

Malvern Hills Trust
Covid-19 Contingency Committee
By telephone conference call
Meeting 9 April 2020 4.30pm

Present: Mr R Bartholomew, Dr S Braim, Mr M Cordey, Mr M Davies, Mrs C Palmer, Prof J Raine, Mrs G Rees, Ms S Rouse

In attendance: CEO, Finance and Administration Manager, Secretary to the Board

The Chair welcomed everyone to the meeting.

1. **Apologies for absence**

Mr J Bills.

2. **Declarations of interest**

There were none.

3. **Chair's announcements**

- Comments had been received from Board members Mr Parsons and Mr Fowler.
- Information on the following had been circulated to Board members:
 - Health and Safety report
 - Annual report on Land Management Plan (LMP)
 - Provisional timetable for preparation of LMP 2021 – 26
- There were items of confidential business on the agenda. The Finance and Administration Manager had circulated a confidential paper on cost reduction which might also need to be discussed in that section.

4. **To approve the minutes of the last meeting**

On the proposal of Mrs Rees, seconded by Mrs Palmer, it was **RESOLVED** (with one abstention) to approve the minutes of the meeting held on 3 April 2020.

5. **Summary of actions taken**

The CEO reported that he and the Finance and Administration Manager had been very busy preparing papers for this meeting and carrying out work in connection with the Job Retention Scheme (JRS). Wardening was continuing in accordance with the rota, but it was planned to have two wardens working each day over the Easter bank holiday. Footfall on Trust land had increased in the last few days. Some people were ignoring the car park closures and where appropriate the police were being informed. There had been an increase in fly-tipping especially garden waste. Field staff had been collecting litter, clearing trees and preparing for the grass cutting season. The footbridge had been installed in the Community Woodland.

6. Government financial support schemes

The Finance and Administration Manager went through the paper. There was little available to the Trust in the Government support schemes other than possibly the JRS and the ability to re-claim Statutory Sick Pay. She drew attention to the new flexibility for employees to carry over leave. The Government support announced for charities was directed at charities working on the front line to support those affected by the pandemic. Mr Davies asked if there was the opportunity to claim a grant, available to leisure providers, in relation to business rates at Manor House? The Finance and Administration Manager said investigation of this had been included as an action point on the costs review. The CEO said there was a new fund available at the Heritage Lottery Fund for heritage assets, but a precondition was that applicants had to have had an HLF grant before.

The Committee worked through the options in the paper and **RESOLVED** unanimously as follows:

- a) Employees who had mild symptoms and were required to self-isolate for 7 days, and who could not work from home should receive sick pay.
- b) Where a member of the household of an employee had symptoms, thus requiring the employee to self-isolate for 14 days and they were unable to work from home, the following options should be considered:
 - i. Would furloughing be appropriate and if not
 - ii. The employee would receive sick pay or
 - iii. Unpaid leave
- c) Employees who had to stay at home to care for dependants (in particular school age children) who could not combine this with working from home, the following options should be considered:
 - i. Would furloughing be appropriate and if not
 - ii. Unpaid leave
- d) Employees who needed to shield:
 - i. Furlough and if not possible
 - ii. Unpaid leave

The Committee thanked Cheryl for her clear explanation of the options.

7. Project Progress update

The CEO went through the paper. Many of the projects had been suspended. Some of the survey work was time critical and would have to be postponed to next year. The CEO intended to continue with the tender process for replacement of the British Camp toilets sewage treatment system, but would seek to build in an extended period for carrying out the works.

8. Recommendations on cost saving

Although Paper D was confidential, the Secretary to the Board suggested recording the discussions in the open part of the minutes unless it proved necessary to do otherwise.

The CEO gave an update on the Countryside Stewardship application for Castlemorton. The Conservation Manager had now received the application papers and an indication that the RPA would deal with his questions. The Finance and Administration Manager explained that Paper D was based on the assumption that the existing Stewardship Scheme budgets would remain untouched, as a failure to deliver the objectives would jeopardise the grant payments. Nothing had been included in the 2020/21 budget in relation to possible receipts from the Scheme for which the Conservation Manager was currently applying.

- A concern was expressed about suspension of work on the British Camp sewage system. The CEO said he would continue with work on the tender process.
- Should a provision be included to illustrate the effect of the Trust not being eligible for the JRS?
- The figure shown for legal fees was a contingency, not planned spending.
- There was a discussion about the figure shown for servicing and maintenance of vehicles and equipment. The CEO explained that it was essential to continue to maintain and service vehicles and equipment for safety reasons if they were to be available for staff to use. Some land management work would need to continue and was not prevented under the current guidelines. If equipment was not available to carry out work required under the HLS or Countryside Stewardship Schemes, it would jeopardise the grant payments. The figure was a budget and not a planned programme of expenditure. Any expenditure which could be deferred would be.
- The District Council had agreed to defer completion of the grant aided work on access to the Community Woodland.
- The Finance and Administration Manager explained that the balance shown in the designated fund budget for the Charity Commission Scheme consultation had been spent. The budget was approved prior to authorisation being given at the Board meeting in January 2020 to use the balance for staff costs.
- The Secretary to the Board confirmed that no additional legal expenditure on the Charity Commission Scheme would be made unless authorised by the Board. This would not be within the remit of the Committee.
- It was clear from the Charity Commission guidance that the current circumstances were such that charities might expect to make use of their reserves. The Trust was lucky to have significant reserves to help it through the crisis.
- How often should the Committee review the Trust's financial position? A key issue would be a projection which showed a negative position on cash flow or profit and loss.

The CEO felt the proposals as set out in the paper would still enable the Trust to carry on its core operations such as litter collection, grass cutting and monitoring the Trust's land. The proposals were based on the restrictions continuing for 3 – 6 months but if they were to go on for an extended period, a further review would be undertaken.

It was agreed that the Committee should review the position monthly or if there was a material change in circumstances.

The Committee **AGREED** that any expenditure at present should be sanctioned by the CEO or Finance and Administration Manager. The CEO was asked to continue to keep a tight control on expenditure, which should be focused on maintaining the Trust's essential functions.

On the proposal of Mr Cordey, seconded by Mr Bartholomew, it was **RESOLVED** that the Committee, having reviewed the Trust's priorities in line with the Charity Commission guidance, would adopt the recommendations for savings set out in Paper D (See Schedule II) on the basis that:

- a) If the Trust's application for the JRS was refused the position would need to be reviewed urgently
- b) In the medium term (4 – 6 months no car park income/restrictions still in place) staffing priorities should be revisited
- c) There was sufficient in the general fund reserve to cover the impact of the crisis in the short to medium term
- d) Restricted funds were not being used to support General Fund activities
- e) Should the crisis continue beyond 6 months it might be necessary to make further cuts to the Trust's activities and to consider using some of the "free" designated funds

A vote of thanks was given to the staff for their hard work on preparing the papers for the meeting.

9. Other matters

Mr Bartholomew had drawn the Committee's attention to the regulations relating to car parks and public toilets. The Secretary to the Board said she understood the regulations to be permissive, and not to impose an obligation to keep these facilities open. The contractual requirement to open the toilets at St Ann's Well was limited to the times when the café was required to open and since the café was unable to open at present, there was a good argument to say that there was no obligation to open the toilets.

Mr Davies commented that there might be an opportunity to accelerate the review of the Land Management Plan. His concern was to make the best use of available time, particularly if the JRS was not available. The CEO said that the timeline was to have the revised plan ready for April 2021. The Conservation Manager would no doubt use the opportunity to bring work forward if possible, but this would be conditional on what else was going on. The stakeholder consultation could be carried out on-line.

The Committee noted the importance of the Hills for open air recreation and promoting wellbeing. Mr Parson's observation on victims of domestic violence was noted, but pursuing this beyond keeping the Hills and Commons available for use by the public was outside the Trust's objects. Mrs Rees noted that the Trust had supported the AONB's initiative to encourage parents with small children to get out onto the Hills.

10. Date of next meeting

Next meeting 17 April 2020 at 4.00pm (by telephone conference).

The meeting closed at 6.30pm

Schedule I

Trevor Parsons

I think these figures regarding domestic violence and murders might be relevant to our attitude to open air recreation and rehabilitation and our consequent decisions as to whether to help people to stay sane and safe.

Should we discuss this more deeply (remotely) with the whole membership of the Trust to gather more opinions as to the best way to help?

Richard Fowler

Please make the following views available to the trustees attending the meeting this evening:-

It is disappointing that the trustees on the emergency committee did not take the initiative to implement cost savings at the meeting on 27th March. I immediately pointed out this omission on 30th March. Even at that late stage plans to use the JR Scheme could have been set in place for consideration at the meeting on the 3rd April. Indeed I sent a set of proposals to the meeting complete with a template for the furlough scheme.

We are now being told that all of the proposals are not ready due there only being two working days available for the preparation of a scheme and other savings.

The purpose of an emergency committee is to be fleet of foot!

However we are where we are and it is important to get these initiatives in place.

At yesterday's briefing the Chancellor stated that the JR Scheme is available for ALL charities and so that at least gives a little more certainty to our case. (see my email to CEO dated 8th April 2020)

The proposals not to use the management team furlough scheme as proposed on a rota basis is a major concern. Management need to set the culture of an organisation and ensure that the whole organisation (in the case of MHT a very small team) believe that they are all in it together both in good times and bad.

Although the minimum period for a furlough is three weeks it can be curtailed at any time - the only loss being any funds that would have flowed as salary support in the three week period. Accordingly the risk of a further management loss that cannot be sustained until the end of a rolling three week period can dealt with on this basis at a small premium. The fact that you may wish to un-furlough at short notice should be included in the letter set up for the scheme.

I wondered if I was alone in my thinking about the actions but find, from phone calls, that a number of other trustees share similar thoughts.

My offer of help made initially on 20th March still stands.

Schedule II

General fund 2020/21 - line-by line review of expenditure, Covid-19 crisis at 7/4/20					
Expenditure category	Budget heading	Comments	2020/21	3-month	6-month
			budget	saving	saving
			£	£	£
Land management	Contract labour	Take out 'other' items	13450	1,030	1,030
		Defer work on tracks & paths			
	Drainage	Reduce BC loos emptying frequency	5545	1,000	2,000
	Vehicle & eqt	Reduce diesel element by 12 % /24 %	20440	990	1,980
	Waste Management	Reduce skip hire by 10 % /20 %	6480	650	1,300
	Hire of plant & eqt	Reduce by 20 % /40 %	1800	360	720
	Tree work	No savings possible	16120		
	Grass cutting	No savings possible	3600		
	Materials & tools	Reduce by 20 % /40 %	10500	2,100	4,200
	Protective clothing	No savings possible, might increase	1670		
	Field Consultancies	Take out invertebrate study	4590	1,000	
	Water testing	Take out (never been billed)	500	500	
	Conservation Vols	Reduce by 25 % /50 %	1080	270	540
	Gardening	Reduce by 25 % /50 %	2700	675	1,350
Car park expenses	Meter maintenance	Seek discount on annual bill from supplier	4500		
	Meter tickets	Reduce by 25 % /50 %	1000	250	500
	Meter repairs	Reduce by 25 % /50 %	1000	250	500
	Passes	Already purchased	2500		
	Cityline fee	Seek discount on annual bill from supplier	3480		
	Credit card charges	Reduce by 25 % /50 %	4200	1,050	2,100
	Car park repairs	Defer line painting	5000	1,000	1,000
Wardens' expenses	Fuel	Reduce by 12.5 % /25 %	3900	490	975
	Vehicle maintenance	No savings possible	2575		
	Uniform & PPE	No savings possible, might increase	825		
	Tools and equipment	Reduce by 20 % /40 %	2060	410	825
	Phones	On contract, still in use	1300		
PR expenses	Leaflets	Cancel reprints	4000	4,000	4,000
	Newsletter	Cancel, do e-newsletter intread	100	100	100
	Council tax leaflet	Delay to 2021/22 in line with new pass renewal date	500	500	500
	Annual report	Reduce by 50 %	1000	500	500
	Signs	Still needed	1000		
	Events programme	Reduce events exps. Print 2021/22 brochure	1000	600	600
	Exhibitions	Cancel	500	500	500
	Other PR expenses	Still needed	500		
	Annual picnic	Cancel	250	250	250
RHS shows	Cancel	500	500	500	
Sub total this page			130,165	18,975	25,970

General fund 2020/21 - line-by line review of expenditure, Covid-19 crisis at 7/4/20, cont'd					
Expenditure category	Budget heading	Comments	2020/21 budget	3-month saving	6-month saving
			£	£	£
Sub total brought forward from page 1			130,165	18,975	25,970
Admin & governance	General rates	No reduction possible at present, explore grants	4600		
	Water rates	Reduction for lower use	4500	500	1,000
	Buildings maintenance	Essential m'tce only	13000	3,000	3,000
	Electricity & gas	Premises still in use so reduction negligible	7780		
	Telephones	Mobiles on contract, some savings on landline calls	2320	60	120
	Insurance	No saving possible	30000		
	Office equipment m'tce	All on annual contract, no saving possible	3500		
	Office eqt purch < £500	Having to buy small items for work at home	1000		
	Photocopier	Some savings in print charges	1700	200	400
	IT support	OGL doing a lot of extra work, no saving possible	4000		
	IT other costs & website	No saving possible	7380		
	Legal fees	Not possible to say	15060		
	Valuation fees	No saving possible	1030		
	Audit fee	No saving possible	6180		
	Other prof fees	No saving possible	6010		
	Room hire	Already underbudgeted	250		
	Training - Board	Leave, training will be rearranged	3000		
	Training - Staff	Slight reduction	6700	1,000	2,000
	Subscriptions	Leave, providing useful updates	825		
	Bank charges	Reduce for lower cash deposits	2000	500	1,000
	Postage & stationery	Reduce by 20 % /40 %	4950	680	1,360
	Recycling	Reduce by 25 % /50 %	210	50	105
Cleaning	Leave to cover deep clean	3600			
Travelling	Reduce by 25 % /50 %	1545	385	770	
Visits to other sites	Cancel	260	260	260	
Board Socials	Cancel	100	100	100	
Miscellaneous	Reduce by 25 % /50 %	1750	438	875	
Newspaper ads & recruit't	Leave	1420			
Salaries		Saving depends on decision to be taken 9/4/20	591989	22,000	44,000
Total revenue cost savings			856,824	48,148	80,960
Capital expenditure					
	Chain saws	Suspend		2,000	2,000
	Brush cutters	Suspend		2,000	2,000
	Pick up, Field Staff	Still needed			
	Cut and collect mover	Suspend		13,000	13,000
Total capital cost savings				17,000	17,000