

Malvern Hills Trust

Special Meeting of the Board

By video/telephone conference and live stream

Thursday 6 August 2020 7.00 pm

Present: Mr C Atkins, Mr D Baldwin, Mr R Bartholomew, Dr S Braim, Mr M Cordey, Mr D Core, Dr G Crisp, Mr M Davies (Chair), Mr M Dyde, Mr R Fowler, Mr J Michael, Mrs C Palmer, Mr C Penn, Prof J Raine, Mr C Rouse, Ms S Rouse, Ms H Stace, Mr J Watts, Mr T Yapp.

In attendance: CEO, Secretary to the Board, Finance and Administration Manager, Community and Conservation Officer, Shaun Mooney (Bishop Fleming).

Not present: Mr T Johnson.

Mr Davies welcomed everyone to the meeting.

1. Apologies for absence

Mr D Fellows Mrs L Hodgson, Mrs H I'Anson, Dr T Parsons, Mrs G Rees, Conservation Manager.

2. Chair's announcements

- Mr Davies welcomed Shaun Mooney to the meeting. He reminded the Board that although the report under item 5 would be discussed in the open meeting, the report itself was confidential.
- David Bryer had resigned from the Board and would be sadly missed. Mr Davies thanked him for his contribution to the Trust and sent best wishes for the future.
- Work had been carried out on preparing a revised draft of the Code of Conduct, following a meeting of the Chair and then Vice Chair of the Governance Committee with the trustees who felt unable to sign the current code. A revised draft would be circulated and comments invited from Board members, with a view to holding a workshop or meeting in September and putting a revised draft to the Board at the November meeting.
- Board members were aware that the Charity Commission had contacted the Trust to say that they had been notified of a dispute. Mr Watts had contacted Mr Davies, referencing the complaint to the Charity Commission and raising a number of issues. Some of the information Mr Watts had requested had been provided on the basis that it was not to be disclosed to or discussed with anyone who was not a trustee or a senior member of staff. However a process for otherwise resolving the dispute had not been agreed. Mr Davies had written to Mr Watts suggesting they got together to discuss how this could be done.
Mr Davies recognised that some issues raised by Mr Watts and other trustees merited further consideration and Mr Core had offered to carry out a review, but Mr Davies felt that it might be premature to do this before the matters reported to the Charity Commission were addressed.

Other trustees who wished to see the information given to Mr Watts or the correspondence between Mr Watts and the Chair were welcome to request copies, which would be provided on the same terms.

- The CEO was planning to hold a workshop on Tuesday 25 August to go through the Risk Management Schedule.
- There would be a workshop on the Land Management Plan on Thursday 5 November.

3. Declarations of interest

Mr Atkins said that he lived in close proximity to Gullet Quarry.

4. Public Comments

There were none

5. To confirm the Minutes of the Board meetings held on 11 June 2020

Two trustees had notified the Secretary to the Board that they wished to put forward amendments to the minutes and details had been circulated to Board members before the meeting.

Mr Davies said that at the June Board meeting he had summarised the situation in relation to the Charity Commission and confidential information in a misleading way. He had implied that the Charity Commission had taken a position on trustees who had not signed the Code of Conduct, which it had not. The Charity Commission was clear that communications between the Commission and the Trust were confidential. It was also correct that some trustees had taken objection to the sentence in the Code of Conduct requiring them not to disclose certain information to third parties. He had made an error in conflating the two issues and wrongly attributing a position to the Charity Commission on which they had not been consulted.

Mr Fowler said he was saddened by the unfortunate misleading statement which was made by the Chair in relation to the Charity Commission taking a position on the signing of the Code of Conduct.

In response to a question about whether an E-mail had been marked confidential, the Secretary to the Board made it clear that a communication did not have to be so marked in order for it to be confidential and confirmed that the Charity Commission had made it clear that the correspondence between the Charity Commission and the Trust was confidential, and should not be disclosed to anyone who was not a trustee of MHT.

Mr Watts said this illustrated that the problem was prejudging issues.

On the proposal of Ms Rouse, seconded by Mrs Palmer, it was **RESOLVED** (12 votes in favour, 3 against, 4 abstentions) to approve the minutes of the meetings held on 11 June 2020 as circulated.

6. Matters arising

The CEO said visitor numbers continued to be higher than normal and this was reflected in the number of incidents with which the wardens had to deal. Since the last meeting, he had again met with the Fire Service, Police and District Council to discuss issues relating to the management of Gullet Quarry. Some of the fencing had been upgraded by the Trust and anti-climb paint had been used to make the site less accessible. The Environment Agency had agreed to the use of dye in the water, but there remained issues about the outflow from the quarry into an adjoining

watercourse. Natural England had agreed to the installation of a replacement gate and a 6m length of fencing on the south side of the quarry. He had asked RoSPA to review their original report and the measures taken. The District Council had agreed to support the Trust in using the Single Justice Procedure to bring prosecutions under the byelaws. The CEO would prepare a paper for a future meeting on this process. Several ash dieback trees had been identified and further tree safety work would be carried out.

The invitation to tender for work to the sewage system at British Camp had been reissued but had resulted in only one tender. Staff shortages and Covid restrictions were reasons given for failing to tender. The CEO would re-issue the invitation to tender in the hope that things would improve.

A temporary warden had been taken on, but unfortunately he had resigned– he had not expected the numbers of people and the issues he was having to deal with. The CEO had written to offer a temporary contract to another individual but this would be on a part time basis. The new permanent warden was due to start work on 10 August. Mr Atkins asked if the Trust needed to employ more wardens in the current circumstances. Dr Crisp asked if Land Management Committee meetings were going to be reinstated. The Secretary to the Board said that meetings would be an agenda item for the September meeting.

7. Management accounts for the year ended 31st March 2020

The Finance and Administration Manager updated the Board on some points which had arisen since the paper was prepared. Reprinting the pocket guide (General Fund item 2b) was one of the items on hold for the time being as no leaflets were being handed out.

Planning how to spend the generous legacy which the Trust received last year was on hold, but the Finance and Administration Manager hoped work on this could be resumed shortly.

In relation to the pension fund deficit figure, Mr Watts said the Financial Reporting Council had issued an edict that accounting standards could be overruled by a “true and fair” view. Could this be used to substitute the Actuarial valuation of the pension fund deficit for the FRS 102 valuation? Mr Mooney said he had never come across this but would check. Mr Watts added that the pension fund deficit this year was higher than ever before. He referenced previous reports which referred to plans which had been introduced to control the pension fund deficit but said he was not aware what the details of the plan were. He thought details of how the pension scheme deficit was being managed should be included in the trustees’ report. The Finance and Administration Manager said that she was happy to include more information if that was what the trustees wished. The Actuarial deficit was much lower than the FRS 102 valuation and she suggested explaining that difference in the accounts. The funding level under the Actuarial valuation was improving, and it was the Actuarial valuation which was the basis of the Trust’s contributions. Mr Davies suggested referencing the relevant parts of the Business Plan.

8. To review the Audit Completion Report

Mr Mooney went through the report which had been circulated. The audit had run very smoothly and the finance team had done a fantastic job. Bishop Fleming had identified no significant risks and there were no management letter points. The prior year issues had been resolved. Ms Stace congratulated the Finance and Administration Manager and her team on achieving a clear unmodified audit. Mr Watts queried the value of the journals shown in section 5. Mr Moody said in part this was the opening balances transferring across on 1 April – it was an April issue. The Finance and Administration Manager said the Trust had changed ledgers and started using Sage’s charity fund functionality which had resulted in a lot of splitting out of transactions. She anticipated the journals would be a lot lower this year. Mr Mooney said he was happy to provide the working if required. Mr Cordey asked that the trustees’ appreciation of the finance staff was minuted.

9. To review the Letter of Representation addressed to Bishop Fleming and authorise the Chair of the Board to sign it

On the proposal of Mr Cordey, seconded by Mrs Palmer it was **RESOLVED** unanimously that the Chair of the Board should sign the Letter of Representation to the Auditors on behalf of the Board at the annual meeting of levy payers.

10. To approve the wording of the Trustees’ Report and deal with any queries on the accounts

The Finance and Administration Manager explained that a revised draft report had been circulated, together with a number of comments sent in by trustees, and the changes the Officers proposed in response to those comments.

There were comments on various items in the report - numbers refer to the table in Paper D.

D6. Dr Crisp said the Governance changes had been promoted on the basis that they could be achieved through a Charity Commission Scheme, and the consultation document had been so titled. He thought that term should be included. Ms Stace said whether the consultation was titled Charity Commission Scheme or not, the issues which needed addressing and the consultation on them was still valid. She suggested amending the wording to: “A consultation on the changes that might be made through a Charity Commission Scheme....”

D9. Ms Stace said that, contrary to Mr Watt’s written comment, making an application for a Countryside Stewardship Scheme for a site as complex as the Trusts was a very considerable achievement and the Conservation Manager should be congratulated on it.

D10. Dr Crisp said the Trust had made no decision on how it would proceed since the Charity Commission had notified the Trust that the DCMS would prefer the changes to be made by private bill.

D14. Mr Mooney explained that it was necessary to include statements in the trustees’ report that related to the impact of Covid-19 post year end. The Secretary to the Board confirmed that the report could be updated at any time before it was

approved, in this instance to take in any other impacts of the pandemic which arose prior to that time.

D16. Following Dr Crisp's suggestion, it was proposed that the wording be expanded to include the Board's option to amend committee recommendations. "The Board of trustees considers committee reports and adopts, declines or amends their recommendations..."

D21. Dr Crisp said it was not yet decided to continue work on updating the Acts. It was suggested that the wording "Work on consideration of the consolidation and updating of the Trust's governing Acts ..." might satisfy the point.

On the proposal of Mr Bartholomew, seconded by Prof Raine it was **RESOLVED** (with 2 abstentions) to approve the wording of the Trustees' Report circulated with paper D, subject to 3 amendments:

- i. Achievement and Performance, bullet 2 amend to "A public consultation on the changes that might be made through a Charity Commission Scheme was carried out"
- ii. Committees – amend to "The Board of trustees considers committee reports and adopts, declines or amends their recommendations..."
- iii. Plans for future periods, last bullet "Work on consideration of the consolidation and updating of the Trust's governing Acts..."

The Chair asked if there were questions on the accounts. Mr Watts asked whether the figure of £18,903 in relation to the public consultation ("Significant financial impacts", final bullet) was external expenditure or included overheads and other expenses incurred internally. The Finance and Administration Manager said that the figure was direct costs (including some staff costs and some admin costs) but there was no general allocation. Mr Watts thought it ought to say "direct costs". The Finance and Administration Manager explained in response to a question that the 4 acres of Trust land at Hollybed Common was not part of the Heritage Assets. This was clearly explained in note 14.

Mr Davies thanked Mr Mooney for attending the meeting and for his work on the Audit.

11. Authorising virtual meetings and changes to the protocol

The Secretary to the Board referred to the paper. The CEO explained that the proposed delegation to the Secretary to the Board to update the protocol was precautionary to cover situations where an unforeseen issue arose and needed to be dealt with prior to the Board being able to consider the matter.

On the proposal of Mr Bartholomew, seconded by Mr Corday it was **RESOLVED** (with 1 vote against and 1 abstention) that the Board

- a) agree to hold virtual Board meeting by video/telephone conference until such time as face to face meetings could safely be resumed
- b) gave delegated authority to the Secretary to the Board to keep the protocol agreed at the meeting on 11 June 2020 under review and update it in the light of any unforeseen issues that arose.

12. Approve arrangements for levy payers' meeting

The Secretary to the Board referred to the paper and confirmed that even if the Board wished to hold face to face meetings, neither Malvern College nor the District Council were hiring their rooms to outside bodies at present, so it was not a realistic option at present.

On the proposal of Mr Fowler, seconded by Dr Braim it was **RESOLVED** unanimously to hold the Annual Meeting of Levy Payers as an online meeting before the Board meeting on 10 September 2020.

13. Financial Update

The Finance and Administration Manager updated the Board on the position since the paper was prepared. A report received from Brewin Dolphin confirmed that the value of the Trust's investment portfolios had increased by 10% since the start of the financial year. The July car park meter takings were £55,000 gross, £45,800 net of VAT. The budget for July's car park takings was £15,500. This gave a measure of the number of visitors to the Hills. This had more than made up the loss from closing the car parks in March. However she proposed keeping in place the cost savings which had been instigated (set out in the paper) as it was difficult to predict what might happen later in the year. The front desk had been reopened for 4 mornings a week for pass sales. This had proved popular, and to date 4,500 passes had been sold for the current year. Most applications were still by E-mail.

Total CEO's delegated expenditure to date was £3,589.

The Finance and Administration Manager was carrying out a review of the deposit accounts held by the Trust.

The CEO confirmed that the British Camp car park machine now required purchasers to input part of their registration number, as many tickets were being passed on. The other machines would also be changed over shortly. Payments by card had advantages (although the commission charge was higher) but there had been some occasions when the card payment system had ceased to work on all machines. If this recurred the Trust would need to swap back to offering a cash alternative. He had asked Inaparc to go back to the transaction provider to find out where the fault lay.

14. Urgent Business

There was none.

15. Next meeting

Annual Meeting of Levy Payers and Ordinary Board Meeting 10 September 2020 7pm

The meeting closed at 9.15 pm

Malvern Hills Trust
 Expenditure 2020/21 - authorised in addition to budget

Date	Item	Total £	CEO £	Board £	
May-20	Laptop for FAM	948	948		
May-20	Starleaf 12-month licence	720	720		
May-20	DPO contract	900	900		
May-20	Perspex screen for front desk	219	219		
Jun-20	Staff costs - pass sales	470	470		
Jun-20	Signs	332	332		
		<u>3589</u>	<u>3589</u>	<u>0</u>	
11/06/2020	Summer Warden	500		500	£7500 app in total
	Total to 31.7.20	<u>4089</u>	<u>3589</u>	<u>500</u>	

Increased limit agreed 12.3.20

£20,000
 (£10,000 single
 item limit)