

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

**Manor House, Grange Road, Malvern
Thursday 26 November, 7:00pm**

Present: Mr R Bartholomew, Mr D Bryer (until part way through agenda item 12), Mr M Cordey, Mr S Freeman (ex officio), Mr R Hall-Jones (ex officio), Mr R Madden (Chairman), Mr J O'Donnell, Mr C Penn, Prof J Raine, Ms S Rouse, Ms S Stewart (Until the end of agenda item 6), Mr D Street, Mr P Watson.

In Attendance: Director, Community and Conservation Officer (Until the end of agenda item 6), Finance and Administration Manager, Secretary to the Board, Financial Assistant (until the end of agenda item 14), , Mr S Braim, Mr C Rouse, Ms H Stace, Mr T Yapp.

1. APOLOGIES FOR ABSENCE

Mr M Davies.

2. CHAIRMAN'S COMMUNICATIONS

There were none. The Chairman invited all present to introduce themselves.

3. ELECTION OF CHAIRMAN

The Director took the Chair. There were two nominations, Mr Madden and Mr Street. There were 6 votes cast in favour of each candidate, so in accordance with Commissioners Clauses Act 1847 s38 lots were drawn and Mr Madden was elected as Chairman. Mr Madden thanked Mr Street for all the work he had done. He suggested that Mr Street continue as Chairman of the Pensions Working Group.

4. ELECTION OF VICE-CHAIRMAN

Mr Cordey was elected unopposed as Vice-Chairman.

5. DECLARATIONS OF INTEREST

Mr Madden took the Chair. Prof Raine declared an interest in connection with the rebranding as he knew one of the candidate consultants.

6. MATTERS ARISING FROM PREVIOUS MEETINGS

There were none.

It was agreed to take items 20 and 21 out of order

7. RESOLUTION TO EXCLUDE THE PUBLIC (agenda item 20)

On the proposal of Mr Freeman, seconded by Mr O'Donnell, it was **RESOLVED** unanimously to exclude the public for discussion of item 21 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 (commercially sensitive matter).

CONFIDENTIAL ITEM

MINUTES RELEASED

8. REBRANDING (agenda item 21)

The Community and Conservation Officer went through the paper. Mr Madden suggested talking to the references provided by the companies before a selection was made. Mr Freeman suggested it would be helpful in due course to produce a budget for all of the work that would arise from the rebranding. The Finance and Administration Manager said that this was already prepared in draft but more precise figures would be available once the consultants were engaged. Much of the work which would follow on from the rebranding needed to be carried out in any event, (eg reprinting leaflets, replacing signage, website) and the expenditure would be incurred whether the rebranding went ahead or not. Mr Bryer said that it was important for the launch of specific initiatives to be timed to coincide with the rebranding. Prof Raine said that it was important to manage the process so that the exercise in itself did not become a matter for adverse public comment. Ms Stace said that since the Community and Conservation Officer had been in post she had done a tremendous amount to address MHC's poor public profile which had got a lot better in the last 18 months.

On the proposal of Mr O'Donnell, seconded by Mr Penn, it was **RESOLVED** (with one abstention) to recommend to the Board that it approved the following course of action:

- a) The three selected designers be invited to pitch in February 2016 to a panel made up of the Director, Community and Conservation Officer, Chairman and Vice-Chairman of the Board and Sara Stewart.
- b) Following these pitches, a designer be selected by the panel to work with MHC to rebrand the organization.
- c) That the budget for this work would be £10,000 (ex VAT).
- d) On completion, the proposal for rebranding be brought back to the Board for final approval.

It was agreed to reopen the meeting to the public.

9. Management Accounts for the quarter ending 30 September 2015 (agenda item 7)

The Finance and Administration Manager went through her report. She corrected a reference to “diseased trees” at Thirds Wood – the trees were not diseased.

It was agreed that the Finance and Administration Manager should check with the auditors whether the Stewardship fund should be classified as restricted or designated.

The Stewardship grant accrual on the balance sheet related back to December 2014.

The report was **NOTED**.

10. To approve General Fund Budget and Levy for 2016/17 (agenda item 8)

The Finance and Administration Manager went through her report. She highlighted that the levy had not been increased in line with inflation over the last 12 years and that she felt the Board should consider setting the increase in the levy to reflect the resulting increase in payments per household. The tax base figures required to make this calculation were not made available until December.

Mr Madden was concerned that the budgeted income did not match planned expenditure. Ms Stace said that there she was not aware of a policy or other constraint which required MHC not to exceed the increase proposed by the District/County Councils. Mr Street expressed concern about how a higher than 2% increase would be viewed by the public. Mr Madden said that it was important to get the PR right. Mr Hall-Jones suggested that a budget should be set to enable MHC to fulfill its duties and the resultant amount was what the public should be asked to provide. Mr O’Donnell said that the precept should be set to cover the running costs of the organization.

On the proposal of Mr Madden, seconded by Mr O’Donnell it was unanimously **RESOLVED** to recommend to the Board that the levy be increased by 5%.

There was a flat fee for car parking of £3 per day which had remained the same since 2010. In order to increase the fee, the meters would have to be recalibrated, which would cost £1,000. There was a provision in the 2015/6 budget that would cover this. There was a discussion about bringing forward the replacement of the car park meters, differential charging and installing meters at some of the other car parks. It was thought that, in general, the people who paid daily car park charges were not people who paid the precept.

On the proposal of Mr Cordey, seconded by Mr Freeman it was **RESOLVED** (with 3 abstentions) to recommend to the Board that daily car parking fees be increased to £4.00 from 1 April 2016, and to bring forward as soon as practicable a review of car park meters and parking arrangements.

On the proposal of Mr Bartholomew, seconded by Mr Cordey it was unanimously **RESOLVED** to recommend to the Board that the General Fund budget as presented in the paper but amended to reflect the increase in the levy and car park fees, be approved.

11. Actions on Audit report (agenda item 9)

Investments

MHC received a quarterly report from Brewin Dolphin which recorded acquisitions, disposals and listed the value of all the investments in the portfolio. It was agreed that there was no benefit in MHC receiving contract notes.

New SORP

It was agreed that the Finance and Administration manager should resolve with the Auditor whether to follow the FRSSE SORP framework.

The Finance and Administration Manager's report was **NOTED**.

12. Approval of staff handbook (agenda item 10)

Proposed amendments:

Page

27	Mr Watson thought that the introduction was negative. Mr Penn thought the statements were reassuring.
32	“PPE and other equipment should be worn as required by risk assessment.” 1.7 Change “our clients” to “the public” as the organization was not a business and take out “ Despite on occasions....consideration.”
33	1.14 take out “ be kept to a reasonable level.”
37	2.9 Add a requirement for staff to report any health conditions that may affect their ability to drive. Should there be a requirement to carry out a visual inspection of the vehicle each time it was driven? The Director had spoken to the insurers who said that a weekly recorded inspection would suffice. Second paragraph page 38 appeared to cover this situation.
39	There should be a reference to probationary periods during which objectives were set and monitored.
40	Appraisals section should be expanded and /or cross referenced to contract and to performance page 76.

	Mr Freeman asked if there should be an option to compel an employee to undertake training. Reference to induction in points 3.7 and 1.4 – were both required.
43	5.2 Add reference to following the procedures in the finance manual. 5.3 Was it appropriate to have a right of search? The Director would query this again. Change “gross misconduct“ to “a disciplinary matter”.
44	6.1 Should there be an ability to bring forward leave at the Director’s discretion?
45	6.6 What would happen if someone was injured in the course of their employment? The policy stated that there was a discretion to extend the period of sick pay in exceptional cases. Mr Freeman referred to the HR consultant’s comments that the sick leave provisions were generous. The Director said that the sick leave provisions were as per the Local Authority terms and condition which had been adopted.
47	6.7 Add opticians to GP and dentist.
56	6.22 needed a statement that if staff return to work on reduced hours, the salary would be adjusted to reflect those reduced hours.
66	6.24.10 The policy on stillbirths needs to be repeated in the Maternity Leave policy.
70	7.2.2 “will be” not “ should be” 7.2.4 Head “Grievance Procedure Timescales”
75	Delete “inform one of the Directors” and substitute” “the Director or the Chairman” Was there sketchy treatment on low level harassment? Lack of detail in this section on discrimination. List under 7.6 – these were examples and not an exhaustive list. “Failure to answer a question during a properly constituted investigation” – The Director to query with HR advisor.
80	“Modicum” – remove or clarify.
82	This was the only policy where Board members were included. Bribery was covered for Board members in the Code of Conduct.
	Section referring to personal E mail should conform to the policy on calls and texts.
81, 82,83	References to hospitality and gifts were inconsistent.
88	10.1 Bullet 4 “moved, stored, used and <i>disposed of</i> ” safely
89	Add “Volunteers” to introduction 10.4 Should also refer to near misses.

The Director asked for any more suggested changes to be E mailed straight away so that he could amend the paper for the Board. It was agreed that the revised draft should be sent to Mr Penn, Ms Stace, the Chair and Vice-Chair of the Committee.

Mr Freeman raised the question of definitions of “Contract of Employment” (and with lower case) and “Offer Letter”. He also enquired how the Staff Handbook would be incorporated into existing employees’ terms of employment.

On the proposal of Mr Freeman, seconded by Mr Street, it was unanimously **RESOLVED** to recommend approval of the Employee Handbook (with amendments set out above) to the Board.

13. Review of F A & R policy responsibilities (agenda item 11)

It was agreed that the Chairman of the Committee, Vice-Chairman, Secretary to the Board, and the Finance and Administration Manager should review the schedule of policies relevant to F A & R Committee and prepare a timetable for review.

14. Business Plan (agenda item 13)

On the proposal of Mr Watson, seconded by Mr Bartholomew, it was **RESOLVED** unanimously that:

- (a) The Committee recommends that the Board notes the draft Business Plan – and that until such time as the new Director has completed a new Business Plan, the work programme included in the draft Plan is followed.
- (b) The new Director be asked to complete a Business Plan within 6 months of taking up post, to include a three/five year financial forecast. This will enable the Board to determine the priorities for delivery and fundraising.

15. Loos/facilities at top shed (agenda item 14)

Drawings had been prepared and reviewed by the Field Staff and Operations Manager who were content with the proposals. The construction and connection cost was likely to be in the region of £19 – 20,000. The Board had resolved in September 2015 to approve preparation of plans and an application for Building Regulations consent. Mr Madden said that he would like a business case prepared for F A & R Committee once the tendering exercise had been carried out.

16.34 Wyche Road (agenda item 15)

The sale was proceeding.

17. St Ann's Well (agenda item 16)

Historic England had withdrawn their objections to the planning application. The lease of St Ann's Well was due for renewal in May 2016. It was appropriate that there should be a rent review. Halls had been asked to consider whether this should take place prior to or after the proposed work had been carried out. Mr Madden said that the Committee needed to see a business case for the work, taking into account the rental. Mr Freeman said that MHC should ascertain what needed to be spent to comply with MHC's obligations as lessors.

18. Changes to the finance handbook (agenda item 17)

This was to be adjourned to the next meeting.

19. Update from the Pensions Working Group (agenda item 18)

The actuary had written to WCC pension fund setting out some questions. No reply had been received.

20. Urgent Business (agenda item 19)

There was none.

21. Review of salary link to Local Authority pay scales (agenda item 12)

The Director understood that the justification for breaking the link with NJC pay scales was to give more flexibility. There was flexibility within the pay scales – the Board could decide where to place the employee on the pay scales, re-evaluate the job and pay a bonus if performance warranted that. The advantages of linking to the pay scales were that there was no need for the Board to negotiate, it reduced the scope for conflict, gave the staff confidence that the relationship between salaries were fair and gave the levy payers confidence that the Board was using an accepted means of calculating salary which was widely used by other charities and in the voluntary sector. The position would be clear to the Board and the employee.

Mr Freeman said that it was the recommendation of the Recruitment Panel that the new Director's salary should not be linked to Local Authority pay scales. Mr Freeman felt the paper did not present a balanced view and the Recruitment Committee had not been asked for their input. The Committee felt that the Director's salary should be wholly within the remit of the Board. He said the argument that what was paid to the Director would have an influence on the salary arrangements for other employees did not stand up to examination. The fact that there were scales meant that there was not complete flexibility.

Mr Cordey said the basis of the discussion had been what the Board might want the Director to do and how they might want to incentivise him. He felt he was not clear of how flexible the Board could be around bonuses within the existing scheme. Mr Bryer agreed that flexibility was needed but he could not see how linking salary to the scale presented a problem. He was concerned if using the pay scale would result in a tie in to the LGPS but the Director said that this was not the case. He felt it was hugely useful on the PR side to have salaries linked to a scale in order to fend off questions from the public about excessive remuneration. Prof Raine said that the debate made it sound as if MHC were a PLC and he felt that in a small organization everyone should be in the same framework. Ms Rouse felt that she would have preferred an independent analysis of the advantages and disadvantages. Mr Madden said that the organization should be run on business principles. Mr Hall-Jones suggested the contract be offered on the basis of a fixed salary and MHC could decide in 12 months' time whether it should be changed and linked back to the scales. The Secretary to the Board suggested that the basis of salary review ought to be set out in the Director's Contract of Employment. Mr Street proposed, seconded by Mr Bartholomew that the Committee recommended to the Board that the link between the Director's salary and the NJC pay scales be retained. There were 4 votes in favour and 4 against. Mr Madden did not exercise his casting vote. On the proposal of Mr Hall Jones, seconded by Mr Freeman it was **RESOLVED** by a majority of 6 votes to 3 that the Director's salary should not be linked to NJC pay scales but the matter be re-considered at the first review of his salary.

The meeting closed at 9.40pm