

Malvern Hills Trust

Finance Administration and Resources Committee

United Reformed Church, Malvern Link

Tuesday 10 December 2019 7.00pm

Present: Mr M Cordey (Chair), Mr D Core, Mr M Davies, Mr D Fellows, Mr J Michael, Mr C Penn, Prof J Raine, Ms S Rouse, Mr J Watts.

In attendance: Chief Executive Officer (CEO), Finance and Administration Manager, Secretary to the Board, Financial Assistant, Mr I Burrows (Brewin Dolphin), Mr C Atkins, Dr S Braim, Dr G Crisp, Mr R Fowler, Dr T Parsons, Mr C Rouse, Mr T Yapp, 1 member of the public.

Mr Davies welcomed everyone to the meeting.

1. Election of Chair

There was one nomination and Martin Cordey was appointed unopposed.

2. Election of Vice-Chair

There was one nomination and Sarah Rouse was appointed unopposed.

3. Apologies for absence

Mrs L Hodgson.

4. Chair's communications

- Dates for meetings:
 - Easement workshop – Tuesday 7 January 2020 at 6.00pm, United Reformed Church, Malvern Link.
 - Charity Commission Scheme consultation outcomes workshop – Monday 13 January 2020, Open Spaces Meeting Rooms, time to be confirmed.
 - Land management walk (all welcome) – Wednesday 29 January 2020 at 1:00pm, meeting point to be confirmed.
- A donation of £1,000 had been received from Sharegift. The Finance and Administration Manager confirmed she had written a letter of thanks to the person who nominated the Trust.
- For the benefit of the new trustees, Mr Cordey confirmed that MHT committees had very limited delegated powers but were often the first line of scrutiny for issues that required a decision of the Board. Committee decisions usually resulted in recommendations to the Board, and the Board could accept or change the committee's recommendations.

5. Declarations of interest

Mr Cordey said that he held investments with Brewin Dolphin. He did not feel there was any conflict of interest but wished Committee members to be aware.

Ms Rouse said that District Councillors potentially had an interest in relation the Tourist Information Centre. The Councillors were not involved in the decision not to sell MHT car park passes.

6. Public comments

There were none.

7. Matters arising from the previous meeting 8 August 2019

There were none.

8. Investments

Mr Cordey introduced Mr Burrows.

Portfolio Performance Report

Mr Burrows went through his written report and commented on the possible impacts of the forthcoming General Election and US/China trade relations.

Consideration of whether to include ethical investment criteria in the Investment Policies

The Finance and Administration Manager suggested a Working Group be set up to review whether to add ethical investment criteria to the investment policies, with a view to reporting back to the next FAR meeting. Mr Burrows agreed to provide background information to assist the discussions or to attend as required.

It was agreed that the working group would comprise the Finance and Administration Officer, Mr Cordey, Mr Core, Mr Fellows, Mr Watts and Mr Michael. Mr Burrows explained that the holding in overseas equities within the portfolio was slightly over the guidelines for the risk category and on the proposal of Mr Core, seconded by Mr Davies, it was **RESOLVED** unanimously to recommend to the Board, whilst keeping to the overall percentage of equities within the investment criteria, to adjust the cap for overseas equities within that category to 45 % until the review of the risk categories was carried out.

Review of Risk Categories – The Finance and Administration Manager proposed bringing a separate paper on risk categories to the next FAR Committee meeting. She would in the meantime put Brewin Dolphin's explanation of their various risk categories on the members' area of MHT's website.

Mr Burrows left the meeting.

9. Management accounts for the 6 months ended 30 September 2019

The Finance and Administration Manager said that the previous committee had opted to have the general fund breakdown included on page 2 of the management accounts. She felt this made it hard to read. It was suggested that subsidiary tables might be used and the general fund data need not be included in its entirety on the second page. Mr Cordey suggested the Finance and Administration Manager look at the format and make changes as she thought appropriate (time permitting).

The Finance and Administration Manager then went through the paper. The paper had been prepared before MHT was aware of the cost of the tree safety

work (paper E) and before receipt of a payment of £68,000 from the Rural Payment Agency.

10. To approve General Fund budget and propose the Levy for year ending 31 March 2021

The Finance and Administration Manager was still awaiting further information. In relation to the pension scheme, she had contacted Worcestershire County Council and the actuary to the pension scheme and they are considering two options for MHT, paying the deficit contributions for next year at the current year's rate, (reducing the total shown in the draft budget by £14,000) or looking at a change to a 15 year write-off period.

Since the budget papers were prepared, Malvern Library had confirmed it would be willing to sell MHT car parking passes (following notice that the Tourist Information Centre was no longer willing to do so). Malvern Library has asked for a 15% commission. This would raise the cost to MHT from £2,000, to £3,000, but this was far less than the cost of MHT having to employ additional staff to sell the passes, and there should be benefits to both organisations from the arrangement. Mr Cordey noted that the draft budget showed a deficit and that the paper included options on page 7 to reduce this. MHT had in the past agreed deficit budgets but in most years had finished the year in a better position than forecast. He did not feel a small deficit was a major issue.

Mr Watts suggested adjusting the depreciation figures in order to reduce the deficit. The CEO explained that MHT has an agreed vehicle replacement policy, and that different types of vehicle had different replacement periods. It was agreed that the issue of depreciation could be revisited.

Mr Watts also suggested discriminatory parking charges. The CEO confirmed MHT intended to look at parking charges after the new meters had been in place for one year, so that data was available to allow usage patterns to be analysed.

The Finance and Administration Manager said the committee could not realistically make a proposal on the levy without the outstanding figures for the budget. On the basis that the committee was happy with the arrangement for the Library to sell car park passes, The Finance and Administration Manager was asked to revisit the depreciation figures with the CEO, and revise the budget when the pension figures were available, on the basis of :

- 3% increase on the levy
- car parking tickets price increase from £4.40 to £4.50
- residents' passes increase from £5.50 to £5.70
- non-residents' passes increase from £37.00 for one car (£14.00 for second car) to £38.00 and £14.50 respectively

The Secretary to the Board asked that, once the revised budget was circulated, it was very important that, if any Board members had issues they wished to raise, they should contact the CEO or the Finance and Administration Manager immediately and not wait until the Board meeting.

On the proposal of Ms Rouse, seconded by Mr Michael, it was **RESOLVED** (1 abstention) to recommend to the Board that:

The Board approves the designated fund budget for 2020/21 as set out in the papers for the meeting and

The Board approves a budget of £75,000 from the Parliamentary Fund (for the sewage treatment system at British Camp, new bays at Black Hill car park and hedge laying)

11. Worcestershire Pension Scheme

The Finance and Administration Manager confirmed that she had received an interim report. The committee did not require any further information but would await the final report.

12. Red flag items off the risk schedule

The CEO reported that there had been no changes to the red flag items since the previous meeting. The Board members required training on GDPR.

13. Bank mandates

The bank mandates needed to be updated to reflect the new appointment of Chair of the Board and Chair of the Finance Committee. On the proposal of Mr Davies, seconded by Mr Core, it was **RESOLVED** unanimously to recommend to the Board that the bank mandates be updated to include the new appointees.

14. To approve unbudgeted cost of 2019/20 tree safety work

All of MHT's trees close to public highways, major rights of way and car parks were surveyed on a three-year rolling programme by an arboriculturalist. The CEO went through the paper. The cost of work required this year was higher than expected, and the Committee was being asked to approve the cost of part of the tree safety work under its delegated power, so that work could be started. The Board would be asked to approve the remainder of the expenditure at the January meeting.

On the proposal of Prof Raine, seconded by Mr Penn, it was **RESOLVED** unanimously that the Committee authorize additional expenditure of up to additional £3,000 under its delegated powers for tree safety works.

15. Reports for information

15.1 Car park takings analysis 2018/9

The figures in the paper were provided for information and Finance and Administration Manager thanked the Financial Assistant for preparing the analysis.

15.2 Review of major projects

The CEO went through the paper. The persistent rain had had an impact on a number of projects. The work on the bridleway at Link Common and completion of the access work at the Community Woodland was planned for spring 2020, but was weather dependent. The proposed works at Manor House would be split into two parts because work needed to be carried out at Lower Shed before the Manor House work could be completed. The works at Top Shed had been delayed due to wet weather, but were now

planned for the second week in January 2020. The cleaning and maintenance agreement with Herefordshire Council for British Camp and Wyche toilets had been due for renewal earlier in the year. The work was still being undertaken by the Council. British Camp sewage system -the tender was suspended pending receipt of a "Consent to Discharge" licence from the Environment Agency. Building Maintenance Schedule – further works were recommended following the fire inspection. Repairs at Old Hills car park had been completed.

There had been issues with the new tractor, resulting in it going back on four occasions for repairs/replacement of sensors. An extended warranty was being sought.

15.3 Charity Commission Scheme costs

The cost to date was £110,990. The Secretary to the Board did not foresee any further significant costs at this current stage.

15.4 Fundraising

There has been no further meeting of the Working Group since the last meeting. (Trustee members: Mr Penn, Mr Davies, Ms Rouse) and it was suggested that a meeting should be arranged. Mr Core offered to join the group. The CEO agreed to arrange a meeting.

15.5 Exercise of CEO's delegated powers

The CEO reported he had not used his power in relation to approval of additional expenditures. He anticipated that there might be additional cost in relation to the West of England car park repairs.

15.6 Legacy

The CEO confirmed that two substantial legacies had been received within the last 18 months. Interim payments were still being received from one of them, which to date amounted to £270,000. The CEO said that it was intended to set up a Working Group to look at how to best spend the money and to tie in with the objectives of the Business and Land Management Plans and the donor's wishes. Ms Rouse and Dr Braim agreed to be part of the Working Group and a further volunteer would be sought from the Land Management committee.

16. Urgent business

There was none.

17. Date and time of next meeting

Tuesday 11 February 2020 7pm.

18. Confidential item

On the proposal of Mr Cordey, seconded by Ms Rouse, it was **RESOLVED** to exclude the public for discussion of items 19 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).

CONFIDENTIAL

19. Lower Shed

The CEO explained that the timing of works to Lower Shed needed to be brought forward, to phase in with the Manor House works. At present the area was used as a collecting point and needed tidying up and refurbishing. MHT could make better use of the facility for storage and for use by the volunteers. One option was to replace the shed, and indicative estimates had been sought by the CEO. If the building was to be used for volunteers as opposed to agricultural purposes, it would need to comply with Building Regulations. The cost of a Building Regulations compliant building was more than had originally been envisaged. Alternatively it might be possible to renovate the existing building.

The committee was of the view that it could be more cost effective in the long term to replace the building. Consideration could be given to using one of the legacies to create a volunteer centre. Mr Davies asked whether the Lower Shed was part of the “Heritage Assets.”

The Committee agreed to bring forward the scheduling of the work in the Business Plan and to consider re-building the facility, rather than repairing it. The CEO would bring the matter back to a future meeting.

The meeting closed at 9.20pm