

## Minutes of the

### FINANCE AND GENERAL PURPOSES COMMITTEE MEETING OF THE BOARD OF CONSERVATORS OF ASHDOWN FOREST

1430, Monday 19 August 2008  
Education Barn, Ashdown Forest Centre

Present: Mr R Thornely-Taylor (Chairman), Dr H Prendergast (Clerk), Cllr R Galley, Mr P Glyn, Mr J Spicer, Cllr R Stogdon and Cllr F Whetstone.

Also present: Cllr J Barnes (*ex-officio*), Mr R Parsons (co-opted) and Mrs F Temple. Mrs R Marriott for agenda item 18/08. Minutes were taken by Mrs T Buxton.

#### **Election of Chairman and Vice Chairman of the FGP Committee as required by Standing Orders**

**5.3** *“Each Committee shall elect its Chairman and Vice Chairman at its first Meeting following appointment of the Committee members by the Board..”*

Cllr Barnes proposed Mr Thornely-Taylor and this was seconded by Mr Glyn. Mr Thornely-Taylor was therefore elected and took up the Chairmanship with thanks.

The Committee went on to elect a Vice Chairman. Mr Thornely-Taylor proposed Cllr Whetstone and this was seconded by Cllr Barnes. Mr Whetstone was therefore elected and took up the Vice-Chairmanship with thanks.

The Committee went on to reconfirm the co-option of Mr Parsons. He was proposed by Mr Thornely-Taylor and seconded by Mr Glyn. Mr Parsons thanked the Committee.

The Chairman opened the meeting. There were no members of the public present.

#### **16/08 Apologies**

Apologies had been received from Mr L Gillham (*ex-officio*) and Cllr A Reid.

#### **17/08 Declarations of Interest by Members of a Personal or Prejudicial Nature.**

No declarations were made.

#### **18/08 Standing Orders**

*18.1/08 Authorisation to increase R Marriott limit on cheque signing and internet banking (see Standing Orders Financial Regulations 5.2)*

This was currently £150.00 and it was agreed to raise the limit to £200.00.

*18.2/08 Authorisation to increase petty cash limit (see Standing Orders Financial Regulations 6.4)*

This was currently £150.00 and it was agreed to raise the limit to £250.00.

*18.3/08 Addition of internet banking to Standing Orders*

It was agreed that there should be wording in the Standing Orders to cover this. The wording in Appendix 1, item 5.2, should be amended to read “sign cheques or authorise internet payments hereafter”. It was agreed that e-mails for salary payment authorisation be sent to either the Chairman, Vice-Chairman, FGP Chairman or The Clerk and their agreement should be stored as part of the audit trail. Small payments could be listed and signed by the Clerk and larger payments via Mr Thornely-Taylor.

*18.4/08 Request for recommendation to add to 8. Conduct of Standing Orders*

The Clerk reported the wording had been lifted directly from the Model Code of Conduct. After discussion it was agreed that the wording be amended to read: "Board members must not conduct themselves in a manner which would reasonably be regarded as bringing the office of Conservator or the Board into disrepute". There followed a short discussion on penalties for breaches of the Code of Conduct and Cllr Barnes suggested that a small body from the Board or the Board itself acts to judge its peers.

**It was agreed Mrs Marriot's limit on cheque signing and internet banking be increased to £200.00.**

**It was agreed the petty cash limit on be increased to £250.00.**

**It was agreed to recommend to the Board that the wording in the Standing Orders regarding internet banking be amended as detailed above.**

**It was agreed to recommend to the Board that the wording in the Standing Orders regarding Conduct of Conservators be amended as detailed above.**

**19/08 Formal acceptance of DMC as internal auditor as required by the Audit Commission.**

This was briefly discussed in the light of the Audit Commission recommendations.

**It was agreed to recommend to the Board that DMC remain acting as internal auditor for the Board.**

**20/08 Formal adoption of Health and Safety at Work policies by the Board as required by the Audit Commission**

The Clerk reported that it had not been appropriate to send out the document that had now reached, after additions, eighty pages long. After assessment by the Head of Health and Safety at County Hall some minor refinements were made. Policies on "Working at Height" and "Construction, Design and Management" have also been added. There was a short discussion on the process of updating the policies as new legislation and change of practice come into being and it was noted all policies would be reviewed and updated appropriately on an annual basis. Mr Thornely-Taylor stated that what had been done fully addressed the previous concerns of the Committee.

**It was agreed that the Committee recommends that the Board adopt the Health and Safety Policies**

(These can be seen in full at on the Forest website at [http://www.ashdownforest.org/news/conservator\\_meetings.php](http://www.ashdownforest.org/news/conservator_meetings.php))

**21/08 Report from HMRC Inspector – FGP 7**

This item was noted during the report from Mrs Temple in item 22/08.

**22/08 Financial Report (year to date) – FGP 8**

This item was taken first as there was a degree of uncertainty caused by a letter from Natural England (NE) regarding a shortfall and repayment of HLS funding. A copy of the letter was circulated and there was a very lengthy discussion.

The Clerk stated that he had already contacted NE by e-mail about the letter and said it was illogical, probably incorrect and not uncommon. He went on to say that Mr Marrable, who was returning from leave on Wednesday, would take the issue up with Natural England and the Rural Payments Agency immediately on his return as he had the necessary expertise. He stated that the potential shortfall was in the region of £70,000.00. Cllr Barnes and Mr Thornely-Taylor both stated that there was no doubt the letter was incomplete and internally inconsistent.

Cllr Barnes stated that, in his opinion, all HLS funded work should cease immediately even though the shortfall was likely to be an error. He went on to say the Committee must take immediate though, hopefully, temporary steps and the Executive committee should meet urgently to identify the steps to be taken. The Clerk responded that Jane Robertson, of Natural England, was taking the matter up on behalf of the Board and that he believed it was important to await Mr Marrable's return from leave as he was the only person who could disentangle the problem based, he thought, on mapping errors.

Cllr Whetstone commented that he felt it was not worth discussing the issue until the Committee knew the full scale of the problem, if there was indeed a problem at all. He proposed that the meeting should be postponed and an emergency meeting held in two weeks time.

Mr Thornely-Taylor commented that the winter work contracts should have clauses in them that allow a period of suspension. He went on to say it was vital that the Committee reports to the Board with a full and accurate picture.

The Clerk agreed that, in regards to winter work, machinery purchases could be halted and winter contracts suspended. Cllr Barnes asked what the Board was legally bound to do with the contracts for winter work. The Clerk responded that approximately six contracts had been awarded. Mrs Temple drew the Committee's attention to page three of the financial papers and pointed out the figure for outsourced work, £141,000.00 and noted that this figure would need to be reduced by approximately £63,000.00. She went on to say the reduction could only be made within the HLS budget. Cllr Barnes commented that any repayment would be made under the Board's control and if the Board were to declare a dispute then any re-payments would be halted. Mrs Temple went on to say that the issue needs to be resolved by March 2009 otherwise it would have to be accounted for in the 2009/2010 budgets. Mrs Temple stated that, whatever the error, the situation is unlikely to be swiftly resolved and it is likely to be a long process.

Cllr Barnes asked about the nature of the contract with Natural England and what it actually said. Cllr Stogdon asked what legal input, on the Forest's behalf, had been sought when the contract was drawn up. Mr Glyn commented that a great deal of the work was related to the precise extent of the ground and arguments about favourable condition and boundaries but could not recall the legal input. Cllr Barnes thought that it was unlikely Defra could impose a deficit and felt it important the Committee see a copy of the contract for themselves. Mr Glyn commented that there was a per hectare payment made and that there was no argument about the size and the problem appeared to be the internal subdivisions.

This was followed by a lengthy discussion about potential in-house areas where savings could be made.

Mr Parsons stated that waiting to act would be imprudent and a series of well thought out plans need to be presented to the Board. He agreed that outsourced winter work was the first area that should be assessed but in-sourced work should also be scrutinised for savings. He went on to say that it should be put to Defra that the Board were treating the letter very seriously, however, conversely, it may be to the detriment of the Board to take steps towards financial savings at such an early stage.

There followed a discussion regarding the Board's potential inability to honour other parts of the contract with Natural England due to decreased finances. It was recalled by the Committee that Natural England assured the Board that where there were failings due to unfavourable situations, they would take a favourable stance. Mrs Temple commented that it was not a case of the work being cancelled; rather, it was being deferred so twice as much will need to be done next year.

Cllr Galley stated that, even if the Committee were preparing to make cost savings, it was important that a logical and robust challenge be made to the letter. He went on to say he would also like to see a commitment from Defra that such a mistake would not re-occur. Mr Glyn stated that there was a long history behind this letter and reported there had been numerous errors and omissions made by the Rural Payments Agency. He went on to say he had, in the past, spent many hours with Mr Marrable sorting out these problems and he felt it was vital Mr Marrable fully briefed the committee before proceeding.

Cllr Whetstone commented that Mr Marrable had far too much on his shoulders and it was wrong that he should be in that position. He went on to say that the Clerk should be as equally *au fait* with this as Mr Marrable and it is not satisfactory there is no back-up for him. Mrs Temple agreed and stated that Mr Marrable does an excellent job and works very hard on this issue but he is not an accountant. The Clerk responded that Mr Marrable was indeed not an accountant but that he had specialist knowledge and expertise amongst the staff for example in the details of field boundaries used in HLS and in the use of GIS. Mr Marrable, he said, had broad enough shoulders to carry the job. Mr Thornely-Taylor responded that what was being discussed was not specialist knowledge but fact: contracts and accounting. Mr Spicer stated that a management re-structure, as previously suggested by Mr Stenhouse, should be put in place. Cllr Barnes stated that the Clerk was responsible for finances and it is up to him to prepare the options and a formal written reply.

Cllr Barnes stated that he agreed the immediate situation, which is probably an error, would not be quickly resolved and that a meeting of the Executive Committee was required to discuss the way forward. It was agreed that the behaviour of the Rural Payments Agency was totally reprehensible.

Cllr Whetstone stated that this situation had again raised the point of what will happen at the end of the HLS contract. Mr Spicer stated that a request for this information had been minuted on many occasions and had not been forthcoming. The Clerk responded that it was included in the Strategic Plan. He went on to say what happens in 2016 is a big issue and if NE is not funding the maintenance of heathland in favourable condition the problem is one for central Government to resolve. Without funding, the Board would simply be unable to manage the Forest's heathland. Cllr Barnes stated that in his opinion a contingency plan for maintaining land was required and that the costs should be lower than reclaiming land.

**It was agreed that the Clerk should detail what avenues for cost saving are open to the Board with one or two viable alternatives and these would be discussed at an Executive Committee meeting.**

**It was agreed that there would be a meeting of the Executive Committee on Thursday 21<sup>st</sup> August at 16.00 at the Forest Centre. Mrs Temple would also attend.**

The Committee moved on to scrutinising the financial report which had been circulated prior to the meeting. Mrs Temple highlighted five potential problem areas:

- *Office costs* – there was an insufficient budget for costs and it was unlikely savings could be made. The photocopier had been taken out twice in error when the budget was trimmed due to other financial constraints.
- *Centre maintenance* - this was trimmed and is not as bad as it would first appear.
- *Input VAT disallowed* – this was trimmed but probably not enough. There had been a VAT inspection (see document FGP 7) which suggested that there may be a large deficit. The figures were still being worked on and a response would be made in due course. The opinion of a VAT expert may be required.
- *Litter disposal* – The expenditure in 2007/8 was high as a backlog from the dump had been emptied. It was hoped this would be a one off. However, there has been an increase in fly-tipping and £4,000.00 had already been spent on three large incidents in the current year.

- *Barn* – Barn sales had been forecast to increase over last year, but there is no way sales could be maintained at this level given the budget for purchases

Mr Thornely-Taylor suggested that a supplementary estimate was required (as per Standing Order 25.2) and East Sussex County Council be approached or expenditure be cut. There was a short discussion regarding monies that had come in from the Friends for the purchase of a new vehicle and that monies were received from the sale of the old vehicle. There was also a discussion regarding the Ashdown Forest Trust and when payments were due. There was a short discussion about why Miss Amos and her assistant's salaries were not shown on the HLS budget and Mrs Temple explained that they were, but not under the grazing project heading.

### **23/08 Any Urgent Item of which the Clerk has notice in order to pass to the elected Chairman**

*Further proposed amendments to the Standing Orders*

The Clerk tabled a document. Item 1, Standing Order 2.6 was discussed and it was agreed that this process be adopted. Item 2, Standing Order 4.5 was discussed and it was agreed that this was a typographical error and the word 'bring' be replaced with 'during' rather than the suggested words being adopted.

**It was agreed that the process detailed in Standing Order 2.6 be adopted, that the typographical error in 4.5 be amended.**

Cllr Whetstone asked the Clerk what progress was being made on the Parish Liaison Committee meetings. The Clerk reported he had been in touch with the Parish Councils with some dates at the end of September. He went on to say that there had not yet been a response from Hartfield or Crowborough and that another Board member was required at the meeting. Cllr Whetstone replied that it was vital the local and county councillors were aware of the date of the meeting so that they were able to attend. There was a short discussion regarding topics to be discussed and biking and winter works were suggested.

Cllr Whetstone asked if the Clerk had made a response to the Government proposals on increased housing in the area. The Clerk responded that he had not. Cllr Whetstone stated he thought it very important that the Forest takes a stand on this as the proposals would have a serious effect on both Forest Row and the local traffic. Cllr Barnes stated that this subject required a paper for discussion by the Board.

The Clerk tabled a paper, which could be used as a policy, on Freedom of Information and he asked the Committee to read it and forward their thoughts to him.

Cllr Galley asked if, in future, agenda headings could be more descriptive and the decision required decision be identified in the paper.

*The meeting finished at 17.00.*