

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

**Manor House, Grange Road, Malvern
Thursday 12th May 2016, 6:00 pm**

Present: Mr R Bartholomew, Mr D Bryer, Mr M Davies, Mr S Freeman (ex officio), Mr R Hall-Jones (ex officio), Mr R Madden (Chairman), Mr C Penn, Professor J Raine, Mr D Street, Mr P Watson.

In attendance: Director, Finance and Administration Manager, Community and Conservation Officer(CCO), Secretary to the Board, Financial Assistant, Dr S Braim, Dr P Forster, Mr C Rouse, Ms H Stace, Mr T Yapp.

1. APOLOGIES FOR ABSENCE

Mr M Cordey, Mr J O'Donnell, Ms S Stewart.

2. CHAIRMAN'S COMMUNICATIONS

Mr Madden reminded everyone about the all-day Pensions Information meeting on 21st June.

34 Wyche Road had been sold for the asking price.

Mr Madden said that he wanted the minutes of the previous meeting as an agenda item for every meeting and wanted to initial them as a correct record notwithstanding they had already been approved at the Board meeting.

3. DECLARATIONS OF INTEREST

There were none.

4. ANY MATTERS ARISING FROM PREVIOUS MEETING

The Director confirmed that 2 vehicles had been ordered and they were due for delivery in 5 ½ weeks.

5. DEFERRAL OF AUTO-ENROLMENT START DATE

The Finance and Administration Manager went through the paper. MHC's staging date was 1st August and she recommended deferring it for three months to enable arrangements to be made if the Board decided, at the special meeting in July, to adopt an alternative pension scheme. Three members of staff were due to complete their probationary periods around that time. Mr Bryer suggested that the three employees' pension contributions should be backdated once the pension arrangements were resolved so that they did not lose out. The Finance and Administration Manager had calculated that a 3 month delay would cost about £2,000 if the employer contribution was 10% and £3,000 if the employer contribution was 15%. On the proposal of Mr Madden, seconded by Mr Bryer it was **RESOLVED** unanimously to recommend to the Board that:

- i. MHC apply for postponement of the automatic enrolment date to 1st November 2016.
- ii. MHC offer the three affected employees a monthly contribution of up to £30 towards the cost of a personal life assurance policy during the period of deferment and agree to backdate the three employees' pension contributions to the end of their respective probationary periods.

6. PENSIONS – APPROVAL OF ADDITIONAL FEES FOR PENSIONS REVIEW

On the proposal of Mr Madden, seconded by Mr Hall Jones it was **RESOLVED** unanimously to recommend to the Board that:

- i. A further budget of up to £20,000 be made available for pensions advice up to the special Board meeting on 5th July 2016, to be taken from General Fund reserves. Costs beyond the meeting on 5th July 2016 to be quantified once the Board had made its decision at that meeting and
- ii. A designated reserve should be created as at 31.3.2016 of £40,000 to cover potential additional fees for future advice on the scheme.

7. TO APPROVE FORMAT OF TRUSTEES' REPORT FOR ANNUAL ACCOUNTS

The Finance and Administration Manager asked all Board members to consider the narrative part of the Trustees' Annual Report and notify her of any amendments required. Amendments suggested were:

Page 6	Add Governance Committee for Richard Bartholemew Delete FAR and add LMC for Stephen Braim. Add FAR for Sarah Stewart.
Page 7	Change visited by 1 million people to "receiving around 1 million visits a year." Add protect the rights of commoners into the text.
Page 8	Add "and will be reviewed annually" to text re: management plan.
Page 9	Council tax payers should be changed to precept payers.
Page 10	Add "donations" under principal funding sources.
Page 11	Add the investment of reserves under Significant Financial Impacts. Acknowledge Herefordshire Council. Check whether equities should be described as "real assets."

Prof Raine suggested that in future it might be desirable to add more about MHC's performance. The Finance and Administration Manager suggested MHC might

consider producing a separate annual report for the public which focused primarily on MHC's activities.

The Finance and Administration Manager confirmed that the Auditors had finished their fieldwork and the clearance meeting was on 8th June 2016.

The draft Trustees Report was **NOTED**.

8. REVIEW OF SCHEDULE OF RISK

The Director went through the paper. He had updated the schedule for 2015/6. There were 2 "red" risks. There was no control strategy available to mitigate the risk of an exit from the European Union. The Board were undertaking a review of the pension scheme as a control measure in relation to item 5.11.

The Secretary to the Board said she would check the 2015 score on item 5.11 and confirm whether the figure shown on the schedule was correct. Mr Watson asked whether, in 4.11, one of the controls should be to have trial backups for both data and systems. Mr Madden asked if the IT policy needed to be reviewed. It was agreed that this fell within the remit of the FA & R Committee. Mr Watson did not agree with the mathematical basis of the risk scoring. The Director confirmed that the Risk Management Schedule was prepared in accordance with the Charity Commission recommendation.

The committee **NOTED** the draft Risk Management Schedule.

9. AUDIT TENDER

On the proposal of Mr Madden, seconded by Mr Street it was **RESOLVED** unanimously to recommend to the Board that, as the Committee was happy with the performance of the current auditors, it was not necessary to re-tender at this time and the Board should recommend the re-appointment of Crowe Clark Whitehill as auditors at the Annual Meeting of Taxpayers.

10. SOCIAL MEDIA POLICY

The CCO went through the paper and the draft policy. It was suggested that the collective description of employees, volunteers and Board members in the paper should be revisited. "Stakeholders" was one suggestion. Several other minor amendments were proposed and noted, in particular to add in "reporting to the Chair" where appropriate. The CCO confirmed that there was not at present a disciplinary code for volunteers and that she was working on a volunteer policy. On the proposal of Mr Madden, seconded by Mr Bartholomew, it was **RESOLVED** unanimously to recommend that the Board approve the policy as revised.

11. REPORTS

11.1 MANAGEMENT ACCOUNTS FOR THE YEAR ENDING 31ST MARCH 2016

The Finance and Administration Manager confirmed that there would be some minor changes to the draft accounts to reflect late accruals. She also confirmed

that there was a reserve under the HLS scheme, in accordance with a policy set when MHC first went into the scheme, in order to create a buffer should the funding cease. The draft management accounts were **NOTED**.

11.2 INVESTMENT PERFORMANCE TO 31ST MARCH 2016

The Finance and Administration Manager had prepared a written report which was **NOTED**.

Mr Street asked why the decision had been taken at officer level to ask Brewin Dolphin not to invest the funds which the Board had agreed to invest in September 2015. He said that the matter should have been referred back to the Board. The Director explained that the funds had been sent to Brewin Dolphin but in February MHC received notification that a large parcel of hill land might be available for purchase. In view of the risks associated with investing money that might be required in the short term in a volatile market, the decision was taken to ask Brewin Dolphin to retain £400,000 in cash and this had been agreed at a Chairman's briefing. Mr Madden said that there were times when decisions had to be made at short notice but there should be a mechanism in place for notifying the Committee or Board. Mr Street said in view of the length of time the transaction was likely to take, the money should be invested. Brewin Dolphin advised that if the money was likely to be required on a 12 month time scale, then it should not be placed on the markets for investment. The Finance and Administration Manager confirmed that a 32 day notice account was available to MHC with an interest rate of 0.7%. Mr Madden suggested that the people who were the signatories on the Brewin Dolphin account should meet to discuss the investment options. On the proposal of Mr Madden seconded by Mr Penn, it was **RESOLVED** (with one vote against) to recommend to the Board that the proceeds of sale of 34 Wyche Road should be retained by MHC and placed on deposit. Brewin Dolphin should be asked to invest £300,000 of the cash they were holding, and the balance of £100,000 should be returned to be placed on deposit by MHC.

On the proposal of Mr Madden, seconded by Mr Freeman it was **RESOLVED** that Ian Burrows of Brewin Dolphin be invited to the August Committee meeting to discuss investment performance and future plans.

11.3 RELATED PARTY TRANSACTION FORMS

The Finance and Administration Manager asked for these forms to be returned as soon as possible.

11.4 34 WYCHE ROAD

Dealt with under Chairman's Communications.

11. URGENT BUSINESS

There was none.

13. RESOLUTION TO EXCLUDE THE PUBLIC

Upon the proposal of Mr Madden, it was **RESOLVED** unanimously to exclude the public for discussion of item 13 - 17 on the agenda on the grounds that publicity would be prejudicial to the public interest by reason of the except or confidential nature of the business to be transacted (legal/staffing matter).

CONFIDENTIAL

MINUTES RELEASED

Agenda items 13 to 16 recorded in confidential minutes

17. STAFFING MATTERS

Warden Posts

The Director went through the paper. On the proposal of Mr Freeman, seconded by Mr Watson, it was **RESOLVED** unanimously that the committee recommend to the Board that:

- a) Simon Roberts' post be confirmed as permanent
- b) Additional volunteer warden capacity be recruited to improve coverage

The Secretary to the Board left the meeting.

Secretary to the Board

The Director went through the paper. It was clear that some of the preliminary work on easements and wayleaves had to be done in house and he suggested that the Secretary to the Board should be responsible for that. Secondly, the proposals for a Charity Commission Scheme would be presented to the Board at the next meeting. If it was agreed that the Scheme would proceed, there would be a significant amount of additional administrative work. At this stage it was not clear how much work that would involve. Mr Freeman said that MHC needed to ensure that administration costs did not increase. The Director confirmed that he had spoken to the Secretary to the Board and she had agreed to increase her hours if required.

On the proposal of Mr Madden it was **RESOLVED** to increase the Secretary to the Board's contracted hours by 7.5 hours per week.

The meeting closed at 8.15pm