

Malvern Hills Trust

Finance, Administration and Resources Committee

Park View Community Room, Malvern Town Council, Victoria Park Road, Malvern WR14 2JY

Thursday 11 December 2025 at 6.00pm

Present: Lucy Hodgson (Chair), Simon Baggaley, David Core, Richard Fowler, John Michael (non-voting), Andrew Myatt, John Raine, Frances Victory, Malcolm Victory.

In attendance: CEO, Secretary to the Board, Finance & Administration Manager, Finance Officer, Land and Property Manager, Governance Change Officer, two members of the public.

John Michael opened the meeting as Chair of the Board and chaired the first item.

1. Election of Chair

Lucy Hodgson was elected unopposed as Chair, nominated by David Core and seconded by Malcolm Victory. Mrs Hodgson took the Chair.

2. Election of Vice-Chair

David Core was elected unopposed as Chair, nominated by Malcolm Victory and seconded by Frances Victory.

3. Apologies for absence

Robert Berry, Allan Cottam, David Fellows, Andrew Willmott.

4. Chair's communications

Lucy Hodgson drew the meeting's attention to the schedule of meeting dates for 2026 and to the dates for the office Christmas closure.

5. Declarations of interest

There were none.

6. Public comments

There were none.

7. Minutes of the meeting held on 25 September 2025 and Matters Arising

7.1. Minutes Approval

On the proposal of Lucy Hodgson, seconded by David Core, it was RESOLVED, with four in favour and one abstention, to approve the minutes of the meeting of the Committee held on 25 September 2025.

7.2. Communications

The CEO referred to a question from a trustee at the last meeting as to whether the Trust had made any comparisons for its overall sentiment measure on

communications. The CEO had consulted Alder UK, who had prepared a Comparisons Report that was received by the Committee. This compared MHT with Herefordshire Wildlife Trust, Ashdown Forest Foundation, Wimbledon & Putney Commons, and Kemerton Conservation Trust. Given the resources available to MHT and the investment it had been able to make, the CEO was delighted with the outcome of the report. MHT's share of voice was just behind Herefordshire Wildlife Trust, which had more resources. MHT was also on a par with Herefordshire for negative sentiment, which was encouraging given the difficulties MHT had experienced with communications on the Private Bill.

The CEO asked committee members to digest the report and stated that the position would be monitored annually. Questions from trustees were invited, but there were none.

8. Management Accounts for the six months ended 30 September 2025

The Committee received the accounts and explanatory notes; these had been circulated to Board for the Annual Meeting, but there had not been time to discuss them. The Finance and Administration Manager (FAM) reported that she was bringing them to this meeting because they were the six monthly accounts and it was important that they be properly scrutinised, since they represented the starting point for setting the 2026-27 budget. She had modified some of the narrative since the Board papers circulation, but the figures were the same. She drew the Committee's attention to the following points:

- Reserves were comfortably above the agreed level.
- Following the Board's resolution on 29 May 2025 on additional funding for the Private Bill, an application had been submitted to the Charity Commission but permission had not been confirmed until October. This meant that some transfers would be required in Quarter 3; these were listed in the paper.
- It was likely that the Trust would be selling one tractor rather than two; this was addressed in the 2026-27 budget.
- At this point in the year, the levy accounted for 41 % of the Trust's income.
- The Rents and Licences income line was much higher than expected, due to receipt of income from contractors using a car park.
- Land management expenditure was showing as under budget; this was because much of the planned expenditure would come towards the end of the financial year. The FAM had addressed this issue in the 2026-27 draft budget by apportioning expenditure on a percentage basis.
- Communications expenditure appeared to be under-budget; this was because a designated fund for communications had been used first.
- Legal expenses were already over budget; the FAM drew attention to the breakdown of expenditure in the notes.
- There was a slight difference in the presentation of the Bill costs in the notes to the management accounts and in the additional costs pages available to Trustees on the web site each month. Now that Charity Commission approval

had been received, all costs were being tracked against the new budget figures. The Bill costs report to the end of November was now available on the Members' Area of the web site.

Questions from trustees were invited. A trustee asked whether Flagstone was becoming less competitive. The FAM said she would review the Trust's Flagstone investment for the June FAR meeting. She considered that it was helpful having liquid funding available; Flagstone was a better option than leaving the cash in a bank account where it would earn minimal interest. The amount of funding held as liquid cash was reducing in any case.

9. Budget 2026-2027

The Committee received the proposed draft budget, together with explanatory notes from the FAM.

9.1. Introduction by the FAM

- The FAM drew attention to the outlook budget, which had been used to generate a projected opening balance for 1 April 2026. She was predicting a deficit on the General Fund of £66,558. The Trust had budgeted for a deficit for a few years now, although on each occasion the outcome had been better than expected. It was acceptable to do this if there were good reasons and a finite timescale. The Trust *did* have good reasons, for example: the Bill costs; new areas of work generated by the appointment of the Land and Property Manager, and; a healthy level of reserves.
- A predicted calculation of reserves was presented based on the outlook to March 2026 and budget to March 2027. Reserves levels were comfortable based on the current policy. Reserves levels took into account assets in General Fund that were readily convertible into cash.
- On the advice of the auditors, Flagstone was shown as a current asset investment in the cashflow budget, but as previously indicated this was liquid cash.

9.2. The Levy

- The FAM had provided a sensitivity analysis table for the levy, which also showed the projected rise for the individual levy payer. She cautioned that the Tax base changed each year, but the basis for the calculations was up to date. The recommendation was for the levy to be set at £805,700, a 9% increase on the previous year. This translated into a rise of £3.71 or 7.39% for a Band D property. There would need to be a fresh debate at the January Board meeting if the Tax base were to change by plus or minus 1%.
- A trustee observed that the proposed levy would be more than twice the level of inflation and recommended that the Trust should be more circumspect. The FAM pointed out that the Trust could charge a maximum levy of £864,396; the proposed figure was well below this. The

CEO pointed out that as usual officers had been through the budget line by line; it was not a case of applying a blanket inflationary increase. She also drew attention to the proposal not to increase the parking permit cost for levy payers. The FAM said that in most cases, costs were going up by more than inflation; the exception was salaries. There were budget lines with proposed reductions, but if the Board was going to implement actions in the Business Plan they needed to be resourced.

- A trustee said that they would support an increase of 3.4 %, but that the Board would need to understand what this meant. The trustee queried whether limiting the increase to 3.4 % would take the closing position below the agreed reserves level. The FAM said it would be close to it, pointing out that there was general agreement that the reserves level should be increased to £400k; if that happened, the closing position would be below that level. She said that each percent reduction to the levy would mean c £7,400 less income for the Trust. An increase of just 3.4 % would not meet its needs.

9.3. Other Income

- Car Parking
 - A trustee asked whether the Trust regularly benchmarked its car parking prices. The CEO said that it did. The Trust only had a limited number of Rangers to oversee car parking. The logic of the proposals was to keep down cost rises to levy payers. However, the Trust did not want to encourage people to park on the verges in order to avoid parking charges.
- Grants
 - The FAM said that the percentage increase to Worcestershire County Council had mirrored the levy in the past and she proposed to increase it by 9 % if the levy was approved at that level. The County Council had never previously presented a counter proposal.

9.4. General Fund Expenditure

- It was noted the land management budget had been considered by Land Management Committee and recommended for approval. There was some shift in terms of using contractors and higher than inflation lifts for visitor services.
- The FAM drew the Committee's particular attention to the following proposed increases in governance and administration:
 - Depreciation would be higher due to capital asset purchases. A trustee queried whether this was a cash item; the FAM confirmed that it was not, but said that it was an annual cost that the Trust had to recognise.
 - Legal costs had been split across separate headings and set at £41,000. The FAM cautioned that this budget had been overspent by £30k last year. There would be commitments on land renewals next year.
 - Although there was a budget line on health and safety, there was related expenditure across other lines too, for example training.
 - There were some minor modifications to staff hours under discussion, but no major changes to staff numbers expected. In future, the LGPS pension

deficit contribution would be paid month on month through payroll rather than as a lump sum. A trustee asked why expenditure on field staff was projected to increase by just £300. The FAM said this was due to personnel changes.

9.5. Capital Expenditure

- It was not yet known whether the new web site would be capital or revenue expenditure. A trustee queried whether it was possible for it to be capital; the CEO explained that the current web site platform had reached the end of its life and so the Trust had to migrate to a new one, which provided the opportunity to review. The Trust would be investing in an information asset, hence the argument for it to be capital expenditure. The Trust was in receipt of some estimates for the project, but there were no quotations yet.
- Discussions continued as to whether vehicles should be replaced with electric or non-electric models.

9.6. Designated Funds

- It was hoped that the new robocutter would be funded by a grant; if not, funding would come from North and Central stewardship income.
- The recent by-election had cost £20k, which indicated that the budget of £5k per annum for elections was no longer sufficient. Therefore, the budget for 2026-27 had been increased to leave £25k designated balance at 31 March 2027.
- The Bill costs mirrored what had been agreed with the Charity Commission. The Trust would probably review both the Bill costs budget and the Promotion and Preparation budget next year.
- There was no budget for income to the gift fund. The FAM said there was an active effort to spend this fund on 'nice' things.

9.7. Restricted Funds

- There were some potential land purchases coming; trustees were encouraged to read the schedule in the Land Management Committee papers from 4 December 2025.

9.8. Resolutions

Simon Baggaley requested an amendment to the resolution on the recommendation of the levy. He wanted to see what the budget would look like if the increase to the levy were capped at the current RPI of 3.4%, together with an indication of what decisions would have to be made. It was stressed that officers would be asked to identify indicative areas only, not to present a whole new budget.

The FAM said that such a cap would wipe £41,500 off the bottom line of the budget and the CEO warned that trustees would be exposing staff to appearing to propose decisions that would be unpopular with the public. The Land and Property Manager said that such a step would have major negative implications for the Trust's land management plans.

- 9.8.1. On the proposal of Simon Baggaley, seconded by Richard Fowler, it was **RESOLVED**, with six in favour and two against, to allow an amendment to the resolution on the levy, namely that it would be recommended for approval subject to the provision by officers of an indicative budget showing what would need to be cut if the increase to the levy payer were to be set at the current RPI of 3.4%.
- 9.8.2. On the proposal of David Core, seconded by Lucy Hodgson, it was **RESOLVED** unanimously to recommend to Board that the levy for 2026-27 be set at £805,700, an increase of 9% on the previous year, subject to a possible review of the levy total when tax base information was made available, and also subject to the provision by officers of an indicative budget showing what would need to be cut if the increase to the levy payer were to be set at the current RPI of 3.4%.
- 9.8.3. On the proposal of Malcolm Victory, seconded by David Core, it was **RESOLVED** unanimously to recommend to Board that, subject to the levy being set at £805,700, daytime car park meter prices at main car parks be increased to from £6.00 to £6.50 per day and evening prices from £3.75 to £4.00 from 1 April 2026.
- 9.8.4. On the proposal of Simon Baggaley, seconded by David Core, it was **RESOLVED** unanimously to recommend to Board that, subject to the levy being set at £805,700, residents' passes should remain fixed at £8.00 per annum from 1 June 2026, and that, also subject to the levy being set at £805,700, annual pass prices should be increased from £55 to £59 per annum, and from £28.00 to £30.00 per annum for a second car at the same address, from 1 April 2026.
- 9.8.5. On the proposal of Lucy Hodgson, seconded by David Core, it was **RESOLVED** unanimously to recommend to Board that the WCC Grant claim be requested at £15,450, a 9 % increase on 2025-26.
- 9.8.6. On the proposal of Malcolm Victory, seconded by John Raine, it was **RESOLVED** with six in favour and two against, to recommend to Board, that subject to the levy being set at £805,700, Board approve the General fund budget for 2026-27.
- 9.8.7. On the proposal of Simon Baggaley, seconded by David Core, it was **RESOLVED** with six in favour, one against and one abstention, to recommend to Board that, subject to the levy being set at £805,700, Board approve the designated funds budget for 2026-27.
- 9.8.8. On the proposal of David Core, seconded by Malcolm Victory, it was **RESOLVED** unanimously to recommend to Board that, subject to the levy being set at £805,700, Board approve the restricted funds budget for 2026-27.

The two members of the public and the Governance Change Officer left the meeting at 7.35 pm.

10. **Business Plan and Key Performance Indicators (KPIs)**

The Committee received a progress report paper from CEO, who reminded the meeting that the Board had resolved to remove the need for an interim review of the Plan in 2025. The CEO had however taken the opportunity to review progress on projects other than those related to the delivery of the Land Management Plan or those contingent on a new Act. The overall goal was to replace the existing 80+ targets with a manageable suite of KPIs. The CEO had found that there were not many non-land management projects and that there was little business that was not already been monitored as part of the Board cycle, including the three tasks allocated to FAR. The report included a list of capital projects that were in the Plan and the CEO invited trustees to consider and prioritise these. Other projects that might benefit from fresh attention were also listed; these were mainly operational and would be good things to do if time and resources allowed. One of the projects was to develop a fundraising and income generation strategy; the CEO cautioned that grants were always accompanied by a project to deliver, for which management costs could not be reclaimed. She referred to the environmental-related tasks and in answer to a question about efficiencies, suggested that these be removed from the task list; they were unlikely to lead to efficiencies and were not part of any staff member's objectives.

The CEO recommended that the Board hold one or two workshops to develop a suite of KPIs and define a fundraising and income generation strategy. The new suite of perhaps 10-12 KPIs would give trustees something to measure against when holding officers to account. The Committee supported the option of a workshop; it was not felt necessary to hold a vote on this.

A trustee asked about work needed at St Ann's Well, observing that it was difficult to consider priorities if trustees were not familiar with the problems. The CEO referred the trustee to the Land Management Committee paper. She thought that the Trust needed to invest to save costs at St Ann's Well; had targets not slipped over the years, some costs could have been avoided.

11. **Policies**

11.1. **Privacy Policy and data retention periods**

The Committee received a paper from the CEO. She reported that she had met with the Trust's Data Protection Officer (DPO) to discuss whether the current Privacy Policy and data retention periods were fit for purpose. She confirmed that it was good practice to have these documents, but it was not a requirement, and it was not in the Trust's best interests for them to be too granular, because otherwise they would be difficult to enforce. The DPO and CEO had also discussed whether a Record Keeping Policy was required and had established that it would be a 'nice to have' but was not a legal requirement. She confirmed to the committee that there was no question of data being deleted before the end of the stated data retention periods and stated that her recommendation to the Board was to make *no*

changes to either the Privacy Policy or the data retention periods, and *not* to introduce a Record Keeping Policy.

Committee members had received an email from Andrew Myatt in advance of this meeting, proposing an amendment to the recommendation in the paper. He reported that he had served a Records Preservation Request (RPR) on the Trust on 2 October 2025, out of concern regarding the Parliamentary process for the Private Bill. He considered that the Trust was not taking retention of data into account and was concerned about the short retention period for certain data, including emails. The Trust had stated that the RPR was not valid¹, but Mr Myatt advised that in his view, a valid records preservation requests existed. The CEO said that final versions of documents was the best evidence that could be provided. It was not in the Trust's best interests to retain drafts and messages. Board minutes were the Board's records. She could not impose an artificially enhanced reason to retain a particular piece of data. She confirmed that no information was being wilfully deleted and that staff would adhere to Trust policy, pointing out that the Trust needed a legal or business case to retain data beyond the periods specified. She also confirmed that there was no automatic deletion of emails after two years.

Andrew Myatt was asked what specific legal threat he was concerned about, given that he had received assurance from the CEO that records were being retained. He said he was concerned about a future regulatory review, and that the Trust needed to have records available should the balance of the Board to move in a different direction, as had been highlighted as highly likely in the Bill Risk Register. He proposed the following amendment to the recommendation in the paper (amendment in *italics*). The proposal was seconded by Richard Fowler.

To review and make proposals to amend the Privacy Policy and data retention periods; and for the CEO to consult with the external DPO on the proposed changes and on the production of a Data Record Keeping Policy. *Provided that noting in this recommendation, nor any resulting policy changes, shall apply to, limit, or authorise the deletion, narrowing, or non-retention of any material relating to the Malvern Hills Bill that is subject to an active Record Preservation Request of legal hold.*

David Core suggested that 'is subject to' be replaced with 'may be subject to', but Andrew Myatt declined to make this change. A vote was taken on the amendment. There were two in favour of allowing the amendment, five against, and one abstention, and so the motion was not carried. The CEO repeated that her recommendation, following consultation with the

¹ The Trust's solicitors had advised that a RPR could only apply when there was a legal case against it in process, which was not the case here.

DPO, was to make no changes and not artificially to inflate data on the Private Bill.

On the proposal of David Core, seconded by Lucy Hodgson, it was RESOLVED, with six in favour and two abstentions, to recommend to Board that no changes be made to either the Privacy Policy or data retention periods, and not to introduce a Record Keeping Policy.

12. Reports for Information

12.1. Investments

The latest report from RBC Brewin Dolphin was received under confidential cover. Trustees were invited to forward any questions to the FAM, who would pass them on.

12.2. Pension Fund Triennial Review

The Triennial Review was received under confidential cover. The FAM reported that the 22.4 % rate had gone up to 22.7 % going forwards, and the debt recovery was being collected via payroll, at a rate 62 % in total including 39.3 % recovery.. The funding had increased from 75 % at the end of 2022 to 89 % at the end of 2025, and the deficit had reduced from £802k to £339k. The FAM reminded trustees that the FRS102 provision in the statutory accounts was not the same as this. In answer to a question from a trustee, the FAM confirmed that just five employees remained in this scheme.

12.3. GDPR – Review of Data breach log

The CEO reported that the Information Commissioner (ICO) had written to the Trust to say that the complaint made against the Trust under the Environmental Information Regulations (EIR) had not been upheld because the information requested had not been environmental. The CEO observed that the Trust received a number of enquiries under the Freedom of Information (FoI) Act; if the Trust were to be subject to the Act, much resource would be diverted to handling these enquiries. She stated that the Trust did need a more systematic method of tracking general enquiries to ensure that they were all answered and confirmed that she would pursue this with staff. In answer to a question from a trustee, the CEO confirmed that the Trust did observe the spirit of the FoI Act and aimed to be helpful.

12.4. Risk Management red flag items

The CEO recorded her thanks to Andrew Myatt for his detailed comments on the Risk Register.

13. Urgent Business

13.1. Auditor tender process

The FAM reported that the process had not yet begun. One levy payer had recommended an auditor and that auditor would be included on the list of those to be invited to tender. It was possible that a Special Board meeting would be required to appoint. It would definitely not be on the agenda for

the January Board and it was suggested that this should be made clear on the web site and in the papers in order to avoid confusion to levy payers.

14. Date of Next Meeting

Thursday 4 June 2026

The meeting closed at 8.25 pm.