

Malvern Hills Trust

Finance Administration and Resources Committee

Manor House, Grange Road, Malvern WR14 3EY

Thursday 10 August 2017 6.00pm

Present: Mr D Bryer, Mr M Cordey, Mr M Davies (Chair), Mr S Freeman, Mr C Penn, Professor J Raine, Ms S Rouse, Mr D Street, Mr P Watson.

In attendance: Chief Executive Officer (CEO), Secretary to the Board, Finance and Administration Manager, Financial Assistant (until the end of item 13), Dr S Braim, R Hall-Jones (until the end of item 13), Dr P Forster, Mr M Regan (until the end of item 8).

The Chairman welcomed everyone to the meeting.

1. Apologies for absence

R Bartholomew, J O'Donnell.

2. Chair's announcements

2.1 Trustee training – Balancing Risk and Reserves

16 November 6.30pm Open Space Meeting Rooms

2.2 Stroll - 24 August 2017 6pm Swinyard's Car Park

2.3 Charity Commission Scheme Workshop - 21 September 7pm

2.4 There was one item of urgent business

3. Declarations of interest

Sarah Rouse declared an interest in matters relating to the Higher Level Stewardship Scheme.

4. Matters arising from the last meeting not otherwise on the agenda

The CEO said that he had been looking at options for fundraising and he thanked the Board members who had passed on information or contacts. A grant had been confirmed to assist with restoration of the spout/basin at St Ann's Well.

5. To review Schedule of Risk

The CEO went through the schedule, highlighting the major and moderate risks which had been identified.

Section 3.4 (impact of Government policy) remained a major risk, although he was pleased to report that he had received an indication that the level of funding for the northern and central Hills under the Countryside Stewardship Scheme would not be very different to the sums received under the HLS Scheme. The next application for Countryside Stewardship grant funding was due to be made in 2019 [the correct date is 2020] when the current schemes for the southern Hills and Castlemorton come to an end. The situation could be very different after the UK has left the EU.

The implementation of the General Data Protection Regulation would put additional workload on the administrative staff.

In section 4.7, the risk categorisation had been reduced, and MHT's health and safety adviser was satisfied with the level of compliance (although there remained room for improvement).

Section 5.5 had been added on the advice of the Auditor. Write off policies needed to be regularly reviewed.

Section 5.11, Mr Street questioned the use of the term "Conservative" investment policy.

Section 5.12 had been scored down in anticipation of the review of the Pension Scheme being completed.

Section 5.13, (Cash takings) Mr Street suggested the risk of robbery should be included.

6. To approve Trustees' Annual Report and Accounts for year ending 31 March 2017 & authorise signature of Letter of Confirmation

Mr Davies welcomed Mr Regan to the meeting.

Mr Hall-Jones queried whether the accounts should be in the name of Malvern Hills Trust (MHT) or Malvern Hills Conservators (MHC). Mr Regan confirmed that this had been discussed. The front page indicated that MHT was the working name of MHC and the working name had been registered with the Charity Commission. The Finance and Administration Manager went through the final accounts and the reconciliation with the management accounts for year ending 31.03.2017. She confirmed that the Auditors had given an unqualified report. She referred Committee members to the income and expenditure section of the accounts, and pointed out that there would have been a small surplus on the unrestricted fund (general fund, designated funds and pension) but for the inclusion of the pension scheme deficit.

Mr Street asked if the CEO had a list of all the MHT buildings.

There were no comments on the Letter of Confirmation.

On the proposal of Mr Davies, seconded by Mr Cordey it was **RESOLVED** unanimously to agree the Trustees' Annual Report and Accounts and to recommend to the Board that they be adopted at the Annual Council Tax Payers' meeting on 9th November 2017, subject to any post-balance sheet events arising between the meeting and the date of signing and **ALSO** to recommend to the Board that the Chair sign the Letter of Representation to the auditors.

7. Resolution to exclude the public (agenda item 12)

On the proposal of Mr Davies, seconded by Mr Cordey it was **RESOLVED** unanimously to exclude the public for discussion of items 13 on the agenda on the grounds that publicity would be prejudicial to the public interest by reason of the exempt or confidential nature of the business to be transacted (at request of auditor).

CONFIDENTIAL ITEM

Minutes released

8. To consider the Audit Findings Report (agenda item 13)

Mr Regan confirmed that most of the items in his report were generic and applied to all charities. He went through the sections specific to MHT.

- The elements set out in section 2 of the report were considered in every audit and the Auditor's investigation had concluded that there no material misstatements of income. The Auditor suggested that the journal entries should periodically be reviewed by the CEO.
- The Pension Scheme deficit was noted but Mr Regan was aware that MHT were taking steps to control ongoing liabilities.
- It was noted that £100,000 had been transferred from the general fund reserve to the designated fund for the Charity Commission Scheme.
- The Auditor had noted that the money spent on the MHT website and the trademark could have been capitalised.
- Systems and Controls issues – The Auditor had made 2 recommendations in relation to additional reviews which could be carried out and noted 2 additional points for inclusion in the Risk Register (which had already been addressed).

Mr Regan drew attention to the section in the report on fraud and GDPR.

Mr Davies thanked Mr Regan for attending and he left the meeting.

The meeting was reopened to the public

9. Disposal of capital items (agenda item 7)

The Finance and Administration Manager had noted that the wording of the policy for disposal of capital items, previously approved by the Board at the June meeting needed to be corrected. (Shown in red)

Disposal of capital items is dealt with by the Chief Executive Officer under delegated authority.

Disposal of capital items with an estimated market value under £1,000 is dealt with by the Chief Executive officer as an operational matter.

The preferred method for disposals of items with an estimated market value over £1,000 shall be by inviting sealed bids from a shortlist of known machinery dealers and/or outside bodies. Staff may enter bids. A minimum of two bids (which must include one from someone who is not a member of staff) must be received for an item to be released for sale.

In the event that any item does not receive more than one bid through the above process, then the Chief Executive Officer shall be at liberty to dispose of the items by any other method.

The Chief Executive Officer decides if a minimum disposal price should be set and shall reserve the right to withhold an item for sale if he does not think offers received have achieved fair value.

On the proposal of Mr Davies, seconded by Prof Raine, it was **RESOLVED** unanimously to recommend to the Board that they adopt the revised wording set out above.

10. Reports - for information (agenda item 8)

10.1 Management accounts to 30.6.2017

The Finance and Administration Officer reported that income was slightly ahead of budget but drew attention to the budgeted item for £20,000 of grant income. Mr Penn asked whether an analysis had been carried out on the effect of the price increase on the car parking takings. The Finance and Administration Manager said that more passes had been sold which might account to some degree for the reduction in tickets sold. It was too early to draw any conclusions about the effect of changing the car park meter in British Camp car park to one which required the registration number to be recorded.

10.2 Review of major projects (Including Land Management)

The CEO went through the report and made the following points in addition to those set out in it. Work had started at St Ann's Well and the building had been stripped out. Some additional issues had been identified (drainage, damp, central heating system, gas installation) and at this stage the additional cost should fall within the contingency figure built into the contract.

In relation to the cost of the rebranding exercise, Mr Freeman pointed out that many of the items which were being purchased were due for replacement in any event. The CEO confirmed that T-shirts were no longer being issued to volunteers.

Mr Watson asked whether the museum might be interested in having some of the old MHC signs.

The CEO anticipated making an initial approach to the Heritage Lottery Fund within the next few months to ascertain whether they would in principle make a grant to the fund a project for securing the commons. An application would be made shortly to close Jubilee Drive to enable work to be carried out at Thirds Wood. The timing of road closure would determine when the work took place.

Progress on the Access Plan had been delayed by the need to review paths for their suitability for maintenance using a tractor.

The CEO reported, in relation to boundaries, that there had been an incident at Townsend Way where the contractor working on the car park

had attempted to encroach onto MHT land. This highlighted the need to mark boundaries on site.

In response to a question, the CEO confirmed that following an engineer's visit, it would not be feasible at present to consider arrangements for cashless payments for parking charges in most of the car parks on the west side of the Hills.

Replacement of the mower had been delayed as a result of the review of how the path network was being maintained.

10.3 St Ann's Well Refurbishment

See above. As result of the additional work required, completion of the contract was likely to be delayed by a week.

10.4 Update on General Fund 5 year financial forecasts

See minute 15.

10.5 Car park takings analysis 2015/16 & 2016/17

The Finance and Administration Manager had nothing to add to her report. She confirmed that she intended to continue to review car parking trends. Mr Cordey asked if it would be possible to set up a direct debit arrangement for those purchasing an annual pass.

The CEO confirmed that there were a number of car parks for which people did not have to pay. These were mainly off the spine of the Hills and people were unlikely to park for long periods. Before installing ticket machines, it would be necessary to factor in how many of the people using those car parks were likely to have parking permits and the cost of monitoring the parking and making collections from the machines.

11. Scottish Widows bank account

Scottish Widows would cease to have a separate banking licence from 1 October 2017. The funds in the 3 separate MHT bank accounts also needed to be re-balanced between the accounts as some accounts held more money than others. Mr Freeman suggested checking the risk profile of the banks which were being considered. It was agreed that the Finance and Administration Manager should investigate the options available to replace the Scottish Widows account, and also splitting MHT funds between more accounts, and prepare a paper for the Board meeting.

12. Urgent Business

The Conservation Manager had tabled a late paper requesting authorisation to purchase a swift box from the gift fund. On the proposal of Mr Davies, seconded by Ms Rouse it was **RESOLVED** unanimously to recommend to the Board the expenditure of £125 from the gift fund on the purchase and installation of a swift box.

Mr Freeman asked that a proposal should be brought to the Board to authorise a delegation to the CEO to authorise payments from the gift fund.

13. Date and time of next meeting

14 December 7pm.

Mr Hall-Jones and the Financial Assistant left the meeting.

14. Resolution to exclude the public for discussion of item 14 on the agenda

On the proposal of Mr Davies, seconded by Mr Cordey it was RESOLVED unanimously to exclude the public for discussion of item 14 on the agenda on the grounds that publicity would be prejudicial to the public interest by reason of the exempt or confidential nature of the business to be transacted (staffing matter).

The meeting closed at 7.55pm