

## **Malvern Hills Trust**

Finance Administration and Resources Committee  
United Reformed Church, Malvern Link

Thursday 9 December 2021 7.00pm

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

**In attendance:** Chief Executive Officer (CEO), Secretary to the Board, Finance and Administration Manager (FAM), Financial Assistant, Mr R Fowler, Mr T Parsons, Mr C Rouse, 2 members of the public.

Mr Core welcomed everyone to the meeting.

**1. Appointment of Chair**

Mrs Hodgson took the chair. There was one nomination for Chair of the committee and Mr Core was appointed unopposed.

**2. Appointment of Vice Chair**

Mr Core took the chair. There was one nomination for Vice-Chair of the committee and Mrs Hodgson was appointed unopposed.

**3. Apologies for absence**

Mr M Dyde.

**4. Chair's communications**

- Ian Burrows (Brewin Dolphin) would attend the next Board meeting
- Pension workshop – would be scheduled for late February or early March 2022

The CEO said that arrangements for staff were being updated in the light of the Government announcements on Covid 19 precautions.

**5. Declarations of interest**

A number of the committee members were levy payers – Mr Bartholomew, Mr Core, Mr Fellows, Mr Penn, Prof Raine, Mr Watkins.

**6. Public comments**

See Schedule.

**7. Matters arising from the meetings 12 August 2021 not otherwise on the agenda**

Payments from the RPA had now been received for 2019 and 2020 for the Northern and Central Hills Stewardship Scheme. The payment for 2019 was £3,000 less than the original grant offer. For the year 2020, there had been an additional deduction of £1,700 which was being queried.

The RPA had notified the Trust that the 2021 payment would be delayed.

**8. Management accounts to 31 October 2021**

The FAM went through the paper. Some items had been underspent in order to make savings because of uncertainty over funding the grazing but these underspends could be revisited now the RPA funds had been received.

Prof Raine asked were there lessons to be learnt from the experience with the RPA?

The CEO said that the RPA had confirmed they had reversed the changes which had resulted in the deductions. The RPA was using a process for common land which did not require notice of inspections to be given to the landowner nor notice of proposed changes. This remained a vulnerability with all the Countryside Stewardship Schemes. It had been flagged on the Risk Management Schedule. Mr Core hoped that being involved in the trial of the new ELM Scheme should help improve the process in future.

**9. To approve General Fund budget and propose the Levy for the year ending 31<sup>st</sup> March 2023**

The FAM said that there were three changes proposed to the draft budget which had been circulated.

- Land Management Committee proposed to add an extra £3,000 to the budget for path work.
- Staffing Committee had agreed to recommend a salary benchmarking exercise in the next financial year at a cost of £2,500.
- The rent payable under a farm business tenancy had been renegotiated and would be £800 less than shown on the draft budget.

She went through the paper and the following issues were discussed:

Car parking charges:

- Some committee members felt that increasing the car park charges needed to be justified, given income from parking was over budget for the year to date.
- The proposed increase in charges would generate approximately £5,000 for the Trust on the basis of the projected figures.<sup>1</sup>
- The recent trend for car park ticket sales was slightly downwards. It was difficult to predict visitor numbers going forward.
- The charges needed to be looked at in the context of other similar parking providers.
- It was better to make small annual increases than make a large change after a few years.
- If the levy was increased by inflation was it not appropriate to increase parking charges by the same percentage?
- The car park receipts went to pay the Trust's expenses and all of those expenses would be subject to inflation.

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<sup>1</sup> This figure was incorrect. The proposed increase would generate £12,000.

- Most of the car park charges would be paid by non-levy payers.
- If the Trust did not take the opportunity of recovering inflationary costs, the impact carried forward because the income was never clawed back.

#### Staff salaries

The CEO confirmed that there were no staff paid at a rate below the living wage. Staff salaries were currently fixed by Local Government pay rates. The FAM said the concern was that the gap between what staff were paid and the living wage was being eroded as the living wage increased.

- At staffing committee, there had been a discussion about whether recruitment was becoming difficult as a result of the salaries which the Trust was offering. The committee had agreed to bring forward a benchmarking exercise to the next financial year.
- When the benchmarking exercise was carried out, the Trust would need to respond to it.
- Was the 2.5% increase in the budget sufficient to accommodate the benchmarking exercise and the as yet unspecified Local Government pay settlement?

#### Other points

Donkey Shed. The CEO had managed to secure grants towards the cost of the repairs and the net cost to the general fund for the work should be less than that shown in the draft budget. He would revise the figure before the board meeting. Lower Shed. The original specification had been on the basis of an agricultural building. If it was to be used as a base for the volunteers, the specification would have to be higher, increasing the costs.

#### The levy

The FAM pointed out that the Trust never got back the income from the years when there had been a below inflation increase in the levy.

- All of the levy paying residents could see the Malvern Hills and enjoyed the benefit. The proposed increase in the levy was less than the price of a cup of coffee. The committee needed to look at the total cost of what people were paying.
- It was important to increase the levy by inflation.
- Over the past few years there had been above inflation increases in the levy, but few complaints had been received about this from approximately 14,000 households who paid the levy.
- There were significant inflationary pressures at present as well as the tree management issues which the Trust was having to address.

On the proposal of Mr Core, seconded by Mrs Hodgson it was **RESOLVED** by 7 votes to 2 to recommend to the Board that:

1. That the levy for 2022/23 is set at £595,300,
2. That car park meter prices be increased to £4.80 per day from 1<sup>st</sup> April 2022
3. That
  - a. Residents' passes be increased to a cost of £6.00 per annum from 1<sup>st</sup> April 2022

- b. Annual pass prices be increased to £41 per annum, plus £16 per annum for a second car at the same address, from 1<sup>st</sup> April 2022

On the proposal of Mr Core, seconded by Mrs Hodgson it was **RESOLVED** unanimously to recommend to the Board that:

1. That the designated funds budget be approved.
2. That the restricted funds budget be approved (subject to updating the figures re the Donkey Shed).

## 10. GDPR – review of data breaches

There had been none.

## 11. Reports:

### 11.1 Car park takings

A graph had been included to show how takings had fluctuated over the last 3 years, illustrating that car park income was difficult to predict. The key factors were the effect of the pandemic and the weather. The current trend since August 2021 was generally falling car park income. Car park capacity was limited. Some of the car parks were regularly full and this impacted on the Trust's ability to benefit financially from higher visitor numbers and caused problems on the adjoining roads and verges. The CEO confirmed that he had included in the draft business plan a proposal to look at expanding the paid car parking capacity and that the Trust was reasonably effective at enforcing non-payment for parking.

### 11.2 Review of major projects (including Land Management)

The CEO had received suggestions from the Land Management Committee to amend the format of this report and he would make the changes for the next meeting. Mrs Hodgson suggested recording if a project was ahead of schedule. Community woodland – there was a small amount still left in the budget for additional work to be carried out.

British Camp sewage system - the costs would be dependent on whether there was a need to break out rock to accommodate the new treatment plant.

Donkey Shed – the work was provisionally booked to start in June.

Warden vehicle – this had been delivered on Monday and a small overspend of £424 had been authorised under the CEO's delegated authority.

There were two new project to be included – grants had been obtained for tree planting in urban areas and for hedge planting in Colwall.

### 11.3 Fund-raising, legacies and grants group

There had not been a meeting. The group was one member short after the resignation of Ms Rouse. It was agreed Prof Raine should join the group.

### 11.4 Red flag items off risk schedule

The risk of non-payment of the Stewardship grants had been slightly reduced but no other risks had changed.

### 11.5 Exercise of delegated expenditure powers

A table had been circulated.

### 11.6 Manor House refurbishment

This was covered under 11.2.

**12. Urgent business**

There was none.

**16 Date and time of next meeting**

9 June 2022 7pm

**The meeting closed at 8.12pm**

## Schedule

Mr Robert Baker:

I would like to comment on the modest budget allocated for land management, considering that this is the primary purpose of the Trust.

At last week's Land Management Committee meeting Mr Parsons raised a concern about the state of many of the footpaths on the hills which required significant repair. Dr Braim agreed. Mrs Palmer queried the progress of the work on the footpaths at the Community Woodland.

Mr Davies suggested that the budget for repair to paths should be increased from £3,000 to £6,000 in recognition of the importance of the work.

Mr Bridges gave an example of the high costs of recent work done on paths for the Trust. It was suggested that a higher amount should be allocated for this purpose but Mr Davies reminded the committee that the Trust 'does not have bottomless pockets,' and yet this doesn't seem to be a problem when funding the Private Bill.

Surely maintaining the footpaths on the Trust's land is vitally important for public health and safety.

No mention has been made of the land referred to by Mr Rouse at the last board meeting or how it or similar land could be paid for after the land acquisition fund has been raided. The cautious approach to essential expenditure on land management conflicts very noticeably with the free spending approach to governance.

Malvern Hills Trust												
Expenditure 2021/22 - authorised in addition to budget												
		Board	CEO	CEO COVID	FAR	Total						
Date	Item	£	£	£	£	£						
06 May 2021	British Camp track to loos				6,200	6,200	Parliamentary					
Jul-21	New laptop		895			895	JB/Boardroom					
Aug-21	RPA advice		2,000			2,000						
						-						
12/08/2021	Warden's pick up - addition to original budget				6,000	6,000						
12/08/2021	Carbon Black (1620 less 595 saved on Kaspersky)				1,025	1,025						
12/08/2021	RPA Additional advice				4,000	4,000						
26/08/2021	Increase to GF tree costs budget	5,000				5,000						
26/08/2021	Ash Dieback designated fund	68,000				68,000						
09/09/2021	VAT reclaim - legal fees	7,740				7,740	£10k max authorised					
11/11/2021	Legal fees - S74 preparatory work	10,000				10,000						
30/11/2021	FIPL matched funding		3,000			3,000						
01/12/2021	Extras new Wardens van		424			424						
						-						
	<b>Total at 7th December 2021</b>	<b>90,740</b>	<b>6,319</b>	<b>-</b>	<b>17,225</b>	<b>114,284</b>						
Annual limits			10,000	8,591	20,000							
			(£5,000	Bal b/f								
			single item	('emergency								
			limit)	period' only)								
				To Sept 21								