

Malvern Hills Trust

Special Meeting of the Board

Hampton Suite, Colwall Park Hotel, Colwall, Malvern WR13 6QG

Thursday 29 May 2025 at 7 pm

Present: John Michael (Chair), Simon Baggaley, Richard Bartholomew, Paul Bennett, Robert Berry, David Core, Allan Cottam, Mark Driscoll, David Fellows, Richard Fowler, Lucy Hodgson, David Mead, Cynthia Palmer, John Raine, Felicity Robinson, Chris Rouse, John Stock, Mary Turner, Frances Victory, Malcolm Victory, Sheila Wren.

In attendance: CEO, Secretary to the Board, Governance Change Officer, Finance and Administration Manager, 40+ members of the public.

1. Apologies for absence

David Baldwin, Mike Wilkinson.

2. Chair's Announcements

- 2.1 John Michael said that a number of the trustees and staff present had just attended the funeral of a member of staff. He asked all meeting attendees to be understanding.
- 2.2 There was to be one item of urgent business.

3. Declarations of Interest

The Chair advised the meeting that the eight trustees¹ who had been deemed by the Board to have a conflict of interest in relation to the Private Bill would be conflicted for agenda items 5 and 6.

4. Public Comments

A comment was received from Mrs Katharine Harris – see Schedule 1.

Mr David Smallwood said that he had been given permission to ask a question, but the Secretary to the Board said that question had been submitted for the July meeting.

Professor Malcolm McCrae said that he had been offered a place to speak, but the Chair said that the Secretary to the Board had not received the written comments in time and so the comment was not allowed. Prof McCrae protested and was warned by the Chair that if he persisted in interrupting he would be asked to leave the meeting.

5. Proposal to increase the budget for the Private Bill

The Chair confirmed that the eight conflicted trustees could not participate in the discussion of this item and were not able to vote. This was challenged by some of those trustees. One said that at the Special Board meeting on 22 May, trustees who

¹ Paul Bennett, Robert Berry, David Fellows, Richard Fowler, David Mead, Cynthia Palmer, Chris Rouse and Andrew Willmott.

had been deemed conflicted had been allowed to vote. David Core as Chair of Governance Committee stated that on that occasion, the trustees concerned had a conflict of loyalty, not of interest, and so had been allowed to contribute to the discussion, but they had **not** voted. The Board had determined that the eight trustees had a conflict of interest, which meant that they could neither speak nor vote.

Another trustee said that he had received an email from the Chair dated 23 April or thereabouts stating that all trustees were conflicted and not able to make a decision. The Chair said that the trustee had misunderstood the situation².

Following an interruption by trustees, the Chair warned that he would ask any individual who interrupted to leave the meeting.

5.1 The need to increase the budget

Trustees received a paper prepared by the Governance Change Officer (GCO) and Finance and Administration Manager (FAM). The FAM went through the paper. She reminded the meeting that the funding for the Bill was split into two categories: the promotion and preparation of the Bill, currently capped at £306k by the Charity Commission (£286k being allocated to the Parliamentary Agent (PA)'s fees and disbursements, and £20k contingency for other specialist advice); and Other Costs, which covered staff costs, the consultation and various other costs. The spend on promotion and preparation at 31 March 2025 was £204,696.

The Trust had now received the PA's revised costs estimates from April 2025 to January 2027, which, added to the expenditure to date, totalled £471,972: £165,972 over the original budget. The cap on costs imposed in the Charity Commissions letter of 8 August 2023 would need to be revised in order for the Trust to continue to promote the Bill.

The Other Costs spend to 31 March 2025 was £77,377 from a budget of £104k. This budget was set by the Board and did not require Charity Commission consent. Due to the extra staff time required, it was proposed to increase this budget by £36,377 to £140,377.

The GCO reported that comments on the Bill received from government departments, the Charity Commission and open space organisations had been constructive and generally supportive of the Trust's aims. However, the Bill had attracted a significant number of petitions; the point of pursuing the parliamentary process was to allow all interested parties to express their views, but this came at a cost. The number of petitions had resulted in an increased time estimate for the select committee hearing from a few days to several weeks and roughly £90,000 of the increase in costs was attributable to the number of petitions filed.

At this point, there was some dissent from members of the public and the Chair called for quiet.

² The email referred to by the trustee concerned a different issue.

All costs relating to the Bill had been posted monthly, with running totals, on the Board member area of the web site, and they were also included in the management accounts. The GCO had been in regular contact with the PA, who had taken steps to try to reduce costs and had reported the position to the January Board meeting. Had there been fewer petitions, the Trust might have been able to absorb the some of the overspend from the forward budget.

The GCO went through the reasons for increased costs to date. These included:

- Failure to take into account some preparatory work when reformulating the budget;
- It had not been anticipated at the start of the process that there would be so much work involved in turning the draft scheme into a private bill; this had only become apparent when drafting started. This included changes arising from the 2019 consultation, including drafting a particularly complex provision dealing with casual vacancies;
- Additional work making amendments to accommodate concerns arising out of the second consultation;
- Late stage changes following a suggestion from the Charity Commission/House lawyers to the provisions dealing with the Board's administration and Conflicts of Interest;
- There were a number of elements which were not included in the draft scheme including: transactional provisions; complete redraft of levy clauses; recasting the byelaws; details for the administration of elections; a new schedule on miscellaneous powers;
- Significant work was needed on repeal notices because of the large number of individuals named in the Malvern Hills Acts; and
- Advertising was over budget by £5721, following a decision to put advertisements in the national press, as well as local.

5.2 Possible funding and cost savings

The FAM went through possible sources of funding and cost savings that could be used to cover the additional costs identified.

- Other Costs was already fully funded. £104k had been transferred to the account during 2024-25 in addition to existing balance of £43,599 from an unspent designated fund relating to the scheme. There was a positive balance on the fund of £70,252 as at 31 March 2025.
- For Promotion & Preparation, possible options were:
 - £30,983 from the RPA pursuant to the Basic/Single Payment Scheme;³
 - Grant applications for planned work (none identified so far)
 - Using some of the unrestricted Gift Fund, currently sitting at £406,983;
 - Reduction of planned expenditure on PR and communications, and postponement of plans to install parking meters at Old Hills;

³ This was headed 'Stewardship' in the paper. **This was an error.** There is **no** question of stewardship money being used for this purpose.

- Further depletion of reserves. It was anticipated that the 2024-25 year end outcome would be better than budgeted; and
- Increased internal loan from the Land Purchase Fund. This would have associated costs and would require the permission of the Charity Commission, which might not be given. Officers were suggesting that the Board keep some of the loan facility in reserve for 2026-27, rather than spending it all in 2025-26. The funding gap in 2025-26 might be filled from some of the options listed above or from the £20k unrestricted gift fund. The shortfall expected in 2026-27 would then be £21,500 which could be covered, as a last resort, by increasing the levy or making further use of the gift fund.

5.3 Questions and Comments from Trustees

- A trustee asked to make a comment on Katharine Harris's question on responsibility. They stressed that the decision to proceed with the Private Bill was made by the Board and although actions were delegated to professional staff, the responsibility was not delegated. Trustees were bound by their Code of Conduct to collective responsibility; therefore the Board was responsible.
- A trustee asked whether the revised figures were conservative or generous. The GCO said that the figures had come from the PA and that he would do his best to stay within them. The exception would be if the select committee required the Trust to make changes which extended the scope of the Bill.

There was dissent in the public gallery.

At this point there were interruptions from three conflicted trustees, one of whom left their chair and handed a paper to the GCO, asserting that it was legal advice. Continuing interruptions from one trustee (Paul Bennett) impaired the ability of the next trustee called upon by the Chair to ask their questions.

- A trustee asked about the implications of using money for the Bill which was currently earmarked elsewhere. Was there any indication of what income would be lost by not installing parking meters? And was the Trust sure that the RPA money was available for spend? The FAM confirmed that there was no issue using the RPA money, although she would hope to return it to the fund at a later stage if at all possible. It was difficult to project income from the car parking meters, because there were no comparable car parks, but it was thought the net income would be around £5k per annum, but that needed to be set against an initial outlay for the machines of around £12k. The FAM and the GCO were also concerned about negative PR that might result from the machines' installation.

5.4 Resolutions

- **On the proposal of Mary Turner, seconded by Lucy Hodgson, it was RESOLVED unanimously (by those eligible to vote) to reduce the**

planned drawdown on the loan in 2025-26 to £50k, leaving £66k available to draw down in 2026-27.

- On the proposal of John Stock, seconded by Lucy Hodgson, it was RESOLVED unanimously (by those eligible to vote) to revise the overall budget for the Private Bill as follows:

| | |
|---------------------------|----------|
| Preparation and Promotion | £471,972 |
| Other Costs | £140,377 |

- For the following reasons:
 - Since all the reasons for the Trust agreeing to promote a private Bill in order to update and consolidate its governing Acts still pertain, *and*
 - it being apparent that in order to continue to promote the Bill in Parliament the Trust needs to revise its budget, *and*
 - the Trust being satisfied that it has the resources to meet the increased budget, *and*
 - in the light of the cap on expenditure that follows;

On the proposal of David Core, seconded by John Stock, it was RESOLVED unanimously (by those eligible to vote) as follows:

That it is expedient in the best interests of the charity to request that the Charity Commission vary the cap on expenditure set out in paragraphs 1.2 and 1.3 of its consent given under the Charities Act 2011 dated 8 August 2023, to permit the Trust to incur costs in connection with the preparation and promotion of a Parliamentary Bill.

In paragraph 1.2 (a) that the cap on expenditure by raised to [substitute] £471,972;

In paragraph 1.3 (a) [substitute] £451,972 on Parliamentary Agent's fees (including counsel's fees, House fees and disbursements etc).

At this point there was an interruption from a trustee and from the public gallery. The Chair had to call for quiet so that the resolution could be heard.

- On the proposal of Richard Bartholomew, seconded by Malcolm Victory, it was RESOLVED unanimously (by those eligible to vote) that, if and when the Charity Commission agree to increase the cap, the additional costs for 2025-26 will be funded as follows:
 - Postpone the installation of the meters at Old Hills;
 - Transfer £30,983 from the RPA reserve;
 - Transfer c£7k from the 'Other Costs' designated fund;
 - Transfer c£49k from general reserves arising from the 2024-25 year end position, subject to confirmation of the final position; and
 - Transfer the remainder c£20k from the unrestricted gift fund.

6. Urgent Business

6.1 Motion tabled by Lord Attlee for consideration by the Select Committee of the provisions in the Malvern Hills Bill relating to the levy paying area

Background information and advice from the PA was passed round to all the unconflicted trustees present; this had also been circulated by email. The GCO confirmed that although, due to restrictions in the Charity Commission s74 consent, the Trust was not allowed to promote any changes to the existing levy provisions, the Select Committee would discuss the issue. The House authorities had queried the Commission's limitation and what it might mean in practice. The Trust needed to be able to brief Counsel and to be able to answer questions put by the select committee in relation to the instruction and similar issues raised in the petitions. The limitation put the Trust in an invidious position if it was unable to respond to questions on alternatives. The advice to the Trust was that Parliament would not be best pleased with the promoters of the Bill if they declined to answer questions put to them. The Charity Commission had said that the Trust would need to make a s74 application in order to prepare for the select committee hearing and brief counsel. The Commission seemed sympathetic to the Trust's position but required a Board resolution. There would be marginal additional costs to the Trust in dealing with this.

Should the Select Committee require any changes to be made to the draft Bill, in respect of the levy, this would need to come back to the Board and a further application made to the Charity Commission if appropriate.

On the proposal of Sheila Wren, seconded by Allan Cottam, it was **RESOLVED unanimously (by those eligible to vote) as follows:**

that it is expedient in the best interests of the charity to request that the Charity Commission vary the limitation set out in paragraph 2 of its consent given under section 74 of the Charities Act 2011 dated 8 August 2023, to permit the Trust to incur costs in responding/in relation to points arising from the instruction tabled by Lord Attlee for debate on 4 June in relation to the Trust's power to levy (or any similar instruction tabled by any other peer before that date so far as any such instruction relates to the power to levy), including but not limited to costs incurred:

- a) **In responding/in relation to points arising in the petitions deposited against the Malvern Hills Bill ("the Bill") in relation to the Trust's power to levy**
- b) **In responding/in relation to points raised by members of the select committee which considers the Bill (and by their advisers and other officials of the House of Lords) in relation to the Trust's power to levy**

including but without limitation preparing for the select committee hearing, responding to petitioners and other third parties, responding to points raised in the select committee and any associated administrative work including engaging in relation to any proposals made by the select

committee, petitioners or other third parties to extend or make material or substantive changes to the levy provisions set out in the Bill.

For the avoidance of doubt this does not include expenditure on the promotion by the Trust of any amendment to the Bill which would extend the scope of the levy provisions in the Bill, as made clear in the advice.

At this point, a trustee complained that they were feeling distressed and harassed by trustee Paul Bennett, who they said had been filming on his mobile phone. Another trustee said they were also feeling uncomfortable, observing that it had not been a nice atmosphere in which to have a discussion. The trustee stated that they had joined a charitable board, recognising that the organisation was regulated by the Charity Commission and that its trustees must abide by the Code of Conduct; this speech was interrupted repeatedly by Paul Bennett, who was warned four times by the Chair and told to be quiet.

7. Date of Next Meeting

Thursday 10 July at 7 pm at Colwall Park Hotel

Amid continuing disruption, the Chair closed the meeting, thanking trustees for their input.

The meeting closed at 8.15 pm

Schedule 1

Public Comment from Mrs Katharine Harris

Who is responsible for the £202,349 overspend identified in the revised budget? Is it the trustees or is it the officers?

David Core as Chair of Governance replied that it was not a case of any individual being responsible. At the start of the process, the Trust consulted with the Parliamentary Agenda and built a budget on information provided by him, which was the best information available at the time. A number of factors had conspired to increase the likely spend and these would be outlined by the Governance Change Officer and the Finance and Administration Manager under the relevant agenda item.

Mrs Harris said that somebody, either trustees or officers must be responsible for the overspend. Mr Core said that in a piece of work like this, which in a professional setting he would have referred to as 'time and materials', there were no hard measures that could be put forward as to what it was going to cost and what effort would be involved. The Trust was doing something that was at best very unusual, and unique. It really was not a question of individuals being responsible.