

Malvern Hills Trust

Finance Administration and Resources Committee

United Reformed Church, Malvern Link

Thursday 9 June 2022 7.00pm

Present: Mr R Bartholomew, Mr D Core (Chair), Mr M Davies, Mr D Fellows, Mrs L Hodgson, Mr C Penn, Prof J Raine.

In attendance: Chief Executive Officer (CEO), Secretary to the Board, Finance and Administration Manager (FAM), Financial Assistant, Mr C Atkins, Mr C Rouse.

Please note – reporting items set out on the agenda which were not for decision were dealt with at an online workshop (“the Workshop”) on Wednesday 8 June 2022 which was streamed for members of the public. This action was taken because of the continuing high numbers of Covid-19 cases in order to shorten the face-to-face meeting.

Mr Core welcomed everyone to the meeting.

1. Apologies for absence

Mr J Michael, Mr D Watkins.

2. Chair’s communications

- There was a workshop to go through Risk Management Schedule on 14 June 2022 (by Zoom)
- The Trust’s offer for the land on Evendine Lane had been accepted.
- A workshop to discuss car parking arrangements would be arranged.

3. Declarations of interest

There were none.

4. Public comments

There were none.

5. Investment Review

Mr Burrows, from Brewin Dolphin, had reported at the workshop.

6. Matters arising from the meeting of 9 December 2021 not otherwise on the agenda

- RPA payments
- Donkey Shed

There had been a report at the workshop. The dispute with the RPA was now substantially resolved.

7. Initial audit feedback

There had been a report at the workshop. No matters of concern had been reported.

8. Impact of inflation on 2022/23 budgets

Mr Core noted that the issue was not the headline rate of inflation but specific price increases affecting the Trust, such as the cost of fuel.

The Finance and Administration Manger referred to the paper which had been circulated for the May Board meeting. At the end of May, there had been a shortfall against the budget for car park takings but this had been corrected by receipts over the Jubilee weekend. Car park receipts were being closely monitored, as during the recession in 2008 there was a 7 % drop in visitor numbers.

The Finance and Administration Manger and the CEO were also monitoring the monthly management accounts and the impact of inflation. A FAR Committee meeting could be called if action was required to adjust existing budgets to take account of this. The monthly management accounts were available online to trustees, and a quarterly review, where any significant variations from budget were highlighted, was provided to the trustees at a meeting. The CEO pointed out that if a working group was set up to monitor budgets, it could not make decisions. Inflation would also have a longer term impact on the five year budgets set out in the Land Management and Business Plans.

The following points were made:

- It would be helpful for trustees to have a brief narrative to accompany the monthly management accounts.
- There was no urgent need to set up a working group. If one were to be set up it would require terms of reference.
- It might be preferable to call a FAR meeting to review the position perhaps after the first quarter's figures or in September.
- The management accounts could be reviewed in an online workshop and consideration given to whether any action was required. This would demonstrate that trustees were actively involved in reviewing the position. This would also allow trustees to consider the longer term implications.

It was **AGREED** that a Zoom workshop would be called for the Finance, Administration and Resources Committee and any other trustees who wished to attend, following the production of the first quarter's management accounts. Officers would report, identifying any significant trends and put forward recommendations.

9. Reserves Policy review

The Reserves Policy was reviewed on an annual basis. The Finance and Administration Manger had set out the background in the paper, including the considerations which applied in relation to the defined benefit pension scheme. The paper identified the current areas of risk. Of particular note were inflation, the

cost of tackling ash dieback and the uncertainties over payment of Government grants which had been highlighted over the last year.

Proposed changes to the Policy were set out in the paper. These were:

- i. Further clarification of the wording setting out the position in relation to the pension liability
- ii. Raising the target free reserve by £50,000 to £350,000
- iii. Identifying the costs arising from tree disease as a factor to take into account in setting the policy.

The following points were raised:

- Was there any external funding for dealing with diseased trees? The CEO confirmed that currently there was not.
- A sum was set aside in the annual budget for dealing with tree disease. It was suggested that the wording of the point should be changed to “To fund *unplanned* costs...”
- Disruption from Covid remained a risk.
- It was likely that unplanned costs would be greater than in previous years because of inflation.

On the proposal of Mr Bartholomew, seconded by Mrs Hodgson it was **RESOLVED** unanimously to:

1. Recommend to the Board that the revised reserves policy as set out in the paper be adopted, with the addition of the word “unplanned” to the point about the cost arising from tree disease.
2. Record that the assessment of the reserves position at 31st March 2022 was satisfactory
3. Continue with the quarterly reporting
4. Carry out the next annual review of the Reserves Policy in June 2023.

10. Exercise of Committee’s delegated authority:

The CEO introduced a paper requesting that the committee authorise the cost of roadway repairs under its delegated authority. None of the roads were adopted highway. The following estimates had been obtained:

| | |
|---|--------|
| Hancock’s Lane repairs to shoulder of road and potholes | £2,950 |
| Hancock’s Lane top dressing | £2,700 |
| Westminster Bank | £5,000 |
| Happy Valley | £2,000 |

Westminster Bank was a bridleway and the local authority had offered to carry out the work with a contribution from the Trust of up to £5,000 (depending on the eventual cost). The CEO was asked about residents’ contributions in relation to Hancock’s Lane. Most of the properties served had no deed of easement and no obligation to contribute towards the cost of maintenance. The work was limited in extent and it was difficult to request a contribution from some properties but not others.

On the proposal of Mr Davies, seconded by Mr Fellows it was **RESOLVED** unanimously to approve the following expenditure under the Committee's delegated power:

| | |
|---|--------------|
| Hancock's Lane repairs to shoulder of road and potholes | £2,950 |
| Hancock's Lane top dressing | £2,700 |
| Westminster Bank | up to £5,000 |
| Happy Valley | £2,000 |

11. **GDPR – review of data breaches**

There had been none.

12. **Reports:**

12.1 Review of major projects (including Land Management)

12.2 Fund-raising, legacies and grants group

12.3 Red flag items off risk schedule

12.4 Exercise of CEO's delegated expenditure powers

12.5 Manor House refurbishment

These had been reported on at the workshop.

13. **Urgent business**

There was none.

14. **Date and time of next meeting**

The next scheduled meeting was 8 December 2022 7pm.

15. **Confidential business**

On the proposal of Mr Bartholomew, seconded by Mr Penn it was **RESOLVED** unanimously to exclude the public for discussion of item 16 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 (personnel matter)

The Financial Assistant left the meeting.

CONFIDENTIAL

Minutes released

16. **Salary benchmarking**

Staffing Committee had agreed recommendations flowing from the benchmarking exercise, as well as a general salary review for all staff, which would be put to the July Board meeting for consideration. The proposals would have an implication for the 2022/23 budget and if approved, would need to be considered at the Workshop as discussed in agenda item 8.

The meeting closed at 7.55pm