

**Minutes of the
FINANCIAL & REGULATORY COMMITTEE MEETING OF THE
BOARD OF CONSERVATORS OF ASHDOWN FOREST**

Wednesday 14th October 2020

14.00 via MS Teams

Committee members present: Mr C de Mestre (Interim Chair), Mr J Spicer (Vice Chairman), Mr AG Reid, Cllr P Roundell, Cllr F Whetstone, Cllr R St.Pierre,

Ex-Officio Mr C Smith, Ms S McAll

Also present: Mrs L Meehan (Finance Officer), Cllr R.Stogdon, Cllr S Tidy

Minutes taken by K Meade

There were no members of the public present

		Action
30/20	Apologies Cllr J Barnes	
31/20	Declarations of interest by Members of a Personal or Prejudicial Nature Mr Smith has a historical interest in the Sussex Pony Grazing and Conservation Trust. Mr de Mestre is a commoner grazier with BPS payments.	
32/20	Matters arising <u>32.01/20 Verbal update on resolutions from the previous meeting</u> <ul style="list-style-type: none"> • The RPA annual payments are to be reduced by £36K with a total payback of £109K. This is currently being contested and investigated. • There was a recommendation to temporarily reduce the reserves to assist cash flow although this was never formally put to the Board. • Financial reports for the year ending 2020 have been subsequently reviewed by the Board and submitted • The Ashdown Forest Golf Club rent review has been completed <p>The minutes from the last meeting were accepted by the Committee</p>	
33/20	Finance: current financial year 2020/21 <u>33.01/20 To agree implementation of the annual pay rise of 2.75% FR 19/20</u> The proposed pay rise was debated at length. Advice was sought during the course of the meeting from ESCC on the Conservators' legal obligation to implement the pay rise. This was confirmed by ESCC and the pay rise was accepted for 2020/21. <u>33.02/20 To agree allocation of income for the Conservators' pony grazing project FR 20/20</u> It was agreed that the Conservators' domestic pony grazing would continue to be funded as part of the grazing programme under the CS programme and that the new project, which generates income from feral ponies grazing offsite, will be fully accounted for in the core budget. It was agreed to liaise with and request that external forest clients of the pony grazing program pay VAT in addition to the historical rates applied by the SPGCT (which were previously exclusive of VAT as the SPGCT was a	LM

	<p>charity).</p> <p><u>33.03/20 To review the 2020/21 Q1 finance summary</u> FR 21/20 The Chair reviewed the Q1 summary and advised the committee to consider the consolidated format over the individual CS and core budgets which contained double counts on CS payments. The Chair highlighted the comparison between the budgeted and forecast deficits and expenditure. The overall operation of the Conservators of Ashdown Forest is expected to generate a deficit of £86,576 in 2020/21. The next priority was noted to be the preparation of the 2021/22 Budget for review by the Committee in the next 6-8 weeks prior to Board sign off and presentation to ESCC.</p> <p><u>33.04/20 To review the revised CS finance summary to 31 August 2020</u> FR 22/20 The CS finance summary to date was provided for information, to support the consolidated budget summary. The Committee discussed whether the reduced expenditure under the CS budget would allow for the Conservators to fulfil their obligations under the CS arrangements, which was confirmed by Mr Smith.</p> <p><u>33.05/20 To review the cash flow forecast to 31 March 2021</u> FR 23/20 A base case and stressed two year cash flow forecast was presented. The stressed cash flow model added the variable of the RPA repayment of £109k (compared to an offset assumption on future payments) and a delay payment of RPA annual funding to August. It was noted that the reserves were likely to be breached in Q1 2021 (or earlier if a RPA refund payment was necessary).</p> <p>The Chair highlighted that under the current arrangements, the core reserve will continue to be depleted with the ultimate implication being that limited net working capital will be available to support the core operations and funds committed to future conservation works will need to be drawn to support core liquidity. This is not sustainable in the longer term.</p> <p>It was recommended that a guideline/policy paper be prepared to cover CS surplus, appropriate recharged rates for full coverage of labour, admin and overheads, capital item (and associated R&M budgets to ensure that the reserve imbalance can be addressed.</p> <p>Mr Smith outlined that discussions were ongoing with the High Weald Landscape Trust for funding pond restoration and other conservation workstreams, and the Ashdown Forest Conservation Trust for other project funding.</p> <p>The Chair highlighted the need for any restricted funding in the future to incorporate a sufficient amount of allocation of unrestricted funding in order to cover administration, staff time and overheads.</p>	<p>LM</p> <p>CDM/LM</p> <p>SA</p>
<p>34/20</p>	<p>Finance: supporting work for 2021/22 budget and associated plan</p> <p><u>34.01/20 Capital expenditure plan: for information</u> The Chair explained that the majority of capital expenditure items have not been included in the budget. The plan showed a list of assets and operations requiring funding in the near and medium term.</p> <p>It was noted that Mr Smith, as interim CEO, has the delegated authority to approve</p>	

	expenditure for items up to £6,000.	
35/20	To agree to proceed with a review of income generation potential for AF and COAF held The committee agreed this would be deferred until the new CEO is in post	
36/20	Licences, Permits, Rates and Wayleaves <i>verbal update</i> The Vice Chair gave a verbal update on riding permits, event licences and wayleaves. Ms McAll requested that all Forest encroachments should be notified to the Land Registry, Mr Spicer confirmed that the Clerk reports the encroachments as a matter of procedure.	
37/20	Forest Amenity None	
38/20	Breach of Bye-law issues None	
39/20	Employment & Staffing Arrangements (including HR) <u>CONFIDENTIAL SESSION</u>	
40/20	Policy and Procedures None	
41/20	Health and Safety (standing item): It was noted that a bridge had collapsed and had now been repaired. A child broke her wrist during a school visit. An insurance review is underway with NFU.	
42/20	Data breaches (standing item) None	
43/20	Election of Chairman and Vice-Chairman of the Committee for the following year Chair: Mr de Mestre was nominated by Cllr St Pierre and seconded by Mr Reid and was duly elected to the position of Chair. Vice-Chair: Mr Spicer was nominated by Cllr St Pierre and was seconded by Mr Reid and was duly elected to the position of Vice-Chair. Their term of appoint is 12 months.	
44/20	Any Urgent Item of which the Clerk has notice in order to pass to the elected Chairman The Information Barn remains closed until at least the New Year. The Remembrance Sunday service has been cancelled due to Covid restrictions.	

The meeting closed at 15:50