



**COTSWOLDS
CONSERVATION
BOARD**

**BUSINESS PLAN
2014-2017**

March 2014

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EXECUTIVE SUMMARY

The Cotswolds Conservation Board (the Board) was established to conserve and enhance the natural beauty of the AONB, and increase understanding and enjoyment of its special qualities. In doing so, it seeks also to foster the social and economic wellbeing of Cotswolds communities. The Conservation Board cannot achieve these goals on its own; we need to work with public and private sector partners and with individual businesses, visitors and residents.

The Board formally adopted a new Management Plan for the Cotswolds AONB (2013-2018) at its March 2013 meeting. This provides objectives and policies for the management of the AONB, and suggests actions for partner organisations and individuals.

This Business Plan sets out the work programme for the Board for the three year period from 1 April 2014. The primary audience for this plan is the Board and its funding partners. The budget required for this work programme, is £2,896,247 over the three years (appendix 3).

This Business Plan converts the objectives and policies of the Management Plan into actions by the Board. These actions are SMART (Specific Measured Achievable Realistic and Timed), to enable regular monitoring and review.

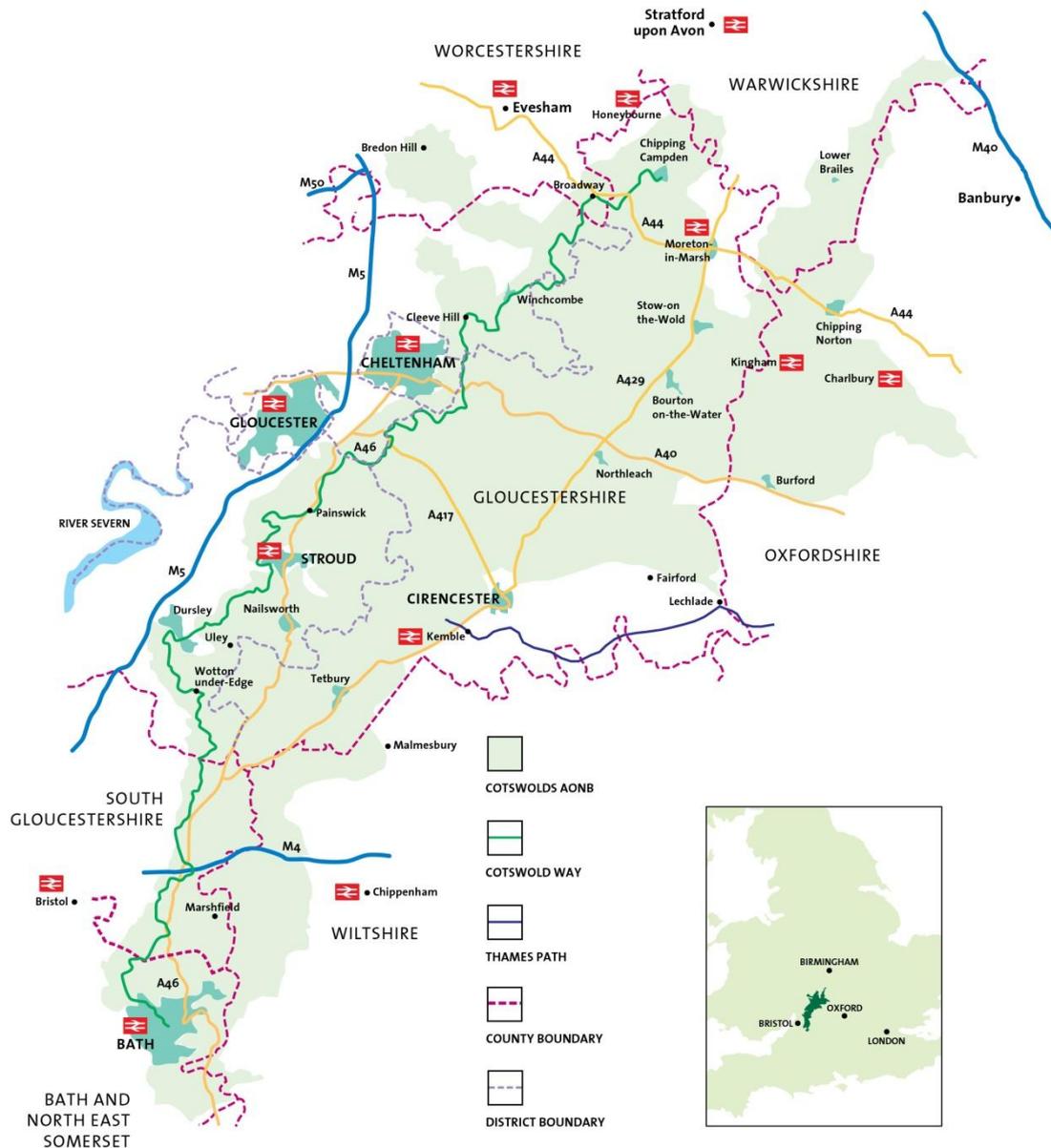
The Board is the only body able to take a whole AONB approach. No other organisation has the perspective or ability to work across the whole area. This makes the Board uniquely placed to conserve and enhance the special nature and character of the Cotswolds whilst helping people to enjoy the area.

Delivery depends on finance: and the financial context of this business plan is challenging. The overall need to cut the public spending deficit has translated into reduced direct central government funding from Defra (Department for Environment, Food and Rural Affairs) and challenges the local authorities' financial support of the Board.

The Board continues to adapt to deliver its purposes in this challenging external environment. We are taking an increasingly proactive stance to inform and influence the work of others and continue to work more in partnership with others to realise synergy. This Plan describes how we will find more cost effective ways of doing things, while taking an entrepreneurial approach where appropriate and developing new income lines.

1.0 THE MANAGEMENT OF THE COTSWOLDS AREA OF OUTSTANDING NATURAL BEAUTY (AONB)

1.1 The Cotswolds AONB



The Cotswolds AONB is the largest of 38 Areas of Outstanding Natural Beauty in England and Wales, covering 790 sq miles (2038 sq kms). Of all the protected landscapes in England, only the Lake District National Park is larger. The Cotswold Way National Trail runs along its western edge.

The Cotswolds AONB contains parts of 15 separate local authority areas, as well as 283 town and parish councils. Many of the partner organisations involved in managing the AONB are also organised along local authority boundaries, making co-ordinated and consistent management of the AONB a challenge.

1.2 The Cotswolds Conservation Board

The statutory role of the Conservation Board is;

- to conserve and enhance the natural beauty of the AONB
- to increase understanding and enjoyment of the special qualities of the AONB.

In fulfilling these roles, the Board must also foster the economic and social well-being of local communities within the AONB – in a similar way to the National Park Authorities.

The Board comprises 37 Board members: 14 appointed by the Secretary of State, 15 appointed by the Local Authorities and eight appointed by Parish Councils. The full Board meets four times a year.

The Board has created an Executive Committee comprised of 12 Board members: five from the Local Authority members, two from the Parish Council members and five from the Secretary of State members. This Committee meets six times a year.

Four sub committees of the Executive Committee focus more on the day to day dimensions of the Board's work:

- Living & Working (focusing on topics such as land use planning and transport)
- Conserving & Managing (focusing on land management and natural resources)
- Enjoying & Appreciating (focusing on communication and raising awareness of the special qualities of the AONB)
- Grants (awarding small grants locally)

The Board has also developed and continues to support three AONB wide partnerships.

- The **Cotswolds Sustainable Tourism Partnership**, feeds into the work of the Enjoying and Appreciating Sub Committee. It was created to deliver the Cotswolds AONB Sustainable Tourism Strategy as part of the AONB's European Charter status.
- The **Cotswolds Ecological Networks Forum** feeds into the work of the Conserving and Managing Sub Committee. It works to create a robust ecological network across the AONB which links to the wider landscape.
- The **Cotswolds Trails and Access Partnership** guides the management of the Cotswold Way National Trail and aspires to help coordinate the management and promotion of other signed routes within the AONB.

2.0 PRIORITIES FOR 2014/17

2.1 The Board's Operating Context

The Government's policy for AONBs remains strong: the Defra (Department for Environment Food and Rural Affairs) note on funding and reporting last year provides an insight into their priorities; *"AONBs make a key contribution to the Government's Natural Environment White Paper vision. Their essential natural assets contribute fully to robust and resilient ecosystems, providing a wide range of goods and services so that increasing numbers of people enjoy benefits from a healthier natural environment."*

The overall public expenditure climate remains challenging. Indications are that central government funding will remain constrained and that "austerity measures" will be extended into the next Parliament.

Section 4 of the Plan sets out the financial position in some detail, and outlines some of the particular financial challenges we face – for example the formula for our central government funding is less than equitable when compared to the other English protected landscapes and we do not share the VAT exemptions of the National Parks and local authorities.

This Plan explains how we will reflect the government themes of economic growth, community well-being and more localism in the delivery of services. We will also help show how the new planning policies can respect the AONB's qualities at both the local and strategic level. With its detailed understanding of the area and what makes it special, the Board is the only body able to take a whole AONB approach. No other organisation has the perspective or ability to work across the whole area.

The methods used by the Board in delivering its purposes need to continue to evolve in the light of this challenging external environment.

We continue to work in partnership with others to realise synergy and influence a greater shared pool of resources. We will build on current examples that are already paying dividends – such as the Sustainable Tourism Partnership and the Cotswolds Ecological Networks Forum. We will continue to forge stronger direct working relationships with new sectors, particularly, business, health and economic development. The Board will also seek to engage as appropriate with the wide range of; Health and Wellbeing Boards, Local Nature Partnerships and Local Enterprise Partnerships.

The table below outlines some of the current and potential relationships between the Board and businesses.

Private sector activity	Examples	What the Board can offer them (i.e. the value added)	What they can offer the Board
Primary producers	Farming; forestry; minerals; also directly associated services in land management (e.g. stone wallers)	Help with access to funding (e.g. ELMS); technical advice; some direct contracts and employment opportunities; networking	Care of the landscape; access opportunities; professional and craft skills in landscape management
Down stream processors	Local food producers (e.g. meat, veg., fruit, cheese, honey); local drinks (e.g. beer, fruit juice); crafts	Branding of products as “from the Cotswolds” or “made in the Cotswolds” (revive Cotswold Choice); networking	Payment for brand; political support;
Tourism	Accommodation; catering; tourist retailing; private museums	The care of the basic tourism asset: the landscape and access to it; information about the landscape and access; networking	Visitor giving; political support
Others	Other retailing; business administrative and support service ; manufacturing; professional, scientific and technical services, Estate Agents	A first class setting for working and living (attracts and retains key workers); support for “benign” infrastructure provision, e.g. broadband. Association with the AONB brand	Sponsorship; political support

NB in reality the sectors are rarely discrete: for example, some farmers sell their produce direct to consumers; some tourist shops are also part of the service sector for the local community

The Board will also take an increasingly proactive stance in seeking to inform and influence the work of others. We will make our guidance more accessible and remind decision makers of this resource so that they use it early in the formulation of their policies and programmes.

The Board is taking an entrepreneurial approach. Some of our activities such as the rural skills programme are either fully funded or close to self-financing. We will pursue opportunities to secure funding and sponsorship of Board activities with increasing vigour whilst keeping a close eye on adherence to our core purposes. Seeking and securing income and sponsorship will be mainstreamed in the work of all officers and Board members.

These methods require an increasingly flexible approach as we seek out and realise opportunities. It explains why some activities in our Business Plan are italicised as to be taken forward only if resources can be won. The Board will remain “fleet of foot”.

2.2 Developmental Priorities

Our overall priorities

Our strategic development priorities for the year ahead include;

- Strengthening direct working relationships with new sectors, particularly, business, health and economic development.
- Engaging with infrastructure bodies e.g. Local Enterprise Partnerships, Health and Well Being Boards and Local Nature Partnerships that incorporate parts of the Cotswolds. Limiting engagement to where it will add value to the Board's work.
- Taking a proactive stance in seeking to inform and influence the work of others. Making the Board's guidance more accessible and reminding decision makers of this resource. Influencing strategic documents produced by others
- Taking an increasingly entrepreneurial approach whilst respecting the Board's core purposes.
- Remaining flexible and able to realise opportunities as they arise.

Our specific development priorities for the year ahead include;

Conserving and enhancing

- Realising landscape scale habitat restoration projects across the Cotswolds Ecological Networks (particularly in the locally defined Nature Improvement Areas) through coordinating existing delivery and developing and delivering funding bids to further this work.
- Broadening the range of rural skills courses delivered
- Launching a Cotswolds Dry Stone Walling Academy.
- Increasing delivery of Lantra accredited vocational training.
- Revising the Cotswolds Choice report.
- Collaborating in the development of the Setting of Bath Heritage Lottery Fund Landscape Partnerships bid.
- Influencing the development of Environmental Land Management Schemes, seeking to ensure that they deliver Cotswolds AONB priorities
- Influencing policy development in Core Strategies/Local Plans
- Commenting on significant planning applications in and affecting the AONB

Understanding and Enjoying

- Influencing the production and subsequent delivery of a single Destination Management Plan for the Cotswolds
- Delivering the Sustainable Tourism Strategy for the AONB
- Developing a tourism business network through the Sustainable Tourism Strategy and Our Land
- Growing the new Cotswolds Visitor Giving Scheme.
- Developing the Board's wider access interest through the Cotswolds Trails and Access partnership
- Implementing new management arrangements for the Cotswold Way.

- Establishing a clear role for the Board in the delivery of the health and well being benefits of the Cotswolds AONB
- Realising the vision for the Old Prison as the visitor centre for the Cotswolds AONB. Ensure the sites viability & development
 - Run a profitable cafe & site operation
 - Develop a successful Lottery bid
- Enhancing the Board's communications activity through social media and digital marketing

Corporate Development

- Strengthen and widen the Board's funding base
 - Retain the Board's high gearing ratio, every £1 contributed by a Local Authority in 2012/13 secured £273 of spend in the AONB. This helps funding partners argue the case for sustaining contributions.
 - Position the Board as a delivery partner for Defra in addition to through the protected landscape team. Investigate Increased delegation as a delivery body for example in connection with Environmental Land Management Schemes
 - Develop relationships with other government departments & agencies
 - Develop merchandise, trademark licensing and on line sales
 - Improve new income streams through selling services and securing sponsorship.
- Managing the impact of the Comprehensive Spending Reviews.
- Fully identify the Board's carbon footprint and implement a strategy to reduce it.
- Improving the physical visibility of the AONB designation and its brand e.g. through the installation & management of boundary markers.

3.0 THE BUSINESS PLANNING PROCESS

3.1 The Links between the Management Plan and Business Plan

The Board adopted a new Management Plan for the Cotswolds AONB (2013-2018) in March 2013, after full consultation with partner organisations and the wider public.

This Business Plan is structured so that the programme of work it sets out is aligned under the Management Plan's objectives and policies. It is the tool by which the Board converts the objectives and policies of the Management Plan into its own action and delivery. Each action is recorded only once under its 'best fit' policy; and policies with no corresponding actions have been removed from the work programme.

The Management Plan includes an Engagement Plan which highlights priorities for partner organisations who can help support and achieve the Board's objectives and policies. Actions that will inform and support partners in delivering the engagement plan are included in the work programme (*Appendix 2*).

3.2 Prioritisation of the Work Programme

The Business Plan's work programme table (*Appendix 2*) contains two levels of prioritisation:

- Normal text; Actions that will be delivered.
- *Italics*; Actions that will be delivered if time and/or resources allow.

Actions in italics are not reflected in the budget. They include actions which rely on bids in development where the outcome is currently unknown.

3.3 Section 85 compliance

Engaging with the policies and actions of the AONB Management Plan will help public bodies demonstrate compliance with their duty under Section 85 of the CROW Act 2000 to "have regard to" the purposes of the designation of the AONB. Advice issued by Defra in 2005 (PB10747) suggests that relevant public bodies could further demonstrate their fulfilling of this duty by

- Undertaking assessments of the impact on the AONB of any policy, plan, programme or project affecting the AONB.
- Making reference to the duty in their annual report, setting out any actions they have taken to comply.
- Issuing a statement as to how they will comply with the duty.

The Board will monitor Section 85 compliance and report its findings to Defra and the public.

3.4 Consultation with Natural England, DEFRA and Local Authorities

The Conservation Board has formally consulted Natural England and the local authorities on a draft version of the 2014/17 Business Plan during the period 20 November to 24 December 2013. This consultation included a meeting held on 3rd December 2012.

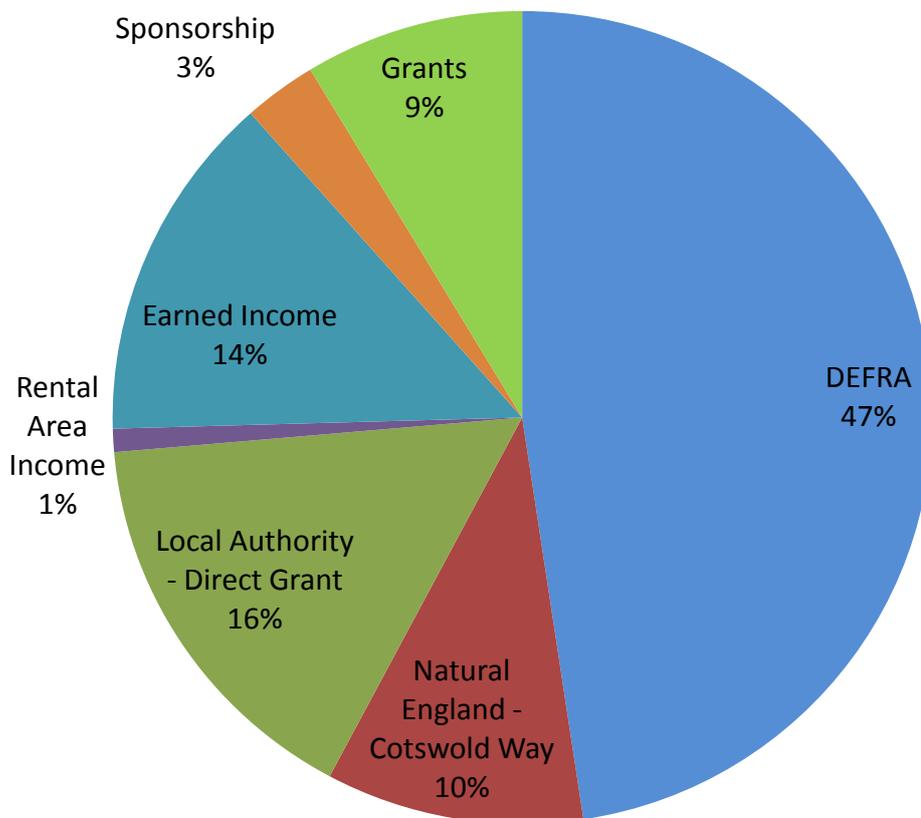
3.5 Monitoring & Review of the Business Plan

The Work Programme contains SMART (Specific Measured Achievable Realistic and Timed) actions that will be delivered by named officers working with named Committees. Although Committees may work with different officers each Committee will be supported by one officer with primary responsibility for that Committee. As there will be a need to balance the Work Programme when taking on new opportunities, the SMART targets within the first year will be regularly reviewed, and reported to the Executive Committee on a quarterly basis. The SMART targets in years two and three may be less precise as uncertainty within the operating environment increases. These targets will be reviewed through the annual business planning cycle.

4.0 INCOME

4.1 Overall Income

The split of the Board's income for 2014/15 is shown in the chart below. It uses best knowledge as at 12th March 2014. Financial activity associated with the agency area agreement for the management of the Old Prison at Northleach is not included, as under this agreement the Board manages the site on behalf of the Friends of the Cotswolds.



4.2 Department for Environment Food and Rural Affairs Funding

The first year of this Business Plan is the last year of the government's Comprehensive Spending Review (CSR) of October 2010. This CSR has challenged the AONB Board in two ways: through reducing in direct central government funding from Defra (Department for Environment Food and Rural Affairs) and by affecting the ability of some Local Authorities to support the Board financially.

All the indications are that central government funding will remain constrained and that “austerity measures” will be extended into the next Parliament.

The funding formula for the Board’s central government funding is less than equitable when compared to the other English protected landscapes particularly if the area covered is taken into account (*see appendix 1*). The Board continues to request a review of the funding formula.

4.3 Natural England Funding

Natural England is a source of funding for the Cotswold Way National Trail. Following a review of management structures for National Trails in 2012/13, it has designed a new funding formula based on three year agreements. Under the new formula, the grant for the Cotswold Way will reduce by 51% on 2012/13 levels, but will be accompanied by transition funding over three years in order to give the Board time to develop complementary sources.

The two grants combined will deliver the following payments:

2013/14	£103,000
2014/15	£91,000
2015/16	£76,000
2016/17	£67,000

4.4 Local Authority Funding

The forecasted annual local authority income of £141,704 for 2014/15 to 2016/17 within the budget is based on the latest information provided by the local authorities.

A contribution from the highway authorities for maintenance and depreciation works on the Cotswold Way is not included in these figures, as this money does not pass through the Board’s accounts.

4.5 Earned Income, Sponsorship and Grants

In addition to Central Government and local authority core funding, the Conservation Board also anticipates the following income over the three year period of the Business Plan:

- Rental Area Income (£24,798) – Income from rental of the Old Police Station at the Northleach site, including a contribution towards services & property insurance. A tenant is in place.
- Earned Income (£455,179) – This includes:
 - Funding from the National Association for AONBs (NAAONB) to cover the costs of employing and supporting the NAAONB officer.

- Donations to the Countryside Fund. Income generated by the Voluntary Wardens through their programme of walks, talks and work parties. This income is matched either by spend through the fund or transferred to a dedicated ear marked reserve.
 - Interest earned on the Conservation Board's bank account.
 - Income from rural skills courses and activities.
 - Local Authority earned Income – income for specific projects still aligned with the Board's purposes. This has been carefully set to secure some income but not to the extent that would deflect officers from their primary work programme. Further increases would require additional resources.
 - Advertising in Board publications
 - Donations to the Board's visitor giving scheme
- Sponsorship (£72,030) – Sponsorship secured for the Board's publications, events and activities. £30,000 of this is matched by spend such as additional SDF grants and the delivery of studies which will only take place if sponsorship is secured.
 - Grants (£239,353) – Funding from the Heritage Lottery Fund for the Saving our Magnificent Meadows programme.

4.6 Other Income not accounted for in the Business Plan

We have bids in development which may lead to external funding from other sources, and ideas for further bids that may or may not be realised during the life of this Plan. Other opportunities unforeseen may also emerge. We will maintain the flexibility to seize these whilst maintaining a strategic approach. Developing bids does of course have a cost and it will be important to spread this risk by developing smaller bids as well as major ones.

5.0 EXPENDITURE

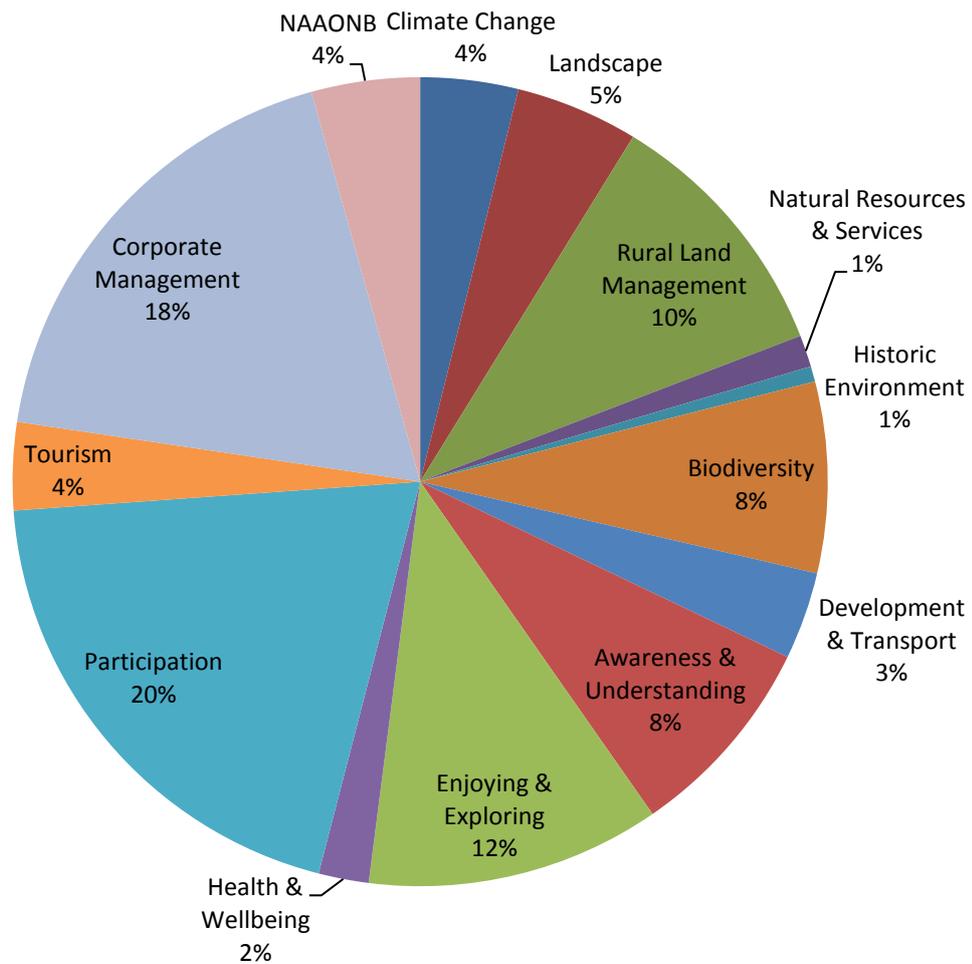
5.1 Overall Expenditure

This Business Plan outlines a three year work programme for the period 1 April 2014 to 31 March 2017 (see Appendix 3). The Cotswolds Conservation Board's total budget for this period comes to £2,896,247.

For 2014/15 the split of the Board's anticipated expenditure is shown in the pie graphs on the following pages:

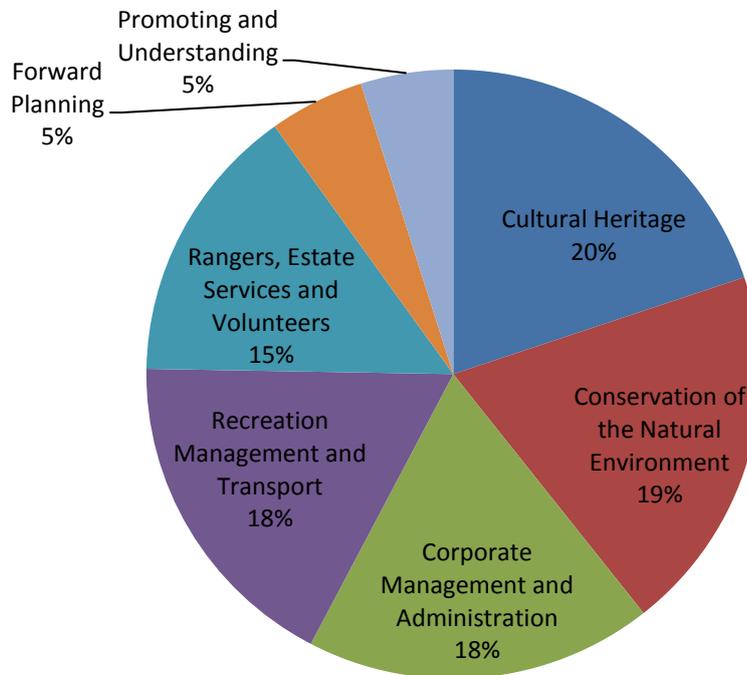
Budgeted Expenditure 2014/15 by Management Plan Themes

The split of the Board's expenditure for 2014/15 is shown in the chart below. It uses best knowledge as at 12th March 2014. Financial activity associated with the agency area agreement for the management of the Old Prison at Northleach is not included, as under this agreement the Board manages the site on behalf of the Friends of the Cotswolds.



Enjoying and Exploring includes the Cotswold Way and participation includes the Voluntary Wardens and Sustainable Development Fund.

Budgeted Expenditure 2014/15 by Chartered Institute of Public Finance & Accountancy headings



This chart uses best knowledge as at 12th March 2014. Financial activity associated with the agency area agreement for the management of the Old Prison at Northleach is not included, as under this agreement the Board manages the site on behalf of the Friends of the Cotswolds.

The headings used in this chart are the headings used in the Board's annual Statement of Accounts. They reflect best practice for standard expenditure analysis, as recommended by the Chartered Institute of Public Finance & Accountancy (CIPFA). Their use allows for comparisons with National Parks. Employee costs and running costs are split between the headings, based on the proportion of staff time spent on activity under each heading.

The expenditure on Recreation Management and Transport (18%) includes the budget for the Cotswold Way National Trail.

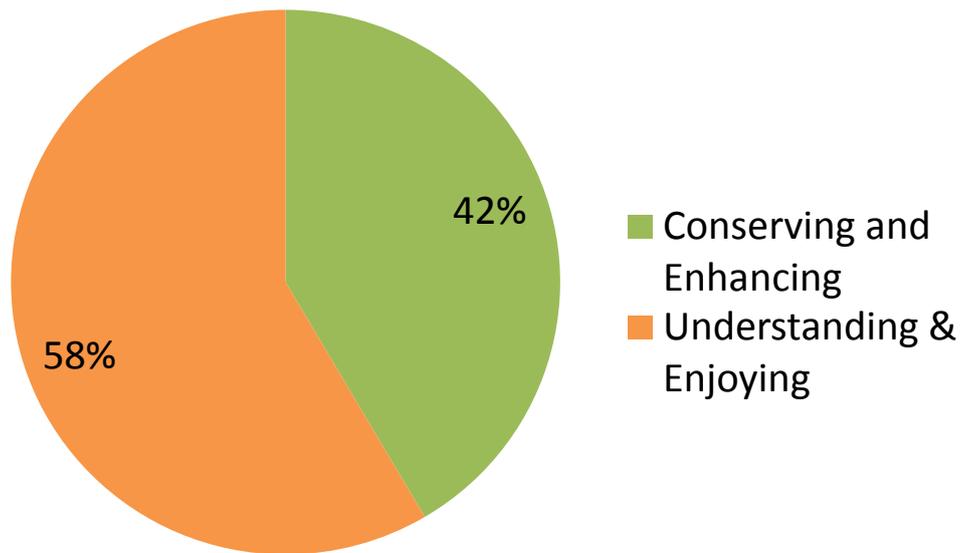
In this plan, the "Rangers, Estate Services and Volunteers" heading is only used for expenditure in relation to supporting volunteers, in particular but not exclusively, the Voluntary Wardens.

"Forward Planning" refers to work undertaken to influence the policies documents and decisions that form the planning framework, often called

strategic or spatial planning. Any corporate or business planning undertaken to guide the work of the Board is included under Corporate Management and Administration.

The chart below compares expenditure in relation to the Boards two statutory purposes.

Budgeted Expenditure by Statutory Purpose 2014/15



This compares the areas of expenditure under their statutory purposes. The “understanding and enjoying” purpose includes the budget for the Cotswold Way National Trail, the Sustainable Development Fund and the Voluntary Wardens.

It uses best knowledge as at 12th March 2014. Financial activity associated with the agency area agreement for the management of the Old Prison at Northleach is not included, as under this agreement the Board manages the site on behalf of the Friends of the Cotswolds.

5.2 Expenditure Not Included Within the Budget

The expenditure figures in the above pie graphs include only the activities and projects that the Board expects to be able to fund. It does not include additional activity that will be delivered if planned bids are successful. Nor does it include the non-monetary value of the Board's work, for example the voluntary wardens delivered over 41,973 hours of their time in 2012/13 equating to over £260,000 in financial terms.

6.0 CORPORATE GOVERNANCE

The Board has implemented a Corporate Governance Action Plan which is integrated with the Board's work programme.

As in previous years, the external auditor gave an unqualified opinion on the Board's annual return for 2012/13. From 2011/12 the Board has been classified as a 'smaller relevant body' for audit purposes.

The Board's priorities for corporate governance were reviewed in March 2014 following the findings of the annual governance review and the resulting actions incorporated into this plan's work programme (appendix 2).

APPENDIX 1

A comparison of the funding received by protected landscapes in England

The central government funding the Board receives is unfairly calculated, compared to the other English protected landscapes on an area basis. Based on Defra 2010/11 figures, the average English AONB grant settlement per square km is £1,040. The Cotswolds grant settlement per square km is £255 - £785 lower than the average. This leaves the Board short of funds, by about £1.6 million.

Then, partly because of its size the Cotswolds is also institutionally complex to administer having 15 local authorities in the area. Also, as a Conservation Board, the Cotswolds AONB is unable to benefit from the favourable VAT treatment available to local authority led AONBs and to the National Parks (which have almost equivalent powers and functions to the Board).

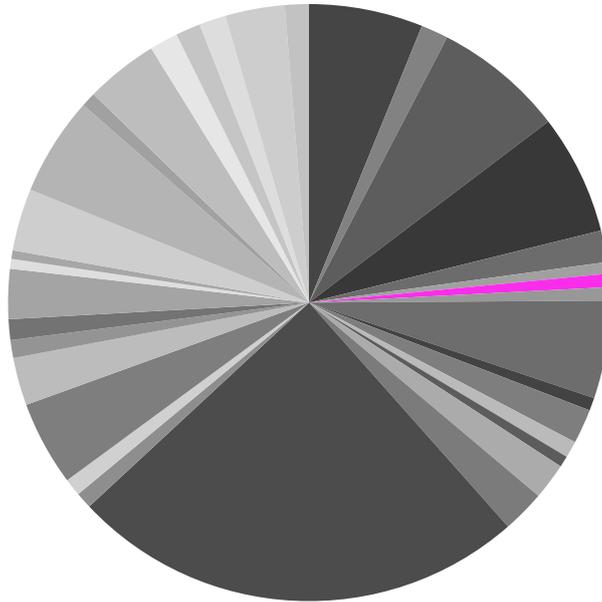
In the light of this failure to recognise the scale and complexity of the Cotswolds AONB, the Board is seeking a revised funding formula which would result in a more equitable settlement.

The comparison with National Parks is even less favourable. Based on Natural England 2010/11 figures the average English National Park grant settlement per square km was £5,472. The Cotswolds grant settlement per square km was £255, £5,217 per square km lower, equivalent to over £10 million a year over the whole of the AONB.

This figure demonstrates the inequality in funding across landscapes of equivalent value and national importance. This is particularly pertinent as the Board has comparable purposes with the National Park Authorities apart from planning powers (which are in part self-financing). Comparative visitor figures are difficult to source but those that have been found indicate that the Cotswolds may receive around three times more visitors than the National Parks average.

The South Downs National Park has similar purposes to the Board but with its development control responsibilities delegated back to the local authorities, thus further blurring the distinction between AONBs and National Parks.

Cotswolds AONB (pink) funding per square km in comparison to all English AONB's



Cotswolds AONB funding per sq km in comparison with English National Parks

