

## **Malvern Hills Trust**

Finance Administration and Resources Committee  
**United Reformed Church, Malvern Link**

Thursday 12 August 2021 7.00pm

**Present:** Mr R Bartholomew, Mr Core (Chair), Mr M Davies, Mr D Fellows, Mr J Michael, Mr C Penn, Prof J Raine.

**In attendance:** Chief Executive Officer (CEO), Finance and Administration Manager (FAM), Community and Conservation Officer (CCO), Financial Assistant, Mr A Wood (Bishop Fleming), Dr G Crisp, Mr R Fowler, Mr T Parsons, Mrs C Palmer, Mr C Rouse.

Mr Core welcomed everyone to the meeting.

**1. Apologies for absence**

Mr M Dyde, Mrs L Hodgson, Ms S Rouse.

**2. Chair's communications**

- Levy Payer meeting – to be held on 9<sup>th</sup> September 2021 7pm at Civic Centre, Pershore. The meeting would be streamed.
- Board stroll - Thursday 19<sup>th</sup> August 6:30pm at Swinyard car park.

**3. Declarations of interest**

There were none.

**4. Public comments**

There were none.

**5. Matters arising from the previous meetings not otherwise on the agenda**

Castlemorton Common Countryside Stewardship Scheme application - the CEO said that Natural England had been in touch and the Trust was encouraged to complete a new application for part of the Common. That application has been submitted. If successful, funding would commence from 1<sup>st</sup> January 2022.

**6. Countryside Stewardship Grant North & Central Hills**

The FAM went through the paper. It had been agreed with the Auditors to exclude any accrued grant income from this Scheme from the accounts. No further payments had been received from RPA since December 2020. If the dispute was settled, adjustments could be included in the following year's accounts.

It was proposed to cover the shortfall created by the non-payment of the grant to 30 June 2021 by using the reserves carried forward within the HLS/Stewardship fund, as set out in the paper. Officers had identified savings of £12,000 in the General Fund budget and, taking into account car park takings which had been over budget by £40,000 at 31<sup>st</sup> July 2021, the next 6 months of grazing could be funded without recourse to reserves. The CEO said that, in extremis, there was a

break point in the agreement at the end of 2022 and the position would be kept under constant review by the Committee/Board.

CEO explained that the agreement had been made with Natural England and taken over subsequently by the RPA. The RPA had reclassified some of the land under the agreement without notice to MHT, and had failed to provide key information. There were two aspects - the administration of the Scheme by the RPA, which needed to be tackled through MPs and the relevant Minister (already contacted by Officers) and also the technical issues which had to be addressed directly with the RPA. The Trust had made a formal complaint to the RPA had received no response.

Other points raised by the Committee included:

- Was it prudent to commit these funds to grazing when the Trust faced other unquantifiable threats such as ash dieback? There was a risk that the balance of the grant would not be paid by the RPA.
- Grazing was a requirement of the grant and also essential for the conservation of the landscape in accordance with the Trust's charitable objectives.
- What was the chance of successfully challenging the RPA's actions?
- Was there any recourse through courts - for example judicial review?

On the proposal of Prof Raine, seconded by Mr Bartholomew it was **RESOLVED** unanimously

To recommend to the Board that:

- a) The £151,740 accrued for the Northern & Central Hills CS grant be removed from the accounts for the year ended 31<sup>st</sup> March 2021,
- b) No further income accruals be made until the dispute is resolved
- c) The balances on the grazing reserve, BPS and HLS Castlemorton Common funds be used to cover the shortfall at 30<sup>th</sup> June 2021 arising from the dispute,
- d) £32,200 be made available from general fund reserves to fund grazing on the North & Central Hills from 1<sup>st</sup> July 2021 to 31<sup>st</sup> December 2021.

AND that

- e) A budget of £4,000 be approved by the FAR Committee under its delegated authority to cover the costs of professional advice in appealing this matter with the RPA.

## 7. Final management accounts for the year ended 31 March 2021

The Finance and Administration Manager went through the paper. There were no further adjustments.

The Committee NOTED the paper.

## 8. **Going Concern Review**

Mr Woods explained that there was a new requirement for Auditors to look at the ability of all entities continue as a going concern. It was also a good management process for charities to carry out. The FAM went through the paper.

On the proposal of Mr Bartholomew, seconded by Prof Raine it was **RESOLVED** unanimously to recommend that the Board confirm to the Auditors that the charity is a going concern.

## 9. **To approve Trustees' Annual Report and Accounts for the year ending 31 March 2021 and authorise signature of Letter of Representation**

The Finance and Administration Manager outlined the paper and the updates to the Trustees' Report which had been made in response to the RPA situation. The Committee had no comments on these changes.

On the proposal of Mr Davies, seconded by Mr Fellows it was **RESOLVED** unanimously to make the following change to the report:

Final sentence, page 11, para 4. Change to read "This has already been a lengthy project and is likely now to take significant additional time before completion because of the recent necessity for a Parliamentary process".

An amendment to page 13, para 2 under the heading "Charity Governance Code" was suggested was not supported by committee.

On the proposal of Mr Bartholomew, seconded by Prof Raine it was **RESOLVED** unanimously to recommend that the Board adopt the draft Trustees' Annual Report and Accounts (as amended above) at the Annual Levy Payers' meeting on the 9<sup>th</sup> September and, subject to any post-balance sheet events arising between this meeting and the date of signing, and the Chair of the Board signs the Letter of Representation to the Auditors.

The FAM agreed to add to the paragraph under "Investment Performance" page 15, the words "for the year ending 31<sup>st</sup> March 2021".

## 10. **Auditors' Key Issues discussion document**

Mr Wood introduced Discussion Document, which set out the basis of the audit.

He believed the audited accounts showed a true and fair view.

No additional risks or material errors had been identified.

Two minor issues had been identified and resolved and were no cause for concern.

One related to missing Declaration of Interest forms and other was changes to the method of payroll authorization (resulting from Covid-19 working from home arrangements).

The audit process had run very smoothly and his colleagues were very complimentary of the Trust's team.

The Chair thanked Bishop Fleming for their work and the MHT staff for their efforts.

Mr Wood and Mrs Palmer left the meeting.

#### **11. Update on Schedule of Risk**

The Schedule of Risk items would be brought to the Board for approval on the 9<sup>th</sup> September. This was dynamic document, and changes would be made throughout the year as appropriate.

#### **12. Business Plan review**

The CEO went through the paper which set out a proposed timetable. The CEO hoped that decisions relating to the proposed Governance changes would have been made in time to be incorporated in the plan.

#### **13. Designated and restricted fund budgets 2021/22**

The Finance and Administration Manager went through the paper. It was noted that the situation with the RPA meant that the budgets would need to be updated and brought back to Committee once the dispute has been resolved.

On the proposal of Prof Raine, seconded by Mr Davies it was **RESOLVED** unanimously to recommend to the Board that:

- a) The designated and restricted funds budgets for 2021/22 be approved and
- b) The budget for the North & Central Hills Countryside Stewardship scheme be updated once the dispute with the RPA has been resolved.

#### **14. GDPR**

##### **Review of data breach log**

There had been no reported data breaches.

#### **15. Reports for information**

##### **15.1 Management accounts to 30<sup>th</sup> June 2021**

The FAM went through the paper. The costs of the by-election would not be known until October.

There was a discussion about car park takings. It was difficult to anticipate whether the higher than normal income would continue - much depended on people's response to travel restrictions.

The Committee requested details of monthly car park ticket sales over the last three years.

##### **15.2 Review of major projects (including Land Management)**

The CEO went through the paper.

Refurbishment of Manor House – work to the second floor to accommodate the fourth warden had been completed.

The Lower Shed – planning permission would be required for the changes under consideration.

British Camp sewage system – The costings had been revised and the works were being scheduled.

### **15.3 Fundraising, legacies and grants group**

The group had met to discuss matched funding for 3 projects which would be referred to the Board. An upcoming meeting would discuss use of the gift fund for ash dieback and other items in the Land Management Plan.

### **15.4 Exercise of delegated expenditure powers**

The list as at the beginning of August was included with the papers. The CEO had not authorized any additional expenditure.

### **15.5 Property – Manor House refurbishment**

Covered during item 15.2

### **15.6 Wardens' vehicle purchase**

The CEO went through the paper. There were no affordable electric 4x4s available on the market. Leasing options did not compare well, in financial terms, to outright purchase. Should a suitable second hand vehicle become available, it would be considered.

On the proposal of Mr Davies, seconded by Mr Bartholomew it was **RESOLVED** unanimously to recommend to the Board that an additional £6,000 be approved towards the capital cost of the 4<sup>th</sup> wardens' vehicle.

## **16 Urgent Business**

There was none.

## **17 Date and time of next meeting**

9 December 2021 7pm

## **18 Confidential business**

On the proposal of Prof Raine, seconded by Mr Bartholomew it was **RESOLVED** unanimously to exclude the public for discussion of the items on the confidential part of 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/legal matter)

**The meeting closed at 8.57pm**