

**MALVERN HILLS CONSERVATORS
FINANCE, ADMINISTRATION AND RESOURCES COMMITTEE**

**Manor House, Grange Road, Malvern
Thursday 08 December 2016, 6:00 pm**

Present: Mr R Bartholomew, Mr D Bryer, Mr M Cordey, Mr M Davies (Chair), Mr S Freeman (non-voting), Mr R Hall-Jones (non-voting), Mr J O'Donnell, Mr C Penn, Professor J Raine, Ms S Rouse (until agenda item 9), Mr D Street.

In attendance: Director, Finance and Administration Manager, Community and Conservation Officer (CCO), Secretary to the Board, Financial Assistant, Mr A Golightly, Dr P Forster, Mr C Rouse.

1. ELECTION OF CHAIR

Mr Cordey took the chair. There were 2 nominations, Mr Street and Mr Davies. Following a secret ballot, Mr Davies was appointed as committee chair.

2. ELECTION OF VICE-CHAIR

There was only one nomination and Mr Cordey was elected unopposed.

3. APOLOGIES FOR ABSENCE

Mr P Watson.

4. CHAIR'S COMMUNICATIONS

Mr Davies reported the death of Mr Madden, who had chaired the Committee until October and expressed MHC's condolences to his friends and family.

5. DECLARATIONS OF INTEREST

Ms Rouse declared an interest in matters relating to the HLS scheme.

6. MATTERS ARISING FROM PREVIOUS MEETING 11 AUGUST 2016

There were none.

Mr Davies asked to take item 12.6 on the agenda next.

7. TRADEMARKING – BUDGET (AGENDA ITEM 12.6)

The CCO reported that trademarking of MHC's new trading name and logo was proving more complicated than had first been thought. A budget of £1,500 had been approved by the Board in September, but it appeared that that an additional sum would be required. A survey needed (cost £550) to ensure no similar names or logos had been registered in the relevant use classes. There was a choice of whether to register the name and logo separately or in combination and in addition, the registration had to be made for specified use classes. The CCO had reached the conclusion that the registration needed to be for 6 classes:

Publications and printed matter
Electronic communications
Financial and monetary services
Education services

The cost of trademarking one item in 6 classes was £2,100.

Therefore the total cost of registering the name and logo together for 6 classes (with the survey) was £2,650.

The Director said that registering the logo and name separately would be more expensive. Registering the two together did not give as strong protection as registering them separately. MHC's name and logo had not been trademarked before. The risk of not registering the trademark was someone else adopting the name or logo. Mr Freeman asked that the CCO obtain clear advice which could be brought to the committee on the benefits and dangers of the 2 courses of action. The CCO reported that it would take between 3 and 6 months to complete the registration. Mr O'Donnell said that the name and the logo should be trademarked separately. He suggested contacting Withers and Rogers, who specialised in intellectual property. On the proposal of Mr O'Donnell, seconded by Mr Penn it was **RESOLVED** unanimously that the matter should be taken direct to the Board once further advice had been received, but that the CCO could proceed with the survey in the interim.

The CCO left the meeting.

8. TO APPROVE GENERAL FUND BUDGET AND LEVY FOR 2017/18 (agenda item 7)

Mr Rouse and Ms Rouse left the meeting as Matt Rouse received funds from the HLS scheme. The HLS scheme for the Central and Northern Hills would run out during the course of the next financial year and grazing would need to be funded from the HLS reserve.

The Finance and Administration Manager went through the information set out in the paper. She pointed out that uncertainty remained over the cost of funding the pension scheme. The deadline for completion of the review was 31 March 2017. She was awaiting figures from the scheme actuary for contribution rates in the event of the scheme closing to new members. The budget as drafted used the figures, already provided, for all staff members being members of the Local Government Pension Scheme.

The budget as drafted showed a small deficit of £32,000, with an increase in the levy of 5% above inflation. In the past, the levy had been frozen or increased at less than the rate of inflation for a number of years. (Had the levy kept pace with inflation it would currently be £130,000 more than the current figure.) An increase of 5% above inflation produced a charge of £33.07 for a band D property, using the same figure for the tax base as last year. Those on a low income or benefits would be entitled to a Council Tax Reduction which would include payment of the Levy. Mr Cordey drew attention to the fact that there was £20,000 shown from fundraising in the budget, which could not be guaranteed. The Director said that there always were some comments from the

public when the levy was increased and they tended to focus on the percentage rise. Was the percentage increase in the levy set out on the Council Tax bill? There was agreement that in the event of any increase, it was important that MHC had its reasoned arguments ready to justify the increase. As a comparison, Malvern Town Council had agreed to increase their precept by 9%.

On the proposal of Mr O'Donnell, seconded by Mr Bartholomew, it was **RESOLVED** unanimously to increase the levy by 9% (8% plus 1% inflation).

The Finance and Administration Manager said that this would increase the total figure by £13,275.

The budget included an increase in the cost of residents car passes from £3.00 to £5.00. Mr Hall-Jones said that the original concept of the charge to residents was that it was an administration fee. Dr Braim said that there needed to be a clear rationale for the increase. Mr Davies said that the whole concept of the parking charges needed to be reviewed, but the meeting agreed to proceed on the basis of the figures set out in the paper.

The Finance and Administration Manager gave an update on unbudgeted expenditure for 2016/7. The franking machine had to be replaced in January. A trade in had been offered on the old machine so the net cost was £437.

There was a summary contained in the budget of expenditure from the designated, parliamentary and restricted funds.

The Director said that the Land Management Committee had recommended setting up a designated fund against future tree work arising from disease. An additional £3,000 had been budgeted which was not set out in the draft figures.

On the proposal of Mr Cordey, seconded by Mr O'Donnell it was **RESOLVED** unanimously:

1. That the FAR Committee recommended to the Board that the levy for 2017/18 be set at £482, 325.
2. That the FAR Committee recommended to the Board that the 2017/18 General Fund budget attached to the paper be approved, subject to any changes arising from the conclusion of the Board's review of pension provision and the addition of a £3,000 transfer to a designated fund for future tree work.
3. That the FAR Committee recommended to the Board that the 2017/18 expenditure from the other reserves, as detailed in the paper, be approved.

Mr Freeman pointed out that the Governance Committee, when considering the conflict of interest policy, should apply a light touch as a Board member had been excluded from the meeting but the area where she had a conflict of interest had not come under discussion.

Mr and Ms Rouse returned to the meeting.

9. TO APPROVE BUSINESS PLAN (agenda item 8)

A further draft of the business plan (version 9.4) had been circulated following the Workshop (together with an E-mail setting out the changes made). This new version included the 5 year financial forecasts. The Business Plan would need updating each

year, including an appraisal of the work completed during the year. Mr O'Donnell suggested there might be some communication between MHC and MHDC as their strategic plan also referred to the Hills. The Director had already spoken to the CEO of MHDC about this.

The financial forecasts were a best estimate as at the time of writing. There was a need to raise an increasing amount each year. There was now included in the plan a fundraising target of £170,000 over 5 years. Stewardship income was projected to fall over the lifetime of the plan, and the Government had given no guarantees that the schemes would continue in the future.

The Director said that he was considering a number of fundraising initiatives, including possible sponsorship (eg interpretation signs). Any proposal for a membership scheme would be dependent on its inclusion in Charity Commission Scheme.

On the proposal of Mr Freeman, seconded by Mr Bartholomew, it was **RESOLVED** unanimously to recommend to the Board that the Business Plan 2016 – 2021 (version 9.4) be adopted.

Mr Davies thanked the Director and the staff for all their work in preparing the plan. The Director confirmed that there would be a shortened version of the plan produced for public use once it had been approved.

10. IT REPLACEMENT STRATEGY (agenda item 9)

The Director had prepared a paper for information on his plans for IT replacement. Back up arrangements in future would depend on whether improved internet speeds were available. The figures set out in the paper did not include any additional security software. Some limited personal data was held which needed to be kept in secure format. The strategy would be updated as more information was available. The paper was **NOTED**.

11. REPLACEMENT CASH COUNTING MACHINE (agenda item 10)

The Finance and Administration Manager went through the paper. The Director added that the cost of upgrading the car parking machines to accommodate the new coin would be £1,227 for all the machines.

On the proposal of Mr O'Donnell, seconded by Mr Cordey it was **RESOLVED** unanimously to recommend to the Board the purchase of a new coin counting machine at a cost of £1,895 and upgrading the car park machines at a cost of £1,227 (both plus VAT).

12. AMENDMENTS TO SCHEME OF DELEGATION IN ACCOUNTING POLICIES AND PROCEDURES MANUAL (agenda item 11)

The Director went through the paper. Some ambiguities had been identified in the current Accounting Policies and Procedures Manual and the paper set out a new scheme of delegation for authorising budgeted and unbudgeted items. The main changes were to give the Director authority to approve non-budget expenditure up to £5,000 for a single item (limited to a total of £10,000 in any financial year) and to delegate some

authority to FA & R Committee. The changes should also reduce the delay in proceeding with some projects which currently had to be referred back to the Board. On the proposal of Mr O'Donnell, seconded by Mr Cordey, it was **RESOLVED** unanimously to recommend to the Board adoption of the amendments to the Accounting Policies and Procedures Manual as set out in the paper.

13. REPORTS - FOR INFORMATION (agenda item 12)

13.1 Management Accounts for the 6 months ended 30.09.2016

The Finance and Administration Manager had no matters of concern to bring to the Committee's attention. Car parking receipts were above budget. She intended to suggest setting up a designated fund for the Charity Commission Scheme. That had been included in the outlook figures.

13.2 Auto Enrolment Pension Scheme – life insurance

Life insurance cover had now been taken out with another insurer, Unum. There was an additional cost of £318, but this was considerably less than setting up a Master Trust for MHC employees.

13.3 Review of capital projects (including land management)

The Director went through the paper and updated on matters arising since it was prepared. Installation of the windows at Manor House would now start on 2 January. There had been issues with the sewage connection at Top Shed. There would be an additional charge for making the connection and this would take the project over budget by about £1,800. He hoped the redesigned web site would be operational by April. There would be a small overspend on the additional fireproof cabinets as the delivery charge had not been taken into account. The Consultant had made application for felling licences in respect of Thirds Wood. The Director said that the £30,000 set aside to pay for this work was an estimate and accurate figures could not be ascertained until quotes had been obtained. The Director and field staff would be appraising what work was needed to the fencing at Gullett Quarry. Resurfacing of Gardner's Quarry was on hold, awaiting developments with the easement at Montana. Some repair work was required at Hancock's Lane and the cost was estimated at £1,050.

13.4 Facilities at Top Shed

Covered above.

13.5 St Ann's Well refurbishment

All the tenders received had been over budget. The Director was in the process of carrying out a detailed assessment of the lowest 2 tenders. He anticipated having to go back to the Board to approve additional funding. It had also been agreed that the work should be delayed as it would be impossible to complete it before the tenant's key trading period started around Easter. The tenant had agreed to vacate the property so the work could be carried out from 3rd week of July. The Director understood that the timescale for the work was around 14 weeks. The prices provided did not include the work on the toilets. That would be an additional

£2,500. Mr Street suggested considering carrying out the work on the toilets before the summer.

14. URGENT BUSINESS

There was none.

The meeting closed at 7.50pm