

## Malvern Hills Trust

Finance Administration and Resources Committee

Manor House, Grange Road, Malvern WR14 3EY

Thursday 8 February 2018 7.00pm

**Present:** Mr R Bartholomew, Mr M Cordey, Mr M Davies (Chair), Mr S Freeman (non-voting), Mrs L Hodgson (arrived end of item 2), Mr C Penn, Prof J Raine, Ms S Rouse (non-voting), Mr D Street, Mr P Watson.

**In attendance:** Chief Executive Officer (CEO), Secretary to the Board, Finance and Administration Manager, Financial Assistant, Dr S Braim, Dr P Forster, Mr A Golightly.

### 1. Apologies for Absence

David Bryer.

### 2. Chair's Communications

- i. Sarah Rouse had agreed to join the committee. This would be ratified at the next Board meeting.
- ii. It had been agreed that the monthly management accounts would be sent by E-mail to FAR committee members. Mr Davies did not expect this to trigger a huge volume of questions for the Finance and Administration Manager.
- iii. Crowe Clark Whitehill had notified MHT that their audit fee would increase from £5,900 to £10,000 per year. The Finance and Administration Manager had invited tenders for the audit from other firms, to be received by 21 February. A summary of the tenders would go to the Board on 8 March.
- iv. There had been a question about an ethical investment policy at the last Board meeting. The Finance and Administration Manager said there was no restriction in the current investment policies but they stated "The charity's assets should be invested in line with the long term interests of the charity. The trustees do not wish to adopt an exclusionary policy but individual investments may be excluded if perceived to conflict with the charity's purpose." Brewin Dolphin were aware of this. Mr Bartholomew asked what the review mechanism was. The Finance and Administration Manager said anything new would be brought to the committee's attention. The Finance and Administration Manager circulated a note from Brewin Dolphin about the fall in the market over recent days.
- v. Chairs and Vice Chairs had been considering ways in which the trustees might engage in setting the strategic objectives of the Trust. Mr Davies and Mr Cordey had met with the Finance and Administration Manager to identify the areas on which FAR might focus, and the priorities agreed were:
  - Fundraising
  - The reserves policy

Resources and the use of volunteers  
Property

He would circulate some notes from that discussion and then consider how those items might be included in future agendas. Committee members were asked to let Mr Davies know if there were any other issues which they thought should be included.

**3. Declarations of Interest**

Ms Rouse declared an interest on the HLS Scheme.

**4. Matters arising from previous meeting 18 January 2018**

Mr Street said he had had an exchange of E-mails with Ian Burrows and Mr Burrows had suggested reviewing the percentage limit which could be invested in any individual fund. This should be picked up at the next FAR meeting.

**5. Authorisation of Gift Fund expenditure**

The CEO went through the paper.

On the proposal of Mr Cordey, seconded by Prof Raine, it was **RESOLVED** unanimously to confirm that the CEO's authority to approve unbudgeted expenditure as agreed at the FAR Committee meeting held on 8<sup>th</sup> December 2016 (and subsequently approved at the Board meeting on 19<sup>th</sup> January 2017) covered expenditure from all the charity's funds.

**6. Draft reserves policy**

The Finance and Administration Manager went through the paper. The reserves policy needed a more thoughtful approach than was evidenced by the current policy, which was to keep 6 month's expenditure in reserve. The policy was the responsibility of the trustees. On the proposal of Mr Davies, seconded by Mr Cordey, it was **RESOLVED** unanimously to appoint a small working party to work up recommendations for a new policy. Mr Street, Mr Cordey, Mr Davies and Mr Bryer were nominated to form the working party.

**7. Tree work – additional costs following bad weather**

The CEO went through the paper. On the proposal of Mr Street, seconded by Mr Watkins, it was **RESOLVED** unanimously to authorize expenditure of £5,370 to carry out the necessary work.

It was suggested that there should be an extension to the CEO's delegated authority to cover this sort of event. A line could be included in the budget for 2019/20 for exceptional costs arising out of bad weather. Mr Penn suggested delegating authority to the Chair in circumstances where action was required immediately. Alternatively the Secretary to the Board suggested the CEO could E-mail the committee members, notifying them of the problem and asking them to indicate whether they would approve the expenditure. The decision could be ratified at the next meeting.

## 8. Parking Charges 2018/9 (delegated decision)

The Board had delegated authority to FAR to decide the issue of how an extra £14,000 should be raised from car parking charges in 2018/9. The Finance and Administration Manager went through the proposal contained in the paper. There was a general discussion on whether it was a good idea to increase the cost of a parking ticket to £4.20, to reflect inflation. The committee was not comfortable with the idea of loading any further cost onto the annual passes. It would not be an undue administrative burden to count the extra coins and most people who came to park were likely to have change available. Mrs Hodgson asked why the cost of the annual passes was proposed to be increased to £5.15 rather than £5.20. The Finance and Administration Manager said this was the amount of the inflationary increase which was easy to explain to the public. The residents were already paying the levy and were quite sensitive to increased charges for the car park passes. The extra 5p would raise an additional £1,000\* and the difference between the 2 figures might well be viewed as insignificant by the paying public.

Mrs Hodgson proposed an amendment to the recommendation to increase the cost of the resident's car park passes to £5.20, which was seconded by Mr Penn and it was **RESOLVED** to approve the amendment.

On the proposal of Mr Davies, seconded by Mr Cordey it was **RESOLVED** (with one abstention) that:

- a. The daily charges at the car park meters be increased from £4.00 to £4.20 with effect from 1<sup>st</sup> April 2018.
- b. Residents' pass prices be increased to £5.20 for the 2018/19 passes.
- c. Annual pass prices be increased to £36 for the first car and £13 for the second car, for passes with start dates from 1<sup>st</sup> April 2018 onwards.
- d. A £1 administration charge be introduced for replacement residents' passes, with effect from 1<sup>st</sup> April 2018.

The Finance and Administration Manager said that residents' passes would be sold from April 2018 at Colwall library, in addition to Malvern TIC.

\*[This figure was checked after the meeting and was found to be incorrect. Based on the previous year's sales of 7,366 passes, the additional net revenue would be £307]

## 9. Red flag items off the risk schedule

The CEO reported that he had received a letter from Natural England confirming the offer of a Countryside Stewardship grant for a 10 year period. This would give a secure income for the management of the central and northern Hills. The letter stated that no work should be undertaken until the grant was signed off.

Technically, the grant period started on 1 January 2018. The new scheme included items previously covered in the Woodland Grant scheme.

## 10. Reports - for information

### **10.1 Management accounts for the 6 months ended 31<sup>th</sup> December 2017**

The Finance and Administration Manager went through the paper. There were some underspends, including on salaries because the Deputy Conservation Officer post remained unfilled. The CEO and the Conservation Manager wanted to use some of that saving to buy in some expertise to assist with writing the Heritage Lottery Fund (HLF) bid.

The CEO confirmed that fund labelled as being to deal with ash dieback was intended to cover any major tree diseases.

On the recommendation of the Finance and Administration Manager, and on the proposal of Mr Davies, seconded by Mr Penn, it was **RESOLVED** unanimously to recommend to the Board that the balance of £15,113 on the pension review designated fund be transferred back to the general fund at the year end.

Now that the Countryside Steward funding was confirmed, the job description for the Deputy Conservation Officer post would be reviewed.

### **10.2 Review of major projects (Including Land Management)**

The CEO went through the amber highlighted items on his written report. He confirmed that he had heard from the HLF that the project to secure the commons was likely to meet the requirements for HLF funding. HLF had made suggestions about increasing certain elements of the project. They would require evidence of some degree of commitment to the project from Highways. Completing the application would require additional manpower. He had spoken to the AONB and to consultants who specialized in helping with HLF applications. Mrs Hodgson offered to help pursue the required response from Highways. The CEO's initial estimate was a total project cost of £827,000 of which MHT would need to contribute (or find other funders for) around 20%. The sum included funding for a project officer. Dr Braim asked about the need to get additional fencing powers in the Charity Commission Scheme (CCS). The CEO said there was another option, which was to ask Highways to use their powers, but this was not ideal. He thought it would take 18 months to get all the necessary permissions, before the start of phase 2, which was implementation. By then the Scheme might have been made. Dr Braim was concerned that the timescale for the CCS was uncertain.

Mr Freeman asked if it was realistic for MHT staff to deliver the project. The CEO said he had costed in staff time to supervise the project officer. Stage 1 was in the Business Plan for this year but it was clear that making the HLF application would take longer than was originally thought.

The CEO mentioned that there had been a change of plan in relation to the purchase of a mower, as a result of a reappraisal of Health and Safety issues. It was now intended to purchase 2 mowers and taking into account the trade in value of the old mower, the resulting overspend would be in the region of £1,000.

### **10.3 St Ann's Well Refurbishment**

The CEO had now received the final account but some anomalies had been spotted. The works which had not been queried had been passed for payment. The final account was in the region of £186,000, as a result of the additional works which had been approved. The CEO hoped to find a date for Board members to go up and view the work and have some light refreshments.

#### **10.4 General Data Protection Regulations**

The Finance and Administration Manager confirmed that good progress had been made towards complying with the new regulations. Part of the process would be to prepare a document retention policy. She was not sure whether professional advice would be required before the regulations came into force but as a precaution, she asked the committee to set up a small designated fund to cover that eventuality. The CEO understood that there might be more changes to the Regulations next year. Dr Braim said that he had experience of the issues which arose under the GDPR, and offered to assist. In large part, for MHT, the requirement was to record steps which were already being taken. On the proposal of Mr Davies, seconded by Mr Penn, it was **RESOLVED** unanimously to approve the setting up of a designated fund of £5,000 to cover the cost of professional advice needed to ensure compliance with the GDPR regulations.

The Finance and Administration Manager confirmed MHT was registered with the ICO.

#### **10.5 Fund raising**

The CEO went through the paper, which gave a summary of current fundraising streams, and options for the future. He suggested it might be appropriate to set up a working group to look at future fundraising. Prof Raine suggested that the group resourced its own administration. Mr Davies said that an ambitious level of fundraising required some resources to be put in. Mrs Hodgson said that Worcester Museum secured funding to look at ways of fundraising and had brought in an independent consultant to assist. Mr Freeman said MHT needed to look at the available resources, what the potential was for fundraising and what could be delivered. On the proposal of Mr Davies, seconded by Mrs Hodgson, it was **RESOLVED** to set up a working group to look at fundraising. Mr Davies, Mr Penn, Prof Raine, Mrs Hodgson and Ms Rouse volunteered to join the working group and Mr Davies said he would make a call for volunteers at the Board meeting.

#### **11 Urgent Business**

There was none

#### **12 Date and time of next meeting 10 May 2018 7pm**

#### **13 Confidential item**

On the proposal of Mr Davies, seconded by Mrs Hodgson, it was resolved 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 (commercially sensitive matter).

**The meeting closed at 9.35**