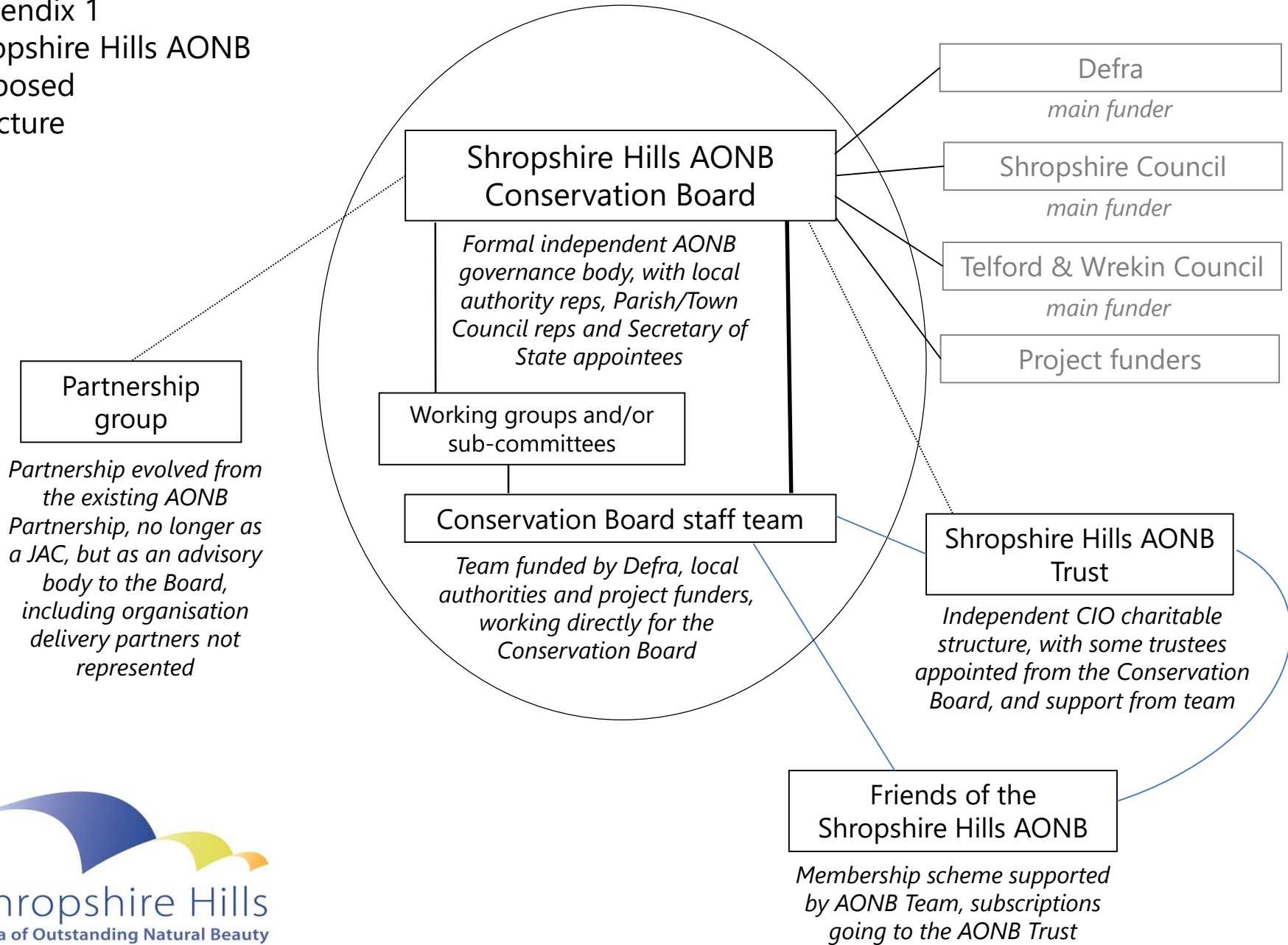


Appendix 1
Shropshire Hills AONB
proposed
structure



Appendix 2 Options Appraisal – Shropshire Hills AONB possible structures

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
Implications for customers	Pros	Charity provides a more attractive vehicle for donations	Could open avenues for non-public sector funding Freer to advocate for the AONB	Strong body acting solely for the AONB, and more free to advocate Easy to understand	Could open avenues for non- public sector funding
	Cons	Subject to imposed changes from the council which may impact on the ability of the team to focus on the AONB Lack of flexibility Perception may be affected by people’s views of the council May be a disincentive for some people to volunteer or donate money Associated structure and relationships could be confusing	Loss of support from the officers and support services within the council Untested new model to deliver long term	Change from current known structure	Unknown relationship with Council, where statutory duty still lies Potential confusion about responsibilities, and lack of overlap with role/ priorities of another host body
Implications for staff	Pros	Protection of T&Cs for staff	New skills and networks, and support from trustees	Staff transferred on existing conditions New skills and networks, and support from trustees	Potential useful synergies with other staff of host body

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
	Cons	Possible erosion of T&Cs as a result of further cuts Vulnerability to restructuring Staff time involved in supporting charity as well as Partnership	Likely loss of T&Cs such as poorer pension (future staff) Different competencies required of staff and training needs Potential loss of staff and expertise due to savings required?	Not part of a larger organisation Potential loss of staff and expertise due to savings required?	Uncertainty. Possible loss of T&Cs.
Financial Implications	Pros	Council bankrolling Retain access to LA support such as finance, HR and legal	Could open avenues for non-public sector funding Enhanced ability to fund-raise Support services could be bought in more cheaply outside the Council	Reduced costs overall, as support services can be bought in more cheaply outside the Council Defra funding paid in advance and may be increased? Enhanced ability to fund-raise, working with linked charity	Could open avenues for non- public sector funding
	Cons	Council now charging for support services and funding contributions likely to decrease further Uncertainty resulting from discretion of trustees of independent charity regarding spending	New body may be unable to meet pension commitments Difficulty of maintaining Council funding	Some VAT not reclaimable Difficulty of maintaining Council funding?	Upheavals of transfer Potentially less accountability for public funding Likely loss of Council funding

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
Scope for future business development	Pros	Additional skills from involvement of charity trustees	Focus on needs of the AONB Potential to provide services and tender for commercial business, subject to charitable objects	Unequivocal focus on the needs of the AONB, in proven model Access to skills and expertise through Board members with greater responsibility	Uncertain
	Cons	Council may be less keen to act as accountable body for large project bids in future Sometimes restricted by Council procedures Potential for lack of alignment/competition	Need to establish track record as a delivery body for projects. Need to develop and sustain organisation may detract from delivery Untested model among English AONBs	Need to establish track record as a delivery body for projects. Need to develop and sustain organisation may detract from delivery	More exposure to external competition Potential for less focus on the AONB due to organisational pressures
Implications for Council	Pros	Reduced draw on support services for some activities which may be moved out to charitable structure Council retains influence on service delivery Large added value can be demonstrated from Council funding	Need to develop an effective agreement around local authority statutory duties for AONB Management Plan Demonstrable model of out-sourcing	Councils permanently transfer statutory AONB Management Plan duty to Board Reduced workload from hosting Strong provision for Council representation Demonstrable model of out-sourcing Council can still take some credit for work through association	Removal of responsibility

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
	Cons	Council retains contractual responsibilities	The council would lose some influence.	The council would lose some influence	Loss of association and kudos from link with AONB activity Councils retain statutory Management Plan duty, and potential lack of clarity over relationship with new host body
Identified risks		Continued loss of funding from the council Restructure proposals not in AONB interests Effective links and close working relationship need to be established with charity	Need adequate financial reserves/assets for cash flow Need to attract trustees with sufficient capacity	Need adequate financial reserves/assets for cash flow Defra may not have capacity for establishment Lead-in time for establishment	No possible partner identified or likely to be available Potential host may not commit to longer term
Effect of changes to governance	Pros	New opportunities for involvement and responsibility as trustees	More independence and more responsibility required of Board, Trustees etc	More independence, opportunities for people to take responsibility Secure, high status structure, specifically for AONBs from an Act of Parliament, taking on statutory responsibilities Can sit alongside charitable structure	Unknown, depends on organisation

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
	Cons	Charitable structure and AONB Partnership/ Council relationships could cause tension	Need for formally defined relationship with Councils Untested model in English & Welsh AONBs Charity law may restrict activity?	Need to establish effective working relationship with Councils, charity and Partnership	Lack of connection to LAs who hold statutory responsibility Unknown, depends on organisation
Business Impact / Other	Pros	Hosting provides links to a range of related services Charity can fund-raise more effectively	Can fund-raise effectively and use directly without intermediary/ associated structure	Freer to comment on planning matters	Disruption during transfer period
	Cons	Risk of AONB benefits not being highest priority due to other pressure on services. Complexity of organisational relationships	Holding directly all risks and responsibilities		Possible different geographic focus of different host body

Appendix 3 Risk Register – Shropshire Hills AONB transition to Conservation Board

	Risk	Probability	Impact	Impact specifics	Contingency actions
1	Non-agreement in principle by local authorities	L	H	Impossible to go ahead	Strong business case. The proposal has been developed with full involvement of Councillors and has support of senior management.
2	Failure to release reserves in full to new body	L	H	Insufficient working capital to cash flow and make project bids	A strong business case has been made on the needs for reserves, and based on the fact that they derive from income earned by the AONB team.
3	Insufficient or declining financial support from LAs	M	M	Lack of funds and visible lack of commitment	Strong business case. Shropshire Council contributions for 2018-19 and 2019-20 have been agreed at levels improved from earlier negotiations. Telford & Wrekin Council have confirmed stability of their contribution. Need to earn more income and/or make savings.
4	Non-agreement by Defra	M	H	Impossible to go ahead	Strong business case. Clarity sought on criteria for decision. NAAONB and political support. Need to consider alternative model?
5	Lack of capacity in Defra to do legal work	M	H	Delay or inability to progress	The Establishment Orders for the two existing Conservation Boards are available as a proven template. The work required should be relatively limited. More time than expected may need to be allowed. Consider alternative model.

6	Lack of capacity within Shropshire Council to support transition	L/M	H	Support needed from various departments	Essential work is being progressed as soon as possible, and good support is currently available. Maintain political support.
7	Lack of trustee/board capacity	L	M	Delay or inability to progress	The Transition Board has been established and is involving new people. Two workshops have been held to get people involved. Development funding is being sought from HLF.
8	Potentially unmanageable burden of pension liabilities	L	H	Especially re scheme shortfalls	Secure transfer within LGPS as 'fully funded' new employer re deficits.
9	Reduction in Defra financial support	M	M	Reduction to extent causing unviability very unlikely	Continue to broaden sources of other income.
10	Failure to secure additional income	L	L	Levels of income may determine scale of operation but unlikely to threaten viability	Staff resource and Board support focused on sound business plan, including pursuit of new projects, fee-earning work and fund-raising.
11	Reduced delivery capacity of AONB team during transition period	M	L	Time taken. Transition process may affect ability to make funding bids for new projects, or make these more complicated.	Careful work programming. Use of available support.

Appendix 4 Financial Information

AONB Forecast Income and Expenditure	Hosted by Shropshire Council		Conservation Board	
	2016/17	2017/18	2018/19	2019/20
	Total	Total	Total	Total
Expenditure				
Staff Costs	£389,280	£407,880	£223,030	£205,630
Direct Employee Costs	£388,035	£388,214	£222,278	£204,877
Indirect Employee Costs	£1,250	£19,666	£750	£750
Premises Costs	£25,390	£20,740	£18,540	£18,690
Rent and Service Charges	£17,390	£12,600	£11,100	£11,100
Rates	£6,100	£6,222	£6,346	£6,473
Energy Costs	£1,900	£1,921	£1,092	£1,114
Transport Costs	£28,390	£28,650	£24,750	£24,450
Car Allowance	£3,850	£3,850	£1,800	£1,500
Direct Transport Costs	£4,800	£4,800	£5,760	£5,760
Contracts	£19,740	£20,000	£17,193	£17,193
Supplies and Services	£540,750	£381,080	£60,200	£18,280
Equipment, Furniture and Materials	£3,130	£3,130	£2,850	£2,850
Printing and Stationery	-£3,946	£2,500	£1,000	£1,000
Communications and Computing	£7,488	£7,488	£7,562	£6,862
Volunteer Expenses	£840	£840	£670	£180
Grants and Subscriptions	£35,384	£3,000	£3,000	£3,000
Project Implementation	£486,483	£348,749	£40,731	£0
Marketing, Promotion and Events	£3,500	£4,500	£3,190	£3,190
Independent Body Set-Up Costs	£6,000	£9,000	£0	£0
Miscellaneous Expenses	£1,870	£1,870	£1,200	£1,200
Support Services	£31,290	£31,290	£17,500	£17,500
Shropshire Council Support Services	£31,290	£31,290	£0	£0
Professional Services	£0	£0	£17,500	£17,500
Total Expenditure	£1,015,100	£869,640	£344,020	£284,550
Income	-£988,390	-£823,530	-£309,760	-£248,550
DEFRA AONB Single Pot	-£186,416	-£189,623	-£192,884	-£196,202
Shropshire Council Grant	-£40,830	-£40,830	-£25,000	-£25,000
Telford and Wrekin Grant	-£2,942	-£2,694	-£2,694	-£2,694
Other Grant Income	-£614,551	-£508,777	-£48,526	£0
Contributions from Other Bodies	-£115,914	-£37,062	-£32,100	-£16,100
Private Contributions	-£7,500	-£7,144	£0	£0
Sales	-£1,000	-£1,000	-£1,000	-£1,000
Fees and Charges	-£19,242	-£8,400	-£7,550	-£7,550
(Surplus)/Deficit	£26,710	£46,110	£34,270	£36,000
Plan A				
Potential Sources of Further Income Generation	-£2,500	-£27,000	-£39,860	-£35,080
Potential Increase in DEFRA Funding following Independence	£0	£0	-£12,859	-£13,080
Upland Commons Project	£0	-£20,000	-£20,000	-£20,000
Jean Jackson Trust	£0	£0	-£5,000	£0
Admin and Grant Work for Conservation Fund	-£500	-£2,000	-£2,000	-£2,000
Woodland Trust	-£2,000	-£5,000	£0	£0
Appropriations to/(from) Reserve	-£24,210	-£19,110	£5,590	-£920
(Surplus)/Deficit	£0	£0	£0	£0
Plan B				
New Earned Income and New Projects	£0	-£20,000	-£30,000	-£30,000
Increased Fee-Earning Work and Income from New Projects	£0	-£20,000	-£30,000	-£30,000
Appropriations to/(from) Reserve	-£26,710	-£26,110	-£4,270	-£6,000
(Surplus)/Deficit	£0	£0	£0	£0
Plan C				
Reduction in Posts	£0	-£7,900	-£35,480	-£35,520
Deletion of One or More Posts	£0	-£26,400	-£35,480	-£35,520
Estimated Redundancy Cost	£0	£18,500	£0	£0
Appropriations to/(from) Reserve	-£26,710	-£38,210	£1,210	-£480
(Surplus)/Deficit	£0	£0	£0	£0

Appendix 4 Financial Information

AONB Forecast Movement in Reserves

	2016/17						
	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund
Opening Balance	£139,670.07	£10,156.84	£21,648.18	£5,699.00	£177,174.09	£128,441.75	£1,272.64
I&E Surplus/Deficit	-£11,228.32	-£8,884.20	-£897.00	-£5,699.00	-£26,708.52	-£37,009.95	
Closing Balance	£128,441.75	£1,272.64	£20,751.18	£0.00	£150,465.57	£91,431.80	£1,272.64

Result of Plan A	2016/17						
	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund
Opening Balance	£139,670.07	£10,156.84	£21,648.18	£5,699.00	£177,174.09	£130,941.75	£1,272.64
I&E Surplus/Deficit	-£8,728.32	-£8,884.20	-£897.00	-£5,699.00	-£24,208.52	-£10,009.95	
Closing Balance	£130,941.75	£1,272.64	£20,751.18	£0.00	£152,965.57	£120,931.80	£1,272.64

Result of Plan B	2016/17						
	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund
Opening Balance	£139,670.07	£10,156.84	£21,648.18	£5,699.00	£177,174.09	£128,441.75	£1,272.64
I&E Surplus/Deficit	-£11,228.32	-£8,884.20	-£897.00	-£5,699.00	-£26,708.52	-£17,009.95	
Closing Balance	£128,441.75	£1,272.64	£20,751.18	£0.00	£150,465.57	£111,431.80	£1,272.64

Result of Plan C	2016/17						
	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund
Opening Balance	£139,670.07	£10,156.84	£21,648.18	£5,699.00	£177,174.09	£128,441.75	£1,272.64
I&E Surplus/Deficit	-£11,228.32	-£8,884.20	-£897.00	-£5,699.00	-£26,708.52	-£29,109.95	
Closing Balance	£128,441.75	£1,272.64	£20,751.18	£0.00	£150,465.57	£99,331.80	£1,272.64

Appendix 4 Financial Information

AONB Forecast Movement

	2017/18			2018/19			
	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme
Opening Balance	£20,751.18	£0.00	£150,465.57	£91,431.80	£1,272.64	£11,651.18	£0.00
I&E Surplus/Deficit	£-9,100.00		£-46,109.95	£-29,975.59		£-4,293.00	
Closing Balance	£11,651.18	£0.00	£104,355.62	£61,456.21	£1,272.64	£7,358.18	£0.00

Result of Plan A	2017/18			2018/19			
Function	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme
Opening Balance	£20,751.18	£0.00	£152,965.57	£120,931.80	£1,272.64	£11,651.18	£0.00
I&E Surplus/Deficit	£-9,100.00		£-19,109.95	£9,883.41		£-4,293.00	
Closing Balance	£11,651.18	£0.00	£133,855.62	£130,815.21	£1,272.64	£7,358.18	£0.00

Result of Plan B	2017/18			2018/19			
Function	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme
Opening Balance	£20,751.18	£0.00	£150,465.57	£111,431.80	£1,272.64	£11,651.18	£0.00
I&E Surplus/Deficit	£-9,100.00		£-26,109.95	£24.41		£-4,293.00	
Closing Balance	£11,651.18	£0.00	£124,355.62	£111,456.21	£1,272.64	£7,358.18	£0.00

Result of Plan C	2017/18			2018/19			
Function	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme
Opening Balance	£20,751.18	£0.00	£150,465.57	£99,331.80	£1,272.64	£11,651.18	£0.00
I&E Surplus/Deficit	£-9,100.00		£-38,209.95	£5,504.41		£-4,293.00	
Closing Balance	£11,651.18	£0.00	£112,255.62	£104,836.21	£1,272.64	£7,358.18	£0.00

Appendix 4 Financial Information

AONB Forecast Movement

		2019/20				
	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total
Opening Balance	£104,355.62	£61,456.21	£1,272.64	£7,358.18	£0.00	£70,087.03
I&E Surplus/Deficit	-£34,268.59	-£31,710.16		-£4,293.00		-£36,003.16
Closing Balance	£70,087.03	£29,746.05	£1,272.64	£3,065.18	£0.00	£34,083.87

Result of Plan A		2019/20				
Function	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total
Opening Balance	£133,855.62	£130,815.21	£1,272.64	£7,358.18	£0.00	£139,446.03
I&E Surplus/Deficit	£5,590.41	£3,369.84		-£4,293.00		-£923.16
Closing Balance	£139,446.03	£134,185.05	£1,272.64	£3,065.18	£0.00	£138,522.87

Result of Plan B		2019/20				
Function	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total
Opening Balance	£124,355.62	£111,456.21	£1,272.64	£7,358.18	£0.00	£120,087.03
I&E Surplus/Deficit	-£4,268.59	-£1,710.16		-£4,293.00		-£6,003.16
Closing Balance	£120,087.03	£109,746.05	£1,272.64	£3,065.18	£0.00	£114,083.87

Result of Plan C		2019/20				
Function	Total	General	Conservation Fund	Shuttles	Stiperstones and Corndon Hill Landscape Partnership Scheme	Total
Opening Balance	£112,255.62	£104,836.21	£1,272.64	£7,358.18	£0.00	£113,467.03
I&E Surplus/Deficit	£1,211.41	£3,809.84		-£4,293.00		-£483.16
Closing Balance	£113,467.03	£108,646.05	£1,272.64	£3,065.18	£0.00	£112,983.87