classified as red risks, with lower scores classified as amber or green as appropriate.

Review of Risks

8. The Chief Officer and Finance Officer have reviewed the register and conclude that in the majority of cases the control measures in place are adequate to control the risks facing the Board. A reduction in the risk likelihood has been applied to risks 2e and 3a.
9. Following discussion at the Executive Committee in March 2011 risk 3a now includes the possibility of a reduction in local authority grant aid.

Recommendations:

3. **To confirm this version of the Risk Register as controlling risks currently faced by the Board.**
2. **To note that the Register will be reviewed again in six months.**

	4 Very High	3 High	2 Medium	1 Low
4 DISASTER Significant service failure / total loss of public confidence / fatality / major financial crisis.	RED	RED	RED	AMBER
3 MAJOR Significant service disruption / serious public criticism / serious injury / large financial cost.	RED	RED	AMBER	GREEN
2 NOTICEABLE Some service delivery disruption / reduced public confidence / minor injury / unplanned financial cost.	RED	AMBER	AMBER	GREEN
1 MINIMAL Minor service delivery disruption / adverse public comment / no injury / low financial cost	AMBER	GREEN	GREEN	GREEN

No	Area	Description	Assessment – NO controls in place			Control Measures	Responsibility	Assessment – WITH controls in place		
			Likelihood	Impact	Score			Likelihood	Impact	Score
1. REPUTATION: Any action or inaction that could damage the profile and status of the Board										
1a	Reputation	Poor results from Audit Commission inspection leading to lack of credibility / loss of public confidence.	3	3	9	Robust Executive Committee, with regular reports from Section 151 Officer. Regular discussions at staff meetings. Internal audit.	Steve Rodrick Chris Smith	1	3	3
1b	Reputation	Loss of reputation due to member scandal / impropriety.	2	2	4	PR response	Chairman Steve Rodrick Claire Forrest	1	2	2
1c	Reputation	Public conflict between Board and Defra leading to loss of reputation.	1	3	3	Regular liaison at Chairman and Chief Officer level.	Chairman Steve Rodrick	1	3	3
1d	Reputation	Failure to ensure environmental sustainability of the Board's operations, in particular failure to reduce carbon emissions.	2	2	4	Carbon emissions target set. Action programme in place. Regular monitoring Solar panels installed.	Steve Rodrick Colin White	1	2	2
2. PERFORMANCE: Failure to establish appropriate frameworks to deliver the required standards										

No	Area	Description	Assessment – NO controls in place			Control Measures	Responsibility	Assessment – WITH controls in place		
			Likelihood	Impact	Score			Likelihood	Impact	Score
2a	Performance	Lack of focus on strategy.	3	3	9	Regular discussions at Board and Executive Committee. Business Plan. Production of 5 year Management Plan.	Executive Committee Chairman Steve Rodrick	1	3	3
2b	Performance	Ineffective working relationship with Defra and/or partners (local authorities, National trust, etc.)	2	3	6	Regular liaison at Chairman and Chief Executive level.	Chairman Steve Rodrick	1	3	3
2c	Performance	Poor report from Audit Commission.	2	2	4	Implementation of Audit Commission recommendations.	Chris Smith Steve Rodrick	1	2	2
2d	Performance	Inadequate staff capacity - turnover, lack of training, inability to recruit.	2	3	6	Training programmes. Support from Service Level Agreements (Clerk and Legal Services).	Steve Rodrick Sally Charman	1	2	2
2e	Performance	Ineffective staff – disproportionate	3	3	9	Staff appraisals.	Steve Rodrick	1	3	3

No	Area	Description	Assessment – NO controls in place			Control Measures	Responsibility	Assessment – WITH controls in place		
			Likelihood	Impact	Score			Likelihood	Impact	Score
		amount of time spent on management rather than project or technical tasks. Reduction in morale due to funding cuts.			8	Staff meetings. Staff feedback. Training programmes. Support negotiated from local authorities / commercial providers in the event of loss of key personnel. Proposal for incentive scheme / additional leave in lieu of salary increases.	Sally Charman			8
2f	Performance	Major failure of IT Systems	2	4	8	Contract with IT maintenance engineer. Programme of replacement to keep hardware & software up to date. Effective back up system.	Steve Rodrick Donna Hunter	1	4	4
2g	Performance	Failure or dangerous malfunction of electrical equipment.	2	2	4	Annual check for all electrical equipment.	Claire Forrest Donna Hunter	1	2	2
2h	Performance	Failure to ensure business continuity in	2	4	8	Business Continuity Plan.	Steve Rodrick	1	4	4

No	Area	Description	Assessment – NO controls in place			Control Measures	Responsibility	Assessment – WITH controls in place		
			Likelihood	Impact	Score			Likelihood	Impact	Score
		the event of significant incident.								
3. FINANCIAL: Weaknesses of planning, control and monitoring										
3a	Financial	Lack of resources due to Defra and local authority grant allocations. Reductions in reserves.	4	4	16	Detailed scrutiny of planned spending. Seek longer term funding agreements with Defra and local authorities. Budget Realignment Plan 2011. Effective management of reserves, including maintenance of minimum operational reserve.	Executive Committee Steve Rodrick Chris Smith	2	4	8
3b	Financial	Poor planning, control and monitoring	3	3	9	Preparation of medium term financial plan. Detailed scrutiny of proposed annual budget to match costs with resources.	Executive Committee Steve Rodrick Chris Smith	1	3	3

No	Area	Description	Assessment – NO controls in place			Control Measures	Responsibility	Assessment – WITH controls in place		
			Likelihood	Impact	Score			Likelihood	Impact	Score
						<p>Provide adequate resources for the repair and renewal of assets.</p> <p>Review budget monitoring reports on a regular basis.</p> <p>Ensure that a reserves policy is established and reviewed annually.</p> <p>Budget Realignment Plan 2011.</p>				
3c	Financial	Failure to pay salaries and allowances to staff and members.	2	3	9	<p>Sage payroll operated in-house.</p> <p>Both Finance Officer and Administration Officer conversant with procedures.</p>	Chris Smith Donna Hunter	1	3	3
3d	Financial	Failure to manage cash flow effectively.	3	3	9	<p>Production of Treasury Management Policy.</p> <p>Production of cash flow forecasts</p>	Chris Smith Steve Rodrick	1	3	3

No	Area	Description	Assessment – NO controls in place			Control Measures	Responsibility	Assessment – WITH controls in place		
			Likelihood	Impact	Score			Likelihood	Impact	Score
						Expenditure controls.				
4. STATUTORY: Failure to meet legal requirements of any sort										
4a	Statutory	Failure to comply with legal obligations, leading to action resulting in loss of reputation.	2	3	6	Appointment of Section 151 Officer. Health and safety Policy. Appointment of Monitoring Officer.	Steve Rodrick Chris Smith Monitoring Officer	1	3	3
5. GOVERNANCE: Failure to operate as an effective and efficient body										
5a	Governance	Failure to comply with corporate governance requirements (eg legal obligations, diversity agenda, health and safety requirements).	2	2	4	Standing Orders Regulations Codes of Conduct Training & advice Appointment of Monitoring Officer.	Steve Rodrick Anne Davies Sally Charman	1	2	2
5b	Governance	Lack of control over appointment and competence of externally appointed	2	1	2	DEFRA selection process Guidance to Parish Councils	DEFRA	1	1	1

No	Area	Description	Assessment – NO controls in place			Control Measures	Responsibility	Assessment – WITH controls in place		
			Likelihood	Impact	Score			Likelihood	Impact	Score
		Board members.								
5c	Governance	Failure to provide adequate level of HR support to staff.	2	3	6	Appointment of HR consultant.	Steve Rodrick Sally Charman	1	3	3
5d	Governance	Failure to combat financial mismanagement, fraud, theft.	2	4	8	Appointment of internal audit service. Appointment of Section 151 Officer	Executive Committee Steve Rodrick Chris Smith	1	3 Changed at Exec	3
	Governance	Failure to ensure public and staff safety at external events.	3	4	12	Risk assessment undertaken for all events. Public liability insurance in place.	Steve Rodrick Cathy Rose et al	1	4	4

Item 11 Financial Reserves Policy

Author: Steve Rodrick Chief Officer
Chris Smith Finance Officer

Summary: Existing General and Earmarked Reserves will be reduced in order to create a Development Reserve in response to the challenging financial situation now faced.

Purpose of Report: To seek the Committee's agreement to change the structure of the Board's financial reserve holdings.

Background:

1. The Chilterns Conservation Board reserves policy provides for the following categories of reserve.
 - a) A **General Reserve** equal to approximately 4 months core management activity. This reserve stands currently at £170,000.
 - b) Two **Restricted Reserves** created by donations and grants provided for specific purposes. These reserves total £23,781. Ways are being developed that will extend their potential use.
 - c) A series of **Earmarked Reserves**, created by the Board for particular future use. These reserves currently total £328,612 and include a Budget Equalisation Reserve of £228,466. The Equalisation Reserve is intended to help the transition to a reduced funding regime over the next four years. The remaining reserves will be utilised during that period.

Proposed Amendment to the Policy:

2. Given that core Board expenditure will reduce in the future the level of the General Reserve could reduce by a similar percentage.
3. Similarly, as the Equalisation Reserve balance is greater than the funding deficit forecast over the four year period the level of this reserve could be reduced.
4. Alongside this scenario will be a probable lack of funding for future one-off projects and so it is suggested that:
 - i. The General Reserve is reduced by 21.5% to £135,000
 - ii. The Budget Equalisation Reserve is reduced to £150,000
 - iii. The residual funds of £113,466 are transferred to a new earmarked reserve, the Development Reserve, intended to fund

one-off activity that has been subject to a Business Case approved by the Board.

5. In the event the suggestion is adopted it will be necessary to agree a strategy and process for identifying suitable activity and allocating funds. The following protocol is proposed.
 - a) Funds will only be allocated to one-off projects, not for ongoing day-to-day expenditure.
 - b) Funds will be allocated to schemes that would not normally be funded from the Board's agreed budget.
 - c) Bids for funds will be subject the presentation of a formal proposal to the Executive Committee.

12. Examples of recent expenditure which may qualify for support from the Development Reserve include development of the Chiltern Cycleway, re-development of the Chilterns AONB web site and the match funding provided for the HLF funded Commons Project. The proposal would need to justify the use of Board funds, in large part by showing that the project would represent a significant contribution to the implementation of the AONB Management Plan; it is essential the Board has an involvement; and that the funds could not be secured from an external source.

Recommendations

2. **The General Reserve is reduced to £135,000.**
3. **The Budget Equalisation Reserve is reduced to £150,000.**
4. **The residual funds of £113,466 are transferred to a new earmarked reserve, the Development Reserve.**
5. **That the full Board be advised to delegate authority to the Executive Committee to approve allocations from the Development Reserve.**

Item 12 Re-instatement of allowances for members of the Sustainable Development Fund Panel

Author: Steve Rodrick Chief Officer
 Chris Smith Finance Officer

Summary: It is proposed to re-instate the annual allowance of £550 to members of the SDF panel. This is because the workload associated with managing this fund has reverted to that of previous years, rather than that of a much smaller fund envisaged when it was decided to remove entitlement to an allowance.

Purpose of the Report: To seek authorisation to pay allowances to members of the SDF Panel

Background

1. At the meeting in March the Board resolved to withdraw allowances for members of the SDF Panel. The reason for that decision was that the allocation for the fund was to be reduced from £40,000 to a maximum of £20,000. It was, therefore, decided that the panel would not meet often, if at all, and administration of the fund be largely delegated to the staff and when members were to be involved it would be by e mail. This would have significantly reduced the time involved. With a fund as small as £20,000 it would not have been justifiable to keep paying an allowance to members, even at a reduced rate.
2. However, after that meeting it became clear that the Board's financial position for 2011-2012 was better than envisaged. This was largely because the contributions from local authorities were higher than predicted. Subsequently the Board approved a budget with an allocation of £40,000 for the SDF, with the possibility of additional funding if other budgets were underspent. In other words the scale of the fund, the way it was to be managed and the associated time commitment needed from members was as it had been in previous years when the allowance was paid.
2. It was an oversight that the proposal for the allowance be reinstated at the same level as 2010-2011 (n,b no allowances were increased in 2011-2012) was not put forward to the next meeting of the Board or Executive Committee.
3. The Chairman is entitled to an allowance of £824
4. It is proposed that all members of the SDF panel be eligible for the full allowance of £550, and that monthly payments due for the remainder of

2011-2012 be adjusted to compensate for the non payment from June-September.

5. The cost of the allowance has to be met from the existing SDF fund and is not an additional cost.
6. The decision whether to continue paying an allowance, and at what rate, should be reconsidered annually depending upon the scale of the fund and affordability.

Recommendations

- 1. To reinstate an allowance of £550 to members of the SDF panel**
- 2. To re-instate an allowance of £824 to the chairman of the Panel**
- 3. That the allowances apply to the year 1.4.2011 – 31.3.2012**

Item 13

Review of Member's Allowances

Author: Steve Rodrick

Summary In March 2011 the Board instructed that a mechanism for reviewing members' allowances should be created and put in place by 2012-2013. Proposed terms of reference and membership are presented for consideration by the Executive Committee and the Board's AGM in October

Purpose of Report:

1. To advise the committee of the proposed review mechanism.
2. To seek approval of the terms of reference.
3. To advise the Committee that it should appoint a member to the review panel.

Background

1. At the Board meeting held in March 2011, when deciding on whether to award a cost of living increment to Board members, it was noted that no formal mechanism existed for reviewing members' allowances. It was decided that an independent review mechanism should be in place for 2012-13.
2. Although it was not made clear at the time this has been interpreted as meaning that a mechanism should be in place for 2012-2013 and not to have created a review mechanism and subsequently undertaken a review in time for 2012-13. However, if the mechanism can be agreed readily it is possible such a review could be undertaken in time to inform decisions on members' allowances for 2012-2013.
3. The current policy on members' allowances is to match annual increments to that awarded to staff. In 2011-2012 no cost of living increments were awarded.
4. The total cost of the members' allowances scheme covering the full Board, Planning and Executive committee is £xxxxxxx per annum.
5. The issue of members' allowances was debated in the context of, firstly whether they were affordable at the current level during the period 2011 -2015 and, secondly, what policy should apply to adjustments. In view of the scale of cuts to the government grant to the Board one option identified in the medium term financial forecast was to either reduce allowances or for members' to volunteer not to claim their entitlement. To balance the budget by 2015 it is a possibility that a reduction in payments of allowances would be as much as £15,000. Due to other factors such a large cut is probably no longer necessary but cannot be entirely ruled out.

Possible Review Mechanism

6. It is proposed that a mechanism for reviewing members allowances scheme should be based on a five yearly review undertaken by an independent panel. Its report should be undertaken in time to be available for members to make decisions on allowances with effect from 1st April each year.
7. In the first instance the review panel would report to the Executive Committee, which would then make recommendations to the full Board.

Terms of Reference

8. The role of the Review Panel will be to undertake a review of the members' allowances schemes on a five yearly cycle.
9. The panel will review allowances to ensure the allowances scheme is :
 1. Adequately rewarding members for their effort and contribution.
 2. Comparable with similar organisations.
 3. Affordable.
 4. Capable of being monitored and administered according to best practice.
 5. Reflect the balance between service which receives a monetary reward and that which is regarded as a voluntary public service.

n.b the review would only cover allowances and not expenses which are the same as for staff. In general terms they only cover travel and related costs.

Membership of the Review Panel

9. The panel should be small and independent of the Board. It is proposed the panel should consist of 3 members.
 - The Board's HR consultant (who would chair the group)
 - The Board's Finance officer
 - A member of the Board.
10. The Chief Officer would act as the secretary to the group and the draft report would be submitted to the Board's monitoring officer and internal auditor for comment.

Cost

11. The HR advisor to the Board and Finance officer would charge a fee for this work, as would the Monitoring officer (the Director of Legal Services for Bucks CC) and internal auditor. As a guide the total cost is likely to be in the order of £2,000.

n.b. this cost would only be incurred every 5 years unless the Board feels it necessary to undertake a review on a shorter cycle.

Recommendations

1. **To approve the proposed terms of reference.**
2. **To approve the proposed membership of an independent review panel.**
3. **To note the likely costs of the review.**
4. **To decide whether to request that the panel prepares a review in time for budget decisions to be made for 2012-2013.**

Item 14 **Support from Parish Councils**

Author: Steve Rodrick Chief Officer

Summary: A letter has been sent to all 17 town and parish councils in which the AOPNB lies seeking a financial contribution of between £25 - 500 for 2012 onwards.

Purpose of Report: To inform members that the Board's resolution to seek financial contributions from town and parish councils has been implemented.

Background

1. Since the Board was established in 2004 it has chosen not to seek financial contributions from town and parish councils although its membership structure allows for the election of 6 members from town and parish councils. In March 2011 the Board decided that, due to its forecast financial position over the period 2011-2015, it should seek a financial contribution.
2. A sub group of Board members elected by town and parish councils met to decide how best to fashion such an approach. Earlier discussion, for example, has covered whether to seek a defined sum based on area or population.
3. The group decided it would be best to seek a contribution within a wide range , with a low starting pint in order to secure support from the maximum number of councils. The base sum was set at £25 with a suggested upper amount of £500. The letter (Appendix 1) did also suggest that councils contribute a sum based on what they felt was rights for their circumstances - the possibility that a very small number contribute a higher sum cannot be ruled out.
4. The initial estimate of the total amount that might be raised over the next few years was set at £4,000 rising to £10,000 over the following 3 years.
5. Most councils begin their planning for the next financial year in September. It is likely to be several months before the full picture emerges. For the Boards own budgeting purposes it is suggested it includes a more conservative initial figure of £2,000.

Recommendation

- 1. To note that all parish and town councils have been requested to provide a financial contribution of between £25- 500 from 2012 onwards.**

Item 15 **Report on HS2**

Author: Steve Rodrick Chief Officer

Summary: Following the formal public consultation phase the Board needs to decide on its programme for the period prior to the Secretary of States decision on whether to proceed with HS2.

Purpose of the Report: To seek guidance from the Committee on the Board's next steps in its campaign to stop HS2 crossing the Chilterns.

Background

1. Since February 2011 the priority for the Board has been to make a formal submission to the public consultation. This required identifying possible impacts and helping raise awareness of these in order for them to be incorporated in the submissions of other organisations and the general public.
2. The questions on which the public consultations were based did not lend themselves to presenting information on environmental impacts. In the event the Board answered fully most of the questions and submitted a supporting report on environmental impacts.
3. The Transport Select Committee is investigating the business case for HS2 but its terms of reference do include some environmental matters. The Board made a full submission and has been called as a witness on 6th September. That day the National Trust and CPRE will also attend as witnesses. These are the only environmental organisations to be called.
4. The chairman has written to Chris Huhne MP, the Secretary of State for Energy, seeking clarification on whether it was Government policy to insist on achieving significant carbon reductions as part of any major government investment in infrastructure. This is in the context of government commitments to achieve carbon emission reductions of 80% by 2050 against a baseline of 1990.
5. DECC did not respond but instead passed the letter to DfT. An official replied with standard information defending HS2 but did not answer the question about whether it was government policy to achieve carbon reductions as part of its own investment programme. A conclusion is that no such policy exists. Too many such a response and lack of policy is disappointing, and unlikely to achieve the binding international targets or let the Government 'lead by example.'
6. The chairman also wrote (18th July) to Rt.Hon Caroline Spelman, Secretary of State for the Environment, Food and Rural Affairs,

seeking confirmation that following publication by the Government of the Natural Environment White Paper and National Ecosystem Assessment it was now government policy to ensure that business plans for all major development would include valuation of the environment. HS2 notably does not do so. To date no reply has been received.

7. As the Committee will be aware one outcome of the Board's assessment of environmental impact is the likelihood that the volume of spoil arising from the tunnelling and cuttings will be in the order of 12 million cubic metres (loose volume) of which only 10% could readily be used for embankments and bunds in the AONB. The remainder would need to be disposed off line. HS2 Ltd refuted these calculations during the public consultation phase, but did subsequently significantly increase the volumes of arising from tunnelling compared to its published figures. It failed to publish a figure for the spoil arising from excavating cuttings.
8. The Chief Officer wrote to the Chief Executive of HS2 Ltd seeking to resolve the discrepancy in calculations and to clarify what HS2 policy was on disposal of the arisings. The unsatisfactory response is attached.
9. The reality is that if the route is constructed, as per the HS2 publications and maps, the volume of spoil which could require disposal will be approximately 10 million cubic metres. It is inconceivable this can be disposed satisfactorily along the line without changing the landform. The alternative is transportation to suitable disposal site. Neither Chinnor nor Pitstone Quarry could be considered satisfactory due to a number of factors including the problems caused by so many laden lorries using local roads for at least part of their journey. Contrary to the assertion by HS2 Ltd and DfT this cannot be considered a minor matter to be considered at a later stage.
10. Whilst HS2 Ltd has recognised some of the special qualities of the Chilterns AONB, it noticeably did not appraise the possible impacts specifically in its Appraisal of Sustainability. The Chilterns was simply included in a longer section of route from West Ruislip to Aylesbury, which includes countryside of notably different character. There is a possible argument that by failing to undertake a separate assessment of the AONB the Government cannot be clear on the potential impacts of its activities on the AONB, and thus is not in compliance with Section 85 of the Countryside and Rights of Way Act 2000

General duty of public bodies etc.

85. - (1) In exercising or performing any functions in relation to, or so as to affect, land in an area of outstanding natural beauty, a relevant authority shall have regard to the purpose of conserving and enhancing the natural beauty of the area of outstanding natural

beauty.

12. Proposed Strategy September – December 2012

- a) To influence national politicians (incl. all MPs) who will vote on HS2 if the proposal reaches parliament.
- b) To raise public awareness so that the impacts on the Chilterns are fully identified and understood. To encourage representations to be made to all MPs.
- c) Should the Secretary of State decide to proceed with the project based on a route through the Chilterns, to seek the avoidance or minimisation of any damaging impact of any aspect of the proposal including its design and construction.

13. Main areas of activity

- 1. Continue to identify and promote possible environmental impacts.
- 2. Advise local and national politicians of the likely impacts of HS2 on the Chilterns AONB.
- 3. To provide briefings to local and national bodies involved with HS2, including those which are pro HS2.
- 4. Continue to raise public awareness, locally and nationally, of the likely impact of HS2 on the Chilterns AONB.
- 5. Undertake and support further research into the impacts of HS2.
- 6. Liaise closely with regulatory bodies on their assessment of the impacts of HS2, i.e. Environment Agency, Natural England and Forestry Commission.
- 7. Liaise with the water companies on possible impacts on the aquifer, water quality and river flows.
- 8. Provide the public with a source of information and advisory service.
- 9. Identify the impacts on land based businesses and other economic activity related to enjoyment of the Chilterns.
- 10. Provide support to local actions groups.
- 11. To seek legal advice on Government compliance with Section 85 of the Countryside and Rights of Way Act 2000.

Recommendations

- 1. To decide up the Board's strategy on HS2 for the period until the Government makes an announcement on whether it intends to proceed.**

Presented to the Executive Committee of the Chilterns Conservation Board 13th September 2011

Item 16 Chief Officer's Report

High Speed 2

1. The Board submitted a formal response to the public consultation together with a report on the environmental impact in the Chilterns.
2. A summary of the responses made by the main environmental bodies has been prepared (Environment Agency, Forestry Commission and Natural England). Their responses, whilst not explicitly supporting or objecting, raised a large number of concerns and reservations largely to do with the need to understand better the potentially damaging environmental impacts, of which there will be many. There is a hint that such a level of understanding should already have been determined in order to help select the route. Presumably HS2 Ltd will now attempt to address the potential impacts as part of the Environmental Impact Assessment. Normally such a process could lead to a change of route alignment and design.
3. The Board made a submission to the Transport Select Committee and has been called as witness on 6th September.
4. The Board convened a meeting of the wider Chilterns Group to ensure that there is good communication between groups. There was a belief there is a need to develop the basis for a legal challenge. It is believed there are many such grounds but advice is needed to develop a strategy with most chance of success, which avoids duplication and unnecessary expenditure for what is likely to be a very expensive stage of the campaign. One area for possible challenge is, thus far, a possible failure by Government to comply with Section 85 of the Countryside and Rights of Way Act 2000 which requires them to give regard to the special qualities of the AONB. The Appraisal of Sustainability, which was the basis for assessing impact so far, does not have a Chilterns specific section within it. The AONB is included in an assessment of a longer section from West Ruislip to Aylesbury.
5. Work is continuing on assessing detailed environmental impacts. The issue of the volume of spoil arising from excavation in the Chilterns was raised directly with the Chief Executive of HS2 Ltd, but the reply was not helpful. It seems this is an issue they are not willing to discuss claiming it is a matter of detail which will be dealt with at later stage. (copy of letter attached). Informally it seems that the volumes of spoil are causing HS2 Ltd problems and it is believed that longer tunnels may be under consideration in order to reduce the volume arising.

6. In general the media coverage during the past two months has been critical of HS, either of the entire concept or the route. The impact on the Chilterns figures highly in many critiques including that of a Conservative Party Transport Group. A recent poll of Conservative Party members commissioned by The Telegraph showed 56% were against High Speed 2.

TIMBER Project

1. This is a short EU grant aided project (May 2010- Sept 2011) in which the Board is a partner (overall value is £90,000 to which the Board has contributed £9,000) together with Bucks CC, Wycombe DC and NGage Solutions Ltd.. The Forestry Commission is providing technical support. There are partners in Poland, Netherlands and Spain but each country is working independently (which has limited the need for international visits and collaborative working).
2. The basis of the project is to promote the use of biomass for energy. Each country is investigating a different form of biomass. In the UK it is the use of wood fuel for heating. The final outcome of the project will be a Biomass Action Plan for Buckinghamshire and the Chilterns concentrating on the potential to supply wood fuel from local woods for heating systems, principally installed in public buildings, local institutions such as business parks, conference centres and larger estates.
3. Preliminary research involving the owners of larger woodlands suggests that the supply of wood fuel can be significantly increased providing there is confidence in the demand for wood. The research is primarily investigating demand for wood chips rather than logs (mainly a domestic market) and wood pellets, usually made from sawmill residue or conifers and, to date often imported.
4. A number of larger customers have entered the market recently including Heathrow Airport and a wood pellet manufacturer in Hampshire.
5. To stimulate the supply the Forestry Commission has created a new grant specifically to encourage harvesting of timber for wood fuel. The grant scheme will be administered by NGage Solutions Ltd based in Saunderton. One of the target areas will be AONBs in the south east of England.
6. The overall outcome from the Board's perspective is that the area of woodland brought into management is increased as this new market become commercially viable.

Ancient Woodland Inventory

1. The national inventory was published in 1990 but has subsequently been found to under-record ancient woodland by approximately 20%. Ancient woodland is woodland which has existed continuously since 1600. It is irreplaceable and essential it is identified and protected.
2. The Chilterns re-survey is being supported by the Board together with Natural England, Forestry Commission, Bucks CC, Herts CC, Dacorum BC, Chiltern DC and Wycombe DC. The survey work has been taking place during the summer. The final report should be ready by spring 2012. The HS2 corridor was the initial priority. It showed that 10.9 hectares would be lost and another 35 hectares damaged or fragmented.

Commons

1. In June the Heritage Lottery Fund approved grant of £403,000 for the Chilterns Commons Project. Rachel Sanderson has been appointed as the Project Officer and began working July. The project will be supporting directly, management of commons and helping local communities become more involved.
2. The project will be overseen by a Steering Group including relevant agencies, landowners and representatives from active community groups.
3. The project will be officially launched at Totternhoe Knolls near Dunstable on 30th September.
4. The Commons Network newsletter was published in July edited by Ross Osborne a very enthusiastic volunteer.

Planning and Development

1. The main areas of activity lately, other than HS2, have been the South Oxfordshire Core Strategy, the proposed Sports Stadium and Village near High Wycombe, the proposed Milk Processing facility near Aylesbury and newly published draft National Planning Policy Framework.

Wycombe Sports Stadium

2. In August Wycombe DC decided not to pursue its interest in the new stadium (as landowner and co-developer). The owner of Wycombe Wanderers and London Wasps is still to declare if he is still interested in developing the site for a new football and rugby stadium, which requires an enabling development of at least 600 houses, hotel and sports facilities.

Arla Dairy near Aylesbury

3. This development would be built on a green field site approximately 2 miles to the east of Aylesbury in open countryside, highly visible from the Chilterns escarpment. It would involve the construction of up to 1 million square feet of new buildings for occupation by a milk processing facility, and let industrial space. The developer claims that up to 700 new jobs would be created. Campaigners against the project dispute the figure and instead highlight the impact on the local environment and the 950 lorry movements per day. The Board's concern is the high visibility of the very large buildings from the scarp ridge. The scale of the buildings make it near impossible to hide them all year round by screening.

Draft National Planning Policy Framework

1. The Coalition Government's stated intention is to simplify planning policies and encourage more development. It has also stated its intention to provide continuing protection for protected areas including AONBs, but elsewhere control of development would be relaxed considerably.
2. There are areas of concern which include: lessened emphasis on environmentally sustainable development, a likelihood of more development along the boundaries of the AONB and a more development of greenfield rather than brownfield sites.

Chalk Streams

1. Most of the streams have dried up along part or all of their length. This reflects the low recharge during the winter and very low rainfall in early spring. The streams will not now re-appear for some time unless there is much higher than normal rainfall in early winter.
2. The Chalk Streams Project published its annual report in June and held its annual forum on 28th June, which was attended by nearly 50 delegates who heard about the potential impact of HS2 on the river Misbourne, including the possibility that local pumping stations in Little Missenden, Amersham and Chalfont St. Peter would be switched off because of concerns about pollution in the aquifer. Alternative local sources would have to be found which would reduce flows in other rivers. The water company also indicated it would have to re-build the network of local water mains.
3. The Project has been helped by a graduate local volunteer, Clare Barrett-Mold, who undertook a detailed botanical survey of Sarrat Water Meadow, on which the Board will be undertaking work shortly, on behalf of the Environment Agency.

Chalk Grassland Day

1. A successful day attended by over 40 delegates was held on 14th July at Dancers End near Tring, a BBOWT reserve.

Natural Environment White Paper (NEWP)

1. The NEWP published in June promoted the creation of Local Nature Partnerships (LNPs) and Nature Improvement Areas (NIA). The Board has supported the proposed creation of county based nature partnerships. The deadline for submission of proposals was 31st July. A national fund of £1 million is available for 2011-2012 only. Based on past experience of County based Biodiversity Partnerships, success was dependent upon having a dedicated officer. Natural England previously grant aided these posts but since the grant was withdrawn most officers have been made redundant. The new grant, equivalent to approx £20,000 per partnership, is insufficient to employ an officer and is only available for this financial year in any event.
2. Initially there is a fund of £7.5 m available over three year to support 12 Nature Improvement Areas. The deadline for first round bids is Sept 30th. The Board is developing a bid based on the Chilterns ridge (the specification of an NIA precludes a bid for the entire AONB). Currently support from partners is being sought.

Historic Environment

1. The Board's newsletter of the historic environment, Chilternsaetna, was published in July.

Green Tourism Business Scheme

1. The Board was assessed as Gold standard following the inspection in July. Previously we held a Silver award. This award is helpful in ensuring the Board complies with the best environmentally practices - everything from energy and water use to source of materials and carbon reduction.

Cycleway

1. Interest in the cycleway remains strong with healthy sales of the guide book and now advertisers on the web site. A number of linking and much shorter loop routes have been developed. The volunteers from The Chiltern Society and CTC are still heavily involved in monitoring the route and helping to develop the linking routes.

Parish Councils

1. Following the decision by the Board earlier this summer all parish and town councils have been approached and asked to provide financial

support of between £25-£500 depending upon their size and population.

Events

1. The Board had a stand at the:
 - Armed forces Day at Weston Turville near Aylesbury (25th June)
 - Thame Show (30th July)

2. The Board will have a stand at the:
 - Bucks Show (1st September)
 - Henley Show (10th September)

3. The Chilterns Countryside Festival, which the Board co-organises with the National Trust will be held on 18th September at the Ashrudge Estate.