

## Finance, Administration & Resources Committee Accounting policies and procedures manual

8th August 2019

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The 'Accounting policies and procedures manual' was last updated in July 2018 and is now due for its annual review.

The auditors have recommended one change to MHT's financial procedures, which is to increase the limit at which asset purchases are capitalised from £250 to either £500 or £1,000.

My preference would be for a £500 limit, as £1,000 would mean items such as brush cutters and PCs would not be capitalised.

In 2018/19, there were no asset purchases between £250 and £500. 5 items under £250 were purchased, so this is not a major issue.

The general review of the manual highlighted a few other updates which were needed. These are summarised in the attached table. If any member of the FAR Committee would like a copy of the manual please let me know.

### **Recommendation**

That the FAR Committee recommend to the Board that the Accounting policies and procedures manual be altered to increase the capitalisation limit to £500.

Cheryl Gentry  
Finance & Administration Manager  
9<sup>th</sup> July 2019

Malvern Hills Trust  
Updates to 'Accounting policies and procedures manual', July 2019

Page	Item	Update
8	Meters	The new meters will be installed after this report has been finalised. The accounting manual has been updated to reflect this, but will be further updated once the new meters are installed and we have used the new system for a few weeks.
9	Levy	Altered MHDC levy payment schedule to 2 6-monthly payments in June and December
12	Ordering and PI processing	Added in a requirement to sign to confirm budget holder has checked quote/tender limits when ordering

## **Finance, Administration & Resources Committee**

### **Business Plan Review 2019**

8th August 2019

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#### **Background**

The current Business plan was adopted by Board on 18<sup>th</sup> January 2017 and covered the five financial years from April 2017 to March 2022. (It also included the two financial years up to April 2017 for context)

When passed it was agreed that the Business Plan would be treated as a dynamic document, to be reviewed annually and updated with additional new years at each review. It was scheduled in the plan that a major review would be undertaken at the 5 year stage (2021/22)

#### **Overview of key amendments to plan.**

The following paper lays out the key amendments to the plan as identified from a recent internal review by the CEO and other managers. They are laid out in the same sequence and with the same numbering as in the original Business Plan for ease of cross reference, and will be appended to the relevant sections of the BP as an update.

The amendments include any key changes to the plan progress that have occurred since the 2017 version was adopted, plus any additional work elements that have been identified that need to be brought into, or deleted from, the updated plan.

For clarity the paper should be read in conjunction with Revised Work Programme 2019 – 2024. The Work Programme includes columns for the Prior years, together with the five year forward forecasted figures.

#### **Recommendation**

FAR Committee is asked to consider the key elements and in particular those new elements being brought into the plan for the next 5 year period

Duncan Bridges  
CEO  
27th July 2019

# 1 LAND MANAGEMENT

## 1.1 HABITATS AND LANDSCAPE

### 1.1.1 *Maintaining the current version of the LMP*

The plan agreed by Board in 2017 is in operation and was given its first partial annual review in early 2018 and this second full review in June 2019. Relevant amendments and additions are now carried through into this Business Plan Review.

### 1.1.2 *Securing the future of grazing across the Hills and Castlemorton Common*

This important piece of work, based on research carried out in 2015/16 proposed to implement works that will better facilitate grazing across Castlemorton Common. Its implementation is however dependant on MHT obtaining wider powers to fence, as part of the Charity Commission Scheme, and securing major funding through the Lottery.

Initial works in the form of outline application to HLF and initial consultation with commoners and landowners around the common have been undertaken, but the project has had to be set back in the programme, pending the outcome of the Charity Commission Scheme and new HLF funding programmes.

### 1.1.3 *Hill Grazing*

Extension of perimeter security to some of the hills is suspended pending implementation of the Securing the Commons Project. After initial investigations it was determined that adding water supplies was not currently required so this project element has been deleted.

### 1.1.5 *Preservation of Archaeological features*

The programme of works to address erosion and damage at British Camp and Shire Ditch were to be implemented over the full period of this plan. Due to delays with specifications these works have been delayed in 2018 but have been part completed in 2019/20. Assessment of the success of the method of repair is required before further works are undertaken.

### **NEW Element – British Camp Pathway**

Recent condition assessments of the main footpath to the British Camp summit has highlighted that it is in declining condition. Short term repairs will be needed, with longer term resurfacing of the whole path anticipated in the next 4 – 5 years. Specification and quotes to be obtained.

### 1.1.6 *Fencing*

Repairs and upgrades to quarry fencing have been implemented as planned to date, and ongoing repairs and improvements will need to be maintained. Assessment of the need for additional fencing requirements for smaller quarries has been added in during 2019/20 with additional works anticipated now for the following 4 year period. RoSPA to be asked to undertake reassessment of safety measures installed to date at Gullet Quarry.

### **1.1.7 Tree and Hedge Management**

Annual tree and hedge management has been undertaken in line with the 5 year management plan using combination of contractors, field staff and volunteers, with successful completion of target areas in the first 2 years of the programme. This to be rolled forward to 2023/24.

Tree safety assessment procedures is being updated in 2019 and this will require additional staff time from winter 2019 onwards.

### **1.1.8 Water Bodies**

Restoration of water bodies has progressed in first two years as per the plan. More works need to be undertaken to restore more of the ponds scattered around MHT land. Additional funding needs are projected to be required every other year.

### **1.1.9 Extreme Weather Plan**

The Extreme Weather plan was reviewed and updated in 2017 to allow for severe winter weather, including policies on snow clearance, car park closures and public information. These worked satisfactorily in the winter of 2017/8 but plan needs to be expanded in 2019/20 to include flooding and other severe weather patterns, in particular drought.

### **1.1.10 Surveys**

Several surveys were undertaken in 2017 and 2018 in particular to supplement data records for the production of the Wildlife of the Malverns Book, and the veteran tree survey. More detailed systematic surveys need to be implemented in coming years – particularly with regards to tree diseases.

## 1.2 ACCESS AND RECREATION

Primary objectives for this area of work remain as in the current Business Plan – making provisions so that as many people as possible can experience and enjoy the Hills and Commons – whilst at the same time ensuring that;

- (a) the natural environment which makes it such a special place remains unaffected and
- (b) the safety of those using the Hills is maintained as far as reasonably possible.

In the first 24 months of the plan a great number of the works have been started, with some completed, but many requiring more sustained input than originally planned

### 1.2.1 Car Parking

A programme of car park repairs was drawn up in early 2017 and work undertaken on a number of the car parks over the first two summers with Beacon Road, West of England, Link Common (lower), British Camp, Upper Gardeners and Black Hill all received minor patching works. Further repairs to other car parks have been identified and the cold winter of 2017/18 with heavy snow and ice have caused increased numbers of pot holes and broken edging to some car parks. Consequently Old Hills car park repairs were carried out earlier than planned. Lower Gardeners ramp was resurfaced in spring 2019.

Additional work and resources are now identified as being needed through to 2023 as follows:

- Earnslaw – Upper section: maintenance surfacing and grading needed. Boundary marking and bay delineation required.  
Lower Section: maintenance surfacing and grading needed.
- Gardeners – Upper: maintenance surfacing and grading needed  
Middle: maintenance surfacing and grading needed  
Lower: ramp repaired 2019.
- Black Hill – Capacity inadequate for busy days – especially Bank Holidays. Capacity to possibly be increased by
  - 1 - expanding upper section and marking to allow central line of 10-12 bays
  - 2 - widening on northern access ramp to allow row of oblique bays (15-20 bay)
- British Camp – rationalisation of disabled bays and motorcycle parking required.
- Beacon Road – Lower: Maintenance surfacing and grading  
Upper: Edging of tarmac to be repaired / replaced.
- North – Drainage improvements and speed ramp upgrade to access required  
maintenance surfacing and grading needed.
- Tank - maintenance surfacing and grading needed.
- West of England - Northern access ramp: shoulders to be resurfaced.  
maintenance surfacing and grading needed.

Repainting of British Camp, Manor House and Beacon Road car park bays was carried out in 2017. Further line painting is set back to fit in with repair works due.

New car park meters are being installed in 2019 with card payment facility (see Finance and Funding) and following the rebranding a programme to install new signage and interpretation boards has been part completed (see Communications - Signage).

### **1.2.2 Path Maintenance**

The path network condition assessment was carried out in 2017. Improvements to heavily used path sections have been undertaken, with the northern and eastern section of Lady De Walden Drive benefiting from extensive grading and surfacing work. In addition there have been a number of smaller path sections that have been regraded.

The Easy Access Trail at Earnslaw and the trail from British Camp were resurfaced in 2017/18.

### **1.2.3 Improving Access**

In addition to the maintenance and upgrade of the existing path network, it was identified that there was a need to improve access elsewhere.

Funding of over £40,000 has been secured for the Community Woodland at Townsend Way, with tenders currently under consideration and works expected to be undertaken in early autumn 2019. Further small sections of connecting pathways have been identified that should be upgraded to provide an improved network of paths.

Repairs to drainage at St Ann's were completed in early 2018 having been set back pending completion of the main refurbishment works at the Well.

### **NEW Element - Beacon Track Surfacing**

The main tarmac track / path up to the Beacon is in need of repair due to continued use and erosion. Currently, an estimated 100m<sup>2</sup> of surface needs to be repaired. This work could be spread over several years but it would be more cost effective to undertake it in a single period of work.

### **1.2.4 Cycle Access (This item is now merged in plan with 3.2.1)**

Way-marking of footpaths, bridleways and permissive tracks for three official cycle routes was completed in 2019. These have been provided to make it clear to all users where cycling is permitted. No further major costs planned but some further cycle specific signage may be required to supplement these three routes in the coming years.

### **1.2.5 Dogs**

The dog campaign originally planned to run early 2019 was postponed for 6 months to allow for the completion of the cycling campaign.

### **1.2.6 Visitor Surveys**

A visitor survey was undertaken in 2018 in partnership with the AONB. The survey provided results from over 400 interviewees, indicating where they had come from, methods of transport, use of and time spent on the hills, as well as many other elements. To supplement this survey and provide accurate quantitative data on users at different of locations, a number of people-counters are planned to be installed at key bottleneck points on the hills.

## **2 RESOURCES**

### **2.1.1 Staff Structure**

Some of the changes agreed have been introduced, but some are outstanding and further planning of staffing capacity and needs is required. Particular areas that need increased capacity are wardening, fundraising and estate management.

Changes have been made to some of the staffing arrangements with one temporary post being made permanent and another part time being upgraded to full time. Succession planning for future loss of staff through retirement has been initiated through the Staffing Committee in 2018 and further planning is underway.

### **2.1.2 Fair and consistent employment policies**

In collaboration with our HR advisor, the Trusts HR policies have been reviewed and a number updated or new policies introduced. In particular policies on Bullying and Harassment, Safeguarding and GDPR compliance have been introduced. Staff handbook has been updated accordingly.

### **2.1.3 Undertake job evaluation and benchmarking**

The benchmarking exercise was carried out in 2018 using an external consultant with first results presented to the Staffing Committee.

### **2.1.4 Providing improved staff and volunteer welfare facilities**

Welfare facilities were completed at the Top Shed in 2017.

### **2.1.5 Developing an apprenticeship scheme or similar**

After initial works on this area in 2016/17 were undertaken, the project has been placed on hold pending availability of suitable scheme partners and having capacity within the organisation to accommodate them.

### **2.1.6 Developing volunteering within the charity**

Volunteer numbers and time contribution have increased over the first two years of the BP. In particular we have seen an increase in practical volunteers on work tasks,

plus a significant increase in the number of volunteer Wardens, with both Site and Roaming wardens increased, and at least one new water-bailiff warden. Volunteer support in the offices and archiving area has also been maintained and consequently the Trust has benefitted with the progress of a number of project areas.

Further expansion is still required so coordination and management of these volunteers, currently undertaken by existing staff posts, will be an increasing requirement. Priority needs to be given to a volunteer coordinator role (itself a volunteer post).

### **2.1.7 Training and Personal Development**

Training provision has seen some improvements in the first two year period, with many staff being given training targeted to their posts and duties as a result of their annual appraisals. More general training topics (eg First Aid and Defibrillator training) have been undertaken with both staff and volunteers, and in-house training and briefings (eg for volunteer wardens, being developed.) Budgets for training are currently adequate for needs, but growth in volunteer numbers will require more capacity.

## **2.2 FINANCE & FUNDING**

### **2.2.1 Budget forecasting**

The 5 year budget forecast was produced with the original Business Plan along with the annual budget. A revised forecast for 2019/20 – 2023/24 will be presented once forward estimates for machinery and vehicle costs for 2023-2024 are determined.

### **2.2.2 Reserves Policy**

An updated policy was put to Board for adoption in 2018. This was revised in 2019. Annual budget preparation and quarterly monitoring has to take heed of the thresholds within the policy and FAR are alerted to any variation away from the policy.

### ***New Element – Regular review***

As the risks and demands on the organisation change over the coming years, rigorous monitoring and oversight of the application of this policy is needed to ensure it remains fit for purpose. Every two years a proper review of its application, terms and suitability should be undertaken.

### **2.2.3 Pension Deficit**

A full review of the pension arrangements and deficit was successfully undertaken through 2016 and 2017, with the introduction of a Defined Contribution scheme and an agreement reached with WCC Pension Scheme for the repayment of the deficit over the next 18 years. This action had provided the organisation with a clear method for the discharge of the deficit, a cap on liabilities and a transition

route to a wholly DC pension arrangement. However recent legal cases (McCloud case) have highlighted potential variability in the LGPS deficit calculation.

#### **2.2.4 Car Park Income**

Since the commencement of the BP, the CEO and FAR Committee undertook a review of the charging policy, tariff levels and condition of the Car Park Pay and Display machines.

Consequently a decision was taken to install a new suite of machines with card payment facility, now due in July 2019 (9 months later than originally anticipated). The single tariff will be continued with a further review of tariff levels to be considered one year after commissioning of the new machines.

The price of annual permits, both resident and non-resident is reviewed annually.

#### **2.2.5 HLS Grant Income**

Maintaining the current level of grant income from Higher Level Stewardship (HLS) was identified as a key objective in the Business Plan.

The Northern and Central Hills HLS scheme ended in early 2017 and was successfully replaced with a 10 year Countryside Stewardship scheme in January 2018.

While some degree of assurance has been issued by the UK government in relation to the short term continuance of agri-environment scheme funding through to 2021, the Agriculture Bill (Sept, 18) sets out targets for the introduction of a 7 year transition period for the Basic Payment System from 2021, with payments to farmers and landowners being reduced proportionately on a year by year basis after that date.

MHT receives only a small proportion of its income from Basic Payment System payments. However many commoners, including most of those who are currently still grazing on MHT land, receive BPS payments and will see an expected change in income as a result of the move away from BPS. This may impact on the economic viability of their grazing operation in the future.

It is still not clear if Countryside Stewardship (or any other successor scheme that MHT will be eligible for) will still be in place after 2021. The Government objective of switching basic payments towards delivery of public services does however indicate that financial support for the agri-environmental management of the Malvern Hills should continue.

#### **2.2.6 Fundraising and income diversification**

The Business plan calls for a range of initiatives and work elements to be undertaken to increase and improve fundraising and income generation. However many of these are dependent on gaining wider fundraising and operational powers through the Charity Commission Scheme. With that scheme delayed several elements have had to be delayed –

**Membership scheme** – while initial investigative works into how a scheme might be set up and operated, it has not been possible to progress detailed plans as anticipated.

**Opportunities for Sales** – suspended pending determination of those powers in the CC Scheme.

**General Fundraising Targets.** While a general unrestricted fundraising income of between £10 – 15K has been achieved in the first two years, without the above initiatives further income gains have not been met. The targets of £20k and £40k unrestricted income have not been achieved, but there have been some significant restricted income grants achieved.

Until the Scheme is completed and additional income avenues opened up to us, it is proposed that the target be revised to an annual income of £15k unrestricted and £30k restricted income.

#### ***Proposed New Element – Fundraising Officer***

It is proposed that to deliver a greater upturn in fundraising income will require significant staff time. As staffing time is already at its capacity, a step change can only be achieved through a dedicated (either paid or voluntary) fundraising officer.

#### ***2.2.7 Donations and Legacies***

A number of elements and initiatives have been implemented in the first two years in relation to donations and legacies. A 5000 run print of a new legacy leaflet was completed in early 2018 and copies distributed to local firms of solicitors and other parties. Publicity was undertaken to coincide with national Legacy Week and a new program of promoting legacy projects was started with Tree planting and Interpretation panels being prioritised through the Trust Website and media releases.

One medium and several small legacies were received during 2018/19 from members of the public, with a further larger legacy being part received in early 2019. These have significantly increased the Trust's unrestricted reserves.

#### ***2.2.8 Investment of Capital***

Following adoption of the new investment policy, an investment management company has been engaged. Performance of investments is reviewed on a regular quarterly basis by senior management and members of FAR against clear criteria (eg risk level and benchmarks for returns.) To date, the investments have delivered against target.

The review of the capital projects list was completed and projections of costs included in the full business plan. This will need further review and amendment in light of changes in other policies - ie machinery replacement program, Charity Commission Scheme progress and costs.

#### ***2.2.9 Precept Income***

Increases in precept are being monitored and reviewed on an annual basis by FAR. In light of results to date of the Charity Commission Scheme works, further work on looking at options to increase the precepted area has been deleted from the plan.

## **2.3 EQUIPMENT**

### **2.3.1 Vehicle Management**

The policy on replacement of vehicles, adopted in 2015, is being fully implemented with replacement wardens and estate staff vehicles sourced in 2016 and 2017. As with other machinery replacements, the policy needs to be kept under review to determine if best reliable economic life of vehicles is being achieved. It was amended in 2018 in relation to write off periods for tractors in light of increases reliability and residual values of those machines.

### **2.3.2 Plant and Machinery**

Plant and machinery replacements have been undertaken to date in line with the machinery replacement programme, although there have been some changes in the schedule of acquisition dependant on lifespan of certain pieces of equipment. The schedule needs further regular review to measure effective lifespan of respective equipment against their anticipated economical retention period.

## **2.4 BUILDINGS**

### **2.4.1 Manor House**

The short term works of replacing the windows and improving the public entrance footway were undertaken and completed in financial year 17/18.

Feasibility studies have been undertaken on the wider refurbishment of the building, with architect and QS drawing up initial plans and costs. Due to the high costs the layout of plans and schedule of works is being revised. Implementation of any works is now expected in financial year 19/20.

The review of options for longer term relocation of the offices has been commenced but is held in abeyance pending decisions on Manor House.

### **2.4.2 St Ann's Well**

A programme of internal and external refurbishment was agreed in 2015/16 and, following initial delays to the start of the contract due to planning requirements, the work were completed by December of 2017.

Following completion of works a schedule of condition and programme of inspection and maintenance was drawn up and is being implemented.

### **2.4.3 Top Shed**

Welfare facilities were completed at this location in 2016/17. Review for the storage capacity identified that the best improvement can be made with the infilling of the pits. Plans and Engineers assessment of the building prior to any infill of the pit have been completed but initial quotes indicate costs in the £10-15k bracket so works have been set back in the schedule.

### **2.4.4 Bottom Shed**

The review is yet to be completed. This is to be undertaken in light of any wider development of other buildings (See 2.4.1 and 2.4.)

### **2.4.5 Toilets**

Negotiations with local authorities over future leases and agreements for the toilets are being held with the respective Councils.

### ***NEW ELEMENT – British Camp Toilet Soakaway***

Drainage Soakaway to British Camp toilets is in need of replacement with a new digester system to meet regulations due in in 2020.

### **2.4.6 Other Buildings**

A full inspection was carried out of all MHT buildings in 2016/17 and an inventory compiled. Insurance values of the buildings were updated using an external consultant in 2017. A maintenance programme for these buildings has been drafted and is currently being applied. First elements identified for works in 2018/19 and 2019/20 were Wyche Cutting shelter / Belvedere (expected July 2019), and drainage works to St Ann's well (completed).

### ***New Element- Donkey Shed Restoration***

It was identified from the inspection of buildings (2017) that the Donkey Shed could be restored as a historical agricultural building closely associated with the Victorian tourism use of the Hills. Consequently this has been taken off the St Ann's Well lease and plans put in place for its restoration. Those plans are currently going before Planning Committee August 2019 before works, expected in spring 2020.

## **2.5 INFORMATION TECHNOLOGY**

### **2.5.1 Hardware**

An IT maintenance and development plan was produced in 2016/17 subsequent to which a full replacement of the server, storage, email system and cybersecurity were implemented between February 2018 and July of 2019. A new IT support contractor was taken on in March 2018.

## **2.5.2 Software**

Microsoft Windows 7 reaches the end of its supported life in 2019 and along with the upgrade of server and terminals over the last 2 years, necessary upgrades to software currently in use on all machines has been completed to date.

## **3 COMMUNICATIONS**

### **3.1 PUBLIC COMMUNICATION**

#### **3.1.1 *Interpretation Strategy***

MHT aims to fully implement the Interpretation Strategy, compiled in 2015, over the current 5 year period. This strategy will however need reviewing in 2020 to keep it up-to-date and inclusive of current communication channels, especially electronic media.

#### **3.1.2 *Brand Identity***

Rebranding of the organisation as Malvern Hills Trust (working title of the Malvern Hills Conservators) was agreed in 2016/17 following commissioning of a new logo and corporate design identity. The new name and logo was adopted in April 2017 and rebranding of all the key areas of the organisation undertaken in the first few months.

The brand is now applied across all media and communications and has been well received, with a much improved public awareness of the organisation.

On site signage at all the major car parks and focal points has been changed but there remains a large backlog of small signs, interpretation boards and historical signage that needs replacing.

#### **3.1.3 *Website***

The new Trust website was commissioned, designed and launched on time to coincide with the public launch of the new brand identity in April 2017. It is a more dynamic site with mapping, video capability and feeds to social media and has cross-platform compatibility allowing better communications through mobile phone and tablet use. It has been reviewed this year (2019) with a number of minor amendments/ additions being recommended, which will be implemented in the third quarter of 2019.

The site also has the capability for intranet use by staff, volunteers and board members, although this element has to date received little use and will require additional staff time in the next two years to fully implement.

The specific target of investigating QR codes / NFC has been deleted as these will be reviewed annually along with many other developing technologies, apps etc to see if any serve our communication needs at any particular time.

A media policy was drawn up and adopted in 2016. As well as providing clear parameters and guidelines for the organisations use of social media it needs to be a

document that is reviewed on a regular basis as social media systems and uses evolve. It is to be reviewed in 2019/20.

### **3.1.4 Signage**

Following on from the rebranding of the organisation there was an extensive programme of signage replacement required through the 5 year business plan. As costs for replacing them all within one year were recognised to be excessive, the elements were spread across the years grouped by type. In practice this programme has been found to not be as appropriate as planned.

While some elements have been completed as scheduled – vehicle rebranding, main offices, staff clothing, St Ann’s Well and the main office building entrance signs as examples - elsewhere priority has been given to completing rebranding of all signs on a site by site basis, with priority going to the most high profile locations. The main car parks now have all their signage replaced, providing a consistent brand appearance to visitors. However there is still a large number of smaller, lesser signs scattered throughout the estate that needs updating, as well as some of the larger, high profile interpretation boards. These have been prioritised for funding from public donations with the anticipation that they will be replaced over the next 2 -3 years.

### **3.15 Publications**

In pursuance of the plans objectives, during the first 2 year period the following leaflets and publications have been produced or updated;

Legacy Leaflet	5,000
Good Neighbour Guide	
Precept payers leaflet (2)	
Walking and Cycling map	
Cycling route guides (2)	5,000

The walking and cycling map and guide has been extremely well received and a second print run was commissioned in October 2018.

The updated jurisdiction map is to be printed during the current year (2019/20)

### **3.1.6 Events**

So far each year an annual events programme has been compiled and successfully implemented. Public response has been generally good with most events receiving good numbers of attendees, and those that have been poorly attended have been reviewed or dropped in favour of more popular themes and activities.

In 2017 the Trust attended the Three Counties Show as an exhibitor but this was not repeated in 2018 as it was anticipated that the (subsequently postponed) public consultation on the Charity Commission Scheme would be in full swing at the time.

A Hills and Commons Event was proposed as a more Hills focused alternative to attending the 3 Counties Show. This was postponed pending the public consultation process. This event will be reviewed in 2019/ 20 to see if it is still required.

Display materials were updated as planned in 2017 with new branding and logo.

### **3.1.7 Press and Media**

Press take up and coverage of stories initiated by the Trust has been positive over the past 3-4 years, with many Trust initiated articles appearing in the local Malvern press, as well as in the area. Where articles have appeared featuring the Trust in connection with controversial topics, as inevitably will happen, in most cases comment from the Trust has been sought and printed, providing balance to the issues. In a few cases there have been inaccuracies printed and where appropriate these have been raised with the papers, and regular monitoring of press coverage is always required.

There has also been a good level of uptake of topics by the local radio stations and some national television coverage, such as *Countryfile Diaries* during 2018.

Online interaction with the public has also seen significant improvements over this period, with the new website and social media platforms proving generally successful. The website format has been reviewed summer 2019. It has to be recognised that in a few cases single interest groups have sought to reduce our social media public rating scores as a way of pursuing their own particular agenda. Prompt and strong, reasoned on-line responses have proved to be the best way of managing these tactics.

### **3.1.8 Delivery and other matters.**

Following on from the implementation of the rebranding, staff branded clothing was updated and issued in April 2017. Also during early 2017, the Community and Conservation Officer post was made a permanent role, in recognition of the importance of maintaining positive and effective public communications.

## **3.2 CAMPAIGNS**

It was highlighted in the Business Plan that it is important MHT continues to develop appropriate publicity campaigns to address some of the key issues that relate to the Hills. The first of these programmed campaigns was directed at mountain biking, and trying to reduce some of the controversy and damaging practices associated with some cyclists. The campaign has run for 9 months longer than originally planned and has increased through 2018 and 2019 with the introduction of the walking and cycling guide and map, and introduction of the three waymarked routes for cyclists. With the implementation of the third route, designation of the permissive cycle paths to link up broken sections of legitimate access and reprint of the maps, the campaign has now been largely completed. However efforts to maintain public awareness of responsible mountain biking will be continued.

### **3.2.1 Mountain Biking Campaign**

Completed

### **3.2.2 Dogs and dog walking**

To start 2019

### **3.2.3 Parking**

To be commenced in late 2020. This needs to be linked in with upgrades and changes to the car parks as scheduled in section 1.2.1

### **3.2.4 Legacies**

A short legacy campaign was carried out in 2018 that ran up to over and beyond the national Leave a Will week. A new legacy leaflet was printed and distributed to all local solicitor companies, and legacy related sponsorship projects promoted through the website.

While reprints of the legacy leaflet will not be required each year, the promotion of legacy projects during the national promotion week will be carried out each year.

## **3.3 PARTNERSHIP**

### **3.3.1 Disabled access by vehicle**

Since the initial development of the two access projects in 2016, they have continued to run with some success. The Trumper project, sponsored through the AONB has seen regular use by public members with limited mobility wanting to access the main track to the beacon. Additionally, each year so far the local Rotary group with Land Rover Experience of Eastnor have run a number of specialist access event days taking those with more significant mobility issues up to the Worcester Beacon.

### **3.3.2 Educational projects**

Throughout the first two years there has been continued efforts to engage with local educational organisations on projects and initiatives linked to the hills. While staff and volunteer time for these areas is severely limited, there has been walks, talks and activities for schools carried out on a regular basis. One partnership with a local initiative from the Malvern Outdoor Centre expected to run in 2018 was unsuccessful in getting started due to lack of funding, but may be run in the coming years.

### **3.3.3 Wider landscape initiatives**

There has been limited capacity or opportunity in the first two years for the Trust to engage greatly in wider partnership initiatives. Those that have been engaged with have been related to current consultations ie South Worcestershire Minerals plan.

### **3.3.4 Agricultural Product Marketing**

There are potential opportunities for farmers grazing the Hills to increase their income through a marketing scheme based around a Malvern Hills brand. Such a scheme may help with the financial viability of local grazing which in turn may help to secure the future of grazing on the Hills. Work on developing such a scheme falls outside MHC's current powers (and expertise) but in order to see this progressed a partner organisation will be needed who is willing work with the graziers in its development.

### **3.3.5 Route to the Hills**

The MHDC led *Route to the Hills* project has been successfully completed in a number of locations, where it bridged onto land under MHT control, liaison has been undertaken to enable the project to be brought into completion.

### **3.3.6 Tourism Interface**

The Trust has continued to engage with and work in partnership with the Malvern Tourism Information Centre through its relocation in 2019, with continued supply of copies of leaflets, walking and cycling guides and maps, and provision of Residential Car Park Passes. The ongoing provision of the last of these through the TIC remains in doubt, although the provision of Resident Passes through Colwall library was successfully started in 2018.

## **4 ORGANISATION AND INFRASTRUCTURE**

### **4.1 GOVERNANCE**

#### **4.1.1 Charity Commission Scheme**

Extensive preparatory work has been undertaken through 2017-19 on the foundation structure of a scheme by Trust staff, board members and the Trusts specialist solicitors on the project. By spring of 2019 most issues had been considered and, where appropriate, amendments or alternate arrangements put forward. Delays in getting critical answers from Government departments have slowed this key project down from its original planned timeline, such that it is now running 1 year behind schedule. Costs have also exceeded the original estimates, although the scope and detailed progress of the scheme is further advanced than originally planned. While the Trust waits on a few select outstanding answers to be forthcoming from Government departments, it is planned to undertake the public consultation into the scheme in the autumn of 2019 and preparations for this are currently underway. With successful completion of the consultation and answers to the remaining questions anticipated for the end of 2019, it is now anticipated that the scheme may be put forward to the Charity Commission, DCMS and subsequently Parliament during 2020.

#### **4.1.2 Business Continuity Plan**

While some constituent elements of this have been considered or reviewed to date (Severe Weather Plan, Staff succession planning and key person insurance, financial reserve policy) these have as yet to be drawn together in one Business Continuity Plan. This is now scheduled for 2020.

#### **4.1.3 Strategic land acquisition plan**

2018 /19 was a significant year in terms of land acquisitions as four separate pieces of land (three grassland and one woodland) totalling approximately 10.8 hectares (26 acres) lying within or adjoining the Trusts existing estate were acquired. The land acquisition policy is in need of reviewing and in particular its prioritisation and scoring basis for prospective additional land will need to be considered.

## 4.2 LEGAL

### 4.2.1 *Boundaries*

A number of anomalies in registered extent of Trust land have come to light in the first two years of the business plan, as anticipated. In each case the issue has been investigated and where possible the registered title corrected to better reflect the correct boundary position. Further anomalies are anticipated to come to light in the coming 5 year period.

A survey being undertaken by wardens and volunteers has been commenced and will continue for the next two winter seasons. Additionally new boundary markers have been laid in three new locations to define the boundary of Trust land ownership.

### 4.2.2 *Byelaws*

Whilst initial work was undertaken in the redrafting of the byelaws, this work stream has been suspended pending the development of the Charity Commission Scheme.

### 4.2.3 *Legislative Compliance*

Work has been undertaken in the first two years to ensure that the Trust remains compliant against all regulatory requirements. New procedures and policies have been introduced where required (ie GDPR policy and procedure, 2018.) This work has to continue with policies and procedures reviewed on a regular basis to ensure they are current and up to date in line with any changes to regulations.

### 4.2.4 *Licences and agreements*

A schedule of all leases and licences is in place and includes advance notice of the renewal dates to ensure that they are reviewed in advance of any change. To date all leases and licences have been renewed in a timely manner.

The lease on St Ann's Well was renewed on completion of the refurbishment works in December 2017.

## 4.2.5 MONITORING AND CONTROLS

### 4.3.1 *Land Use and the Planning Process*

The Acts impose a duty on MHC to protect the Hills from building and encroachment. Monitoring of development applications are undertaken on a weekly basis and where appropriate, comment or register of an objection to an application has been carried out.

The existing policy on responding to planning applications needs to be reviewed, but in light of other pressures is a low priority item. This has been deferred in the work program to a later date.

#### **4.3.2 Environmental Appraisal**

The environmental performance of the organisation has only been partly reviewed to date. Elements considered have been - use of electric vehicles by wardens and field staff to reduce petrochemical use and emissions and interim consideration of environmental improvements that could be made to Manor House. These will be incorporated in plans for refurbishment due in 2019/20. Due to limited staff capacity and high demands from other key projects, the full review and report is to be deferred to 2020/21.

#### **4.3.3 Record Keeping**

Thanks to the dedicated efforts of a small group of regular volunteers, the archiving project has progressed well. Systematic referencing and filing of all deeds, licences and agreements, correspondence with neighbours, photos, maps and plans has greatly improved the speed and accuracy of information retrieval. There is still some filing outstanding and the key issue of integrating the digital files with older paper files is ongoing, but major advances have been made.

With the upgrade of the server and related software in early 2018, plus work to comply with GDPR in the same year, the security of the digital filing is greatly improved. Work still needs to be carried out to fully integrate old digital files with the new systems and this is anticipated now to take a further 2 - 3 years to complete.

Work on uploading deed maps to the GIS system is still to be started as it will require external input, funds and further staff training.

#### **4.3.4 Incident Reporting**

A system for recording all Warden reported incidents has been introduced, each tagged with date and time, location, crime number if relevant and photographic records.

#### **4.3.5 Complaints and Compliments**

Since the commencement of the business plan a formal complaint logging procedure has been adopted and a number of internal policies updated. These include a new Safeguarding policy and Grievance procedure, as well as protocols for dealing with persistent and vexatious complainants.

#### **4.3.6 Risk Register**

As a charity it is critical that MHC maintains a Risk Management Register that identifies and classifies the key risks in all operational areas of the organisation.

The register has been adopted and was updated each of the last two years. It sits alongside the annual account reporting procedure and provides a regular thorough review, keeping staff and Board members properly informed of the risks the organisation faces.

#### **4.4 ADMINISTRATION AND PROCESSES**

##### **4.4.1 *Equipment upgrades***

The two equipment upgrades – replacement of cash counting machine and the postal franking machines were completed.

Card payment facility has been introduced at the public counter, greatly improving transactions for parking permits as well as other direct payments from the public.

## Finance, Administration & Resources Committee

### Management accounts for the 3 months ended 30<sup>th</sup> June 2019

8th August 2019

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The management accounts for the 3 months ended 30<sup>th</sup> June 2019 are attached. Page 1 shows the General fund income and expenditure against the 3-month budget. Pages 2 and 3 shows the I&E for all the other funds and page 4 is a combined balance sheet.

#### General fund

There was a surplus of £145,110 for the 3-month period, as compared to a budget of £109,583.

#### Income

The Committee should note the following points:

- Income was £11,537 ahead of budget at £380,288.
- The levy was received as budgeted, including a payment of 50 % of the MHDC levy in June. This has assisted cash flow.
- Car park takings were £13,839 ahead of budget.
- Profit on disposal of fixed assets came from the disposal of a chipper.

#### Land management expenses

- Land management expenses were £12,051 below budget at £8,366.
- There are no matters to be brought to the Committee's attention at this early stage of the financial year.

#### Car parks, wardens and PR expenses

- The total expenditure is £4,470 against a budget of £13,113.
- The delays in installing the new pay and display meters have resulted in an underspend against the meter expenses budget.
- There are no issues to report on the wardens' budget.
- Variances against the PR expenses budget are down to timing.

#### Administration costs

- Administration costs were £6,114 below budget at £72,148.
- We have received a very high bill for water rates at the British Camp loos, following a leak at the meter. A claim has been submitted to Severn Trent against this bill. For now the account is on hold and we have not paid the bill. It is not included in these figures.
- Legal costs include the £5,000 additional costs approved at the special board meeting in April 2019.

#### Designated funds

The detail on the designated funds is shown on page 2 of the figures. I've included the general fund detail on this report to give a full picture of the unrestricted funds. If Committee members think this over-complicates the report please let me know at the meeting.

Points to note:

- We have to date received £200,000 from a legacy from Mr Stubbs. We understand there will be further payments from the estate. As there are no restrictions attaching to this gift it has been credited to the unrestricted gift fund.
- There has been £630 further expenditure from the charity commission scheme legal fees fund. This takes the total to date to £109,284 (this was reported verbally at the June Board meeting).
- We continue to accrue grants due under the Stewardship agreements. The total accrued at 30<sup>th</sup> June 2019 was £259,775. Since the month end, a remittance of £171,131.69 has been received from the RPA.

## Restricted funds

The restricted funds income and expenditure is shown on page 3 of the accounts.

## Fixed assets

There has been just one fixed asset purchase in the period, a brush cutter for £658.

## Cash flow

Cash balances have increased from £485,056 at the year end to £897,681 at 30<sup>th</sup> June 2019 (forecast £549,352). A summary cash flow statement is given below:

	£	£
Net movement in funds		347,305
Depreciation		30,906
Decrease/(increase) in debtors	83,929	
Increase/(decrease) in creditors	(54,683)	
		29,246
Net cash used in operating activities		407,457
<b>Cash flows from investments:</b>		
Purchase of fixed assets	(658)	
Investment manager's fees deducted from portfolio	5,826	
Net cash provided by/(used in) investing activities		5,168
<b>Increase in cash during the period</b>		<b>412,625</b>
Cash at beginning of period		485,056
Cash at end of period		897,681
<b>Change in cash and cash equivalents in reporting period</b>		<b>412,625</b>
<b>Summary of bank balances 30th June 2019</b>		
Lloyds current account and overnight deposits		488,882
Lloyds 32 day notice account		151,201
CAF Bank Gold deposit		105,937
Charity bank 42-day notice account		151,478
Petty cash		183
		897,681

General fund cash was £403,000.

## Reserves

The general fund reserves level at 30<sup>th</sup> June 2019 stood at £379,683 (forecast £419,681). The main reason for the balance being higher than forecast is that the tractor purchase of £40,000 forecast in the first quarter has been slightly delayed.

Free reserves were £782,589.

		£	
Unrestricted funds as shown in the accounts		(669,253)	
Less designated funds		(708,555)	
Add back FRS 102 pension reserve		1,834,000	
Less net book value of General Fund fixed assets		(76,509)	
General fund reserves level at 31st March 2019		379,683	
Free' designated funds:			
Gifts	383,906		
Tree disease	9,000		
Fundraising	10,000		
		402,906	
Total free reserves		782,589	

Cheryl Gentry  
Finance & Administration Manager  
29<sup>th</sup> July 2019

The management accounts are in A3 format

**FAR Committee**  
**Project Progress Summary**  
8<sup>th</sup> August 2019

Report dated 26<sup>th</sup> July 2019

KEY	ONGOING	COMPLETED	DELAYED	NEW 2019/20	BROUGHT FORWARD
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Project	Approved Budget Actual Cost	Date Expctd (B. Plan)	2019/20				Update	Status
			1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q		
<b>LMP Projects</b>								
Restoration of access paths	£20,000 Gift Aid Grant	2017		Expected	Expected		2018 works complete. Lady De Walden Drive 2019 works added (ie Pinnacle Hills lower path)	Ongoing
Install Cycle Waymarkers	£1,200	2017/8	Finished				Works completed	COMPLETE
Mountain Bike Campaign	£4,000 (General) £3,052	2016/18	Ongoing	Finish Expected			Works completed	COMPLETE
Bridleway repair Link Common	£2,500	2018/19		Expected	Expected		ON HOLD pending WCC Rights of Way advice and decision.	Delayed
Improve Access Community Wood	(Grant)	2018/19	Tender Process Open	Expected	Expected	Expected	GRANT APPROVED FOR £40,955 FROM MHDC (SECTION106). Funds received. <b>Tenders received</b>	Ongoing
Marking Boundary's	£1,250 (General)	2016 to 2020			Expected	Expected	Volunteer surveys carried out over winter months	Ongoing
British Camp Repairs	£4,000 (General)	2017/18	Ongoing	Expected			Works commenced April 19. Structural works complete – top surface stabilising to finish	Ongoing
Restore Shire Ditch	£3,000 (General)	2018/19	Expected	Expected	Expected		Carried over to 2019/20	Delayed
Survey Veteran Trees	£1000	2018/19	Expected				Survey Completed.	COMPLETE
Pond Restore Castlemorton	TBC Gift/grant	2019/20		Expected	Expected		Specialist pond works. <b>Grant application submitted</b>	Ongoing
Hedge laying	£5,000	2019/20			Expected	Expected		
<b>Buildings and Infrastructure</b>								
Manor House int proposals and spec.	£5,000 (Parl Fund)	2017/8		Expected	Expected		Amended specification to be costed and finalised	Ongoing

Manor House Works	£50,000 (Parl)	2018/19				Expected	Dependant on above	Delayed
Top Shed Pit and storage	Est £12k	2017/8		Tenders out	Expected	Expected	Engineer instructed. Quote received over £10k. <b>Tenders out. Deadline Aug 15</b>	Carried over 2019/20
Review Bottom Shed functions		2017/8			Expected	Expected	Pending completion of above	Delayed
Donkey Shed Restoration	TBC	EXTRA	Ongoing	Expected	Expected	Expected	Bat surveys complete. <b>Planning application lodged</b>	Ongoing
BC & Wyche Toilets		2017/8		Expected	Expected	Expected	Renewal of cleaning and maintenance agreement.	Delayed
BC sewage system	TBC Est £40-50K	EXTRA			Expected	Expected	New sewage treatment unit required to replace soakaway. <b>Specification sought for tender</b>	Ongoing
Implement BMS	£3,000	2019/20	Expected	Expected				Ongoing
Belvedere Repair	£7,500 (Gift Fund)	2019/20		Expected	Expected		Work to Wyche Cutting Belvedere planned <b>for late August</b>	Ongoing
Repairs to Old Hills South C P	£4,500 (Parl)	2019/20	Ongoing	Expected	Expected		Regrading of surface and drainage works required. <b>Part completed May, drainage culvert due August.</b>	Ongoing
Repairs to Beacon Track	£2,600	EXTRA			Expected	Expected	NEW ELEMENT Patch filling required to tarmac path to summit. Quote received.	Ongoing
Resurfacing Gardiners	£1500 (Parl) £3240	2016	Finished				Works completed	Completed
North Malvern Wall repair	£4000 (Gen) £4,800	EXTRA	Finished				Works completed	Completed
Repainting lines	£1,000 (Parl)	2018/19		Expected	Expected			Set Back to 2019/20
<b>REBRANDING</b>								
Update Interpretation Boards	£15,000 p/a (Gift Fund)	2017/20	Ongoing	Expected	Expected	Expected	Blackhil and Gardiners underway.	Ongoing
Update location signage	£7,000	2017/18	Expected	Expected	Expected	Expected	BC, Tank and North Quarry done and signs to other CPs	Ongoing
Update Car Park signage	£3,000	2017/18	Expected	Expected	Expected	Expected	All complete other than West of England (underway) and Swinyard.	Ongoing
Update signage St Ann's well	£400	2017/8		Expected	Expected		Roof sign replaced. Cabinet signs to do	Ongoing
Replace Access Signage	£2,500	2018/19		Expected	Expected			Ongoing

CAPITAL ITEMS								
Car Park Ticketing	£33,000 TBC	2017	Delayed	Expected			Order Placed. Installation delayed to W/B 05/09/19	Carried over to 2019/20
Field Staff Pickup	£18,500 (General)	2018/19			Expected	Expected	Replacement of pick up if required. If not, carry over. Vehicle inspected. Options being scoped.	Set Back to 2019/20
New tractor	£40k		Delayed	Expected			To replace tractor written off by fire. Tractor ordered – delivery Due May. Now due WB 29 <sup>th</sup> July	Ongoing
IT System upgrade	£4,000	2017/18 2018/19 2019/20		Phase 3 Done	Phase 3 Expected		2019 2 new + 3 upgrades carried out W/B 15 <sup>th</sup> July	Complete
GIS Upgrade	£1,000	2018/19					Not required 2018/9. Set back to 2020/21.	Set Back
Power tools	£4,000	2018/19			Expected	Expected	Replacement of chainsaws/ brushcutters	Ongoing

**Finance, Administration & Resources Committee**  
**Charity Commission Scheme consultation costs update.**  
8th August 2019

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Attached is an updated costs estimate.

Duncan Bridges  
CEO  
26 July 2019

Item		ORIGINAL Estimated cost	Current Cost Estimate
Parish meetings x 10 - Staff attendance time plus travel		300	300
Fiona Narburgh - oversight of plain English and use of contacts		4,000	4,000
Online survey costs		2,000	
MHT website additions			900
	Extra website costs per 4 hour block x 3		600
WCC survey platform			1000
	manual input of responses.		0
Cost of meeting room hire - 10 half day sessions		1,800	1,800
Leaflets - 5,000 A4 folded, artwork plus printing		500	500
Copies of consultation document:			
Executive summary 4 pages x 500 copies		60	60
Full report 110 pages x 50 copies		260	260
Response sheets 24 pages x 200 copies		360	360
6 A0 posters for drop in sessions; artwork and printing		270	270
Printing layout and production costs for 200 copies of 92 page			1,500
Adverts x 2		400	400
Staff costs - admin support for 3 months		5,500	5,500
	Emma - agreed in principle 16/07/19	15,450	
Plus contingency 10%		1,545	

Red – Unconfirmed estimate. Green – quoted or agreed cost

D Bridges 16/07/19