Malvern Hills Trust

Finance, Administration and Resources Committee
Park View Community Room, Malvern Town Council, Victoria Park Road, Malvern WR14 2JY
Thursday 4 June 2026 at 6.00 pm

Present: Lucy Hodgson (Chair), Simon Baggaley, Robert Berry, David Core, David Fellows, Richard Fowler, Andrew Myatt, John Raine, Frances Victory, Malcolm Victory.

In attendance: CEO, Secretary to the Board, Finance & Administration Manager, Wolfie Papirnik of RBC Brewin Dolphin (items 1-5).

1. **Apologies for absence**
   Jenny Burford, Allan Cottam, John Michael.

2. **Chair's communications**
   - The Chair welcomed Wolfie Papirnik to the meeting.
   - The Trust had recently appeared on ITV Central News and BBC Hereford & Worcester, discussing the dangers of wildfires and swimming in quarries.
   - Richard Vale had now retired from his job as Ranger but had said he would like to remain involved with the Trust as a volunteer. Worcester News had published a piece about his retirement.
   - There had been daily posts from the Trust on Facebook to mark National Volunteers Week.
   - The Chair thanked those Trustees who had attended the recent workshop on Key Performance Indicators (KPIs) and fundraising, led by the CEO.

3. **Declarations of interest**
   There were none.

4. **Public comments**
   There were none.

5. **Annual Investment Update with RBC Brewin Dolphin**
   The Committee received, under confidential cover, a report from Wolfie Papirnik (WP), Associate Director and Wealth Manager for RBC Brewin Dolphin, on the current situation of the markets in general and the performance of the Trust's investment portfolio in particular. WP presented the report to trustees and questions were invited.

   5.1. **Questions and comments from Trustees**

   5.1.1. Current markets

   - *A trustee asked on what Brewin Dolphin (BD) had based their assessment of 'winners' in the artificial intelligence (AI) sector.* WP said that BD aimed to focus on different parts of the supply chain, for example, companies making the chips supporting AI and companies that would benefit from the growth of AI, as well as the key players in the AI field. *Another trustee observed that AI was likely to have an impact on employment and social structures.* WP said that his personal view was that there could be a significant impact in the UK; he anticipated that 30% of existing jobs could be redundant by 2030 and that 50% of the population could find itself out of work and therefore not supplying tax revenues. The trustee observed that this was not the first time that technology had threatened to undermine jobs and that previously what had actually happened was that the change had stimulated growth and created more jobs. WP acknowledged this but pointed out that the need for workers was already dropping.

- *A trustee observed that the loss of so many jobs in the next five years was likely to affect company profits.* WP agreed this was true of companies that relied on consumer spending. He said the economy was currently circular and not reliant on the underlying consumer, but this would change. Some companies were making vast sums of money and the Government would have to tax them to support the UK economy.
- It was suggested that changes in the job market might lead to more self-employment and micro-businesses. It was acknowledged that there were some major positives to AI advancements, but they were happening very rapidly and causing uncertainty.
- *A trustee asked what effect the development of AI was having on the Trust's portfolio.* WP said that it was benefitting currently and expected that it would continue to do so.
- *A trustee asked about exposure to derivatives.* WP said that BD did not use derivatives from a speculative point of view, but they were a safe way to lock in returns and were used to reduce risk.

5.1.2. MHT Investment Portfolio

- *A trustee said that they considered the portfolio comparison to cash flattering; relative and poor interest rates had been used, but there was no reference to how a tracker fund would have performed.* WP confirmed that the figures were net of fees and used the Bank of England base rate. He added that the slide in question had been added at the Trust's request and that it could be adjusted to include a tracker fund.
- *A trustee asked about ethical considerations used in determining investment funds,* querying the inclusion of UnitedHealth, which some consider an unethical company, and asking whether the return on this investment had really increased by 33.59%. WP explained that the percentage was the increase since the last report in January 2026. The trustee wanted to see the net gain of total money invested against inflation; WP drew their attention to the S*ummary of outlook and views* slide.

- *A trustee said that it would be helpful to see the purchase value of the stock and details of the number of equities invested in.* WP confirmed that there were 40-50 and said he would provide a full breakdown next time.

Trustees thanked WP for an interesting discussion.

Wolfie Papirnik left the meeting at 7.55 pm.

6. **Matters Arising from the minutes of the meeting held on 11 December 2025**

6.1. **Minute 9.1 – Capital Expenditure**
The Finance and Administration Manager (FAM) reported that the website project was currently in progress and was expected to come in under-budget.

6.2. **Minute 8 – Management Accounts**
A trustee had raised a query about the performance of the Flagstone platform, which they had also raised at Board. The FAM confirmed that Brewin Dolphin was comfortable with the use of Flagstone to manage cash reserve. This allowed the Trust to access multiple banks, obtain instant access to cash, and reduce the trustee burden. The fees for Flagstone were also slightly lower than those of other platforms. A trustee observed that at the time of December meeting, interest rates had been coming down and urged the FAM to monitor the platform. She confirmed that she did, and that the average rate earned since the Trust had started using Flagstone in 2023 was over 4% across a variety of fixed term products. She stressed that the Trust had to have cash funds readily available, due to spikes in the Trust's income streams.

7. **Audit Update**
The FAM reported that the audit was going well and that she was really pleased with the new auditors. The focus of this audit was on front end planning and the FAM considered that the plan for this year was much more effective. A change to the Management Accounts would be required due to a legacy that had occurred at year end, but the Trust did not yet have a suitably reliable estimate of its value. It would be adjusted along with any other required amendments identified during the audit and before the Accounts were signed off. All adjustments that had been made since the edition of the March accounts presented to the May Board meeting had been incorporated into an updated version of the accounts. These would be published on the Board Member area of the website shortly.

8. **Review of easement charges**
The Committee received a paper from the FAM. She reported that the administration fees attached to easements had not changed since 2017. The easement guidelines had been updated in 2020 and there were no plans to review these again at present. It was proposed to increase the charges by inflation, pending a fuller review next year. The Land and Property Manager favoured the application of the RPI method of inflation already in use for other property-related matters. The FAM said that the

Trust did not receive that many easement applications and so the increase would have negligible impact on the Trust's overall income position.

A trustee said that large developments were not wanted locally and proposed charging higher application fees. Another trustee agreed with this view and thought that the full review should be carried out within six months. In answer to a question, it was confirmed that neither the current fee, nor the proposed new fees would cover the actual administration cost to the Trust, but it was pointed out that this was a temporary measure. A trustee suggested that it would be a challenge to work out the actual cost of administering a large easement application.

The CEO said that the Trust did not have a strong culture of recovering costs, adding that the issue of fees in general had been discussed at the recent workshop on fundraising and that she favoured having one fees and charges policy.

On the proposal of Malcolm Victory, seconded by David Fellows, it was RESOLVED unanimously to recommend to Board that prices of easements should receive an inflationary uplift of 49% and that there should be a review of progress in six months. The Land Management Committee and staff would need to be involved in the review.

9. **Fundraising Strategy and Key Performance Indicators (KPIs)**

The Committee received a report from the CEO on the recent trustee workshop. Good discussions had been started on both topics. The paper included some top level KPIs and the CEO assured the meeting that there were secondary targets to these, which were already being monitored. She hoped that the top-level targets would assist trustees to take a more strategic approach, looking ahead to the new Land Management Plan and a new Business Plan. She had prepared some notes on the fundraising discussions, but these had not been circulated, pending the FAR discussion. She cautioned that the Trust was not in a position to invest in major donation and corporate giving; this was very expensive and there was no member of staff with the relevant skills. She wanted to set up a group of trustees to work with her on fundraising.

Questions and comments from trustees:

- A trustee observed that the targets were general, rather than actual, because they had no numbers attached to them, and asked if they could be quantified before the Board meeting; the CEO agreed to this.
- A trustee noted there wasn't consensus over a particular quality scheme in the workshop. The CEO said she could have included a semi-colon, to show separation between two statements in her report.
- A trustee asked about the status of the current Business Plan targets. The CEO said that many of them were complete and that the Board had approved funding to pursue some of the other projects. The trustee asked what had become of the Trust's aspiration to offer apprenticeships. The CEO said that

the Trust did not pay into the apprenticeship levy and might therefore be obliged to fund any apprenticeship in full; there was no capacity in the budget for this. [1]The trustee was concerned that without a business plan, aspirations of this sort could be missed. The CEO agreed that she would check the existing plan for any initiatives that had been overlooked. The trustee urged that if there were targets that the Trust no longer intended to pursue this should be clearly stated.

- A trustee noted that that Natural England had not reviewed any of the Trust's SSSIs for around four years and that it was therefore meaningless to ask management to report on a KPI around this. The CEO said that the Trust had a statutory obligation to report on its SSSIs and was doing some surveying of its own. The trustee commented that that data collection was expensive and that it was essential to make use of any data that was acquired and not to 'chase' KPIs.
- A trustee wanted an update on the status of each of the projects in the current Business Plan. The CEO said that the costed amounts quoted in the Business Plan had not been included in the budget but had been aspirational; a trustee queried the accuracy of this statement, pointing out that renovations to Manor House, for example, *had* been budgeted for. Another trustee was concerned that a business plan was the Board's only way of measuring whether the Trust was achieving value for money and that there was no supporting evidence without it.
- There was discussion around FAR having overarching delegation for KPIs and the potential for each committee to have their own KPIs to track.

On the proposal of Frances Victory, seconded by Malcolm Victory, it was RESOLVED, with seven in favour and three abstentions, to recommend to Board the monitoring of a set of identified KPIs for the remainder of the current Land Management Plan and Business Plan periods.

On the proposal of Lucy Hodgson, seconded by John Raine, it was RESOLVED unanimously that a fundraising strategy working group should form and work with the CEO on defining future fundraising activities.

10. **Policy Review**

10.1. **Reserves Review**

The Committee received a paper from the FAM, together with the quarterly reserves reviews for 2025-6 and for the last five years . She reported that the current policy, approved by the Board at the Annual Meeting in November, was to maintain reserves levels above £350k. FAR had however decided at its September 2025 meeting that it wished to review this. The FAM confirmed that the existing policy in the Statutory Accounts had been

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[1] Following the meeting, it was confirmed that it *is* possible to access funding for an apprenticeship without paying the levy. See [Employing an apprentice: Get funding for apprenticeship training - GOV.UK]

updated as per the figures presented to the Board in May 2026. There was the sum of £409,945 in free reserves as at 31 March 2026. The FAM referred to the different models for reserves discussed in the paper, highlighting that a risk-based hybrid model was considered best practice.

The reserves level had been increased to its current level in July 2022 following the covid-19 pandemic and concerns about the likelihood of lost car parking income. For this reason, the figure of £300k, in use as at January 2021, had been used as the benchmark for inflationary calculations. The FAM pointed out that the Trust's general fund expenditure was largely supported by the guaranteed income of the levy, which meant that the 3-6 months operating expenditure suggested as a suitable reserve by the Charity Commission was less relevant to MHT than to other charities. The FAM had therefore provided a five-year report *excluding* the levy, which showed that the operating costs without it were around £220k. She questioned whether an uplift was therefore necessary, drawing trustees' attention to the sensitivity analysis provided in the paper. If the decision was made to increase the policy level, the Trust would need to monitor the new level and explain it in the Annual Accounts.

A trustee observed that reserves had diminished by £200k in the last year and that aside from the Unrestricted Gift Fund, there was only £15k remaining. They commented that the Gift Fund was notionally to be used for 'nice discretionary things' and queried whether it was morally acceptable to support free reserves with this fund. The FAM stated that the Trust could and would use the Gift Fund if it needed to, but another trustee queried whether the Trust should do this, even if it was allowed to. They suggested that a proportion of the Gift Fund should be excluded from the free reserves calculation. Another trustee acknowledged the potential moral argument but pointed out that the Committee had to consider the Trust's overall financial position. The CEO noted that many unscrupulous organisations would use unrestricted funds to cover general expenditure.

A trustee expressed concern about the possible threat to future stewardship income, urging caution. The FAM confirmed that stewardship income already received was available as cash and did not come into the free reserves; however, it could potentially be used once the scheme ended. Another trustee pointed out that the withdrawal of funding would not be an in-year risk; major changes of approach would be needed if that happened, but for the moment the Trust was secure.

The FAM acknowledged that the decline in reserves levels had been rapid, largely but not solely due to funding the Bill process. A trustee asserted that no allowance had been made for the cost of implementing the Bill. It was confirmed that the Trust would factor these costs into the budget and they would not be funded from reserves. Another trustee expressed concern about potential election costs after the coming governance changes to local authorities.

A trustee said that the Trust was currently dependent on the Gift Fund to form its reserves and recommended that efforts should be made in the current year to identify other sources.

On the proposal of Malcolm Victory, seconded by Andrew Myatt, it was RESOLVED, with eight in favour and two against, to recommend to Board that the free reserves level Policy should be raised to £375k.

On the proposal of Lucy Hodgson, seconded by Malcolm Victory, it was RESOLVED unanimously to recommend to Board:

- **That the reserves level Policy should be reviewed in 12 months' time; and**
- **That the FAR Committee should review the assessment of the reserves position at 31 March 2026 (draft subject to audit) against the new policy level recommended and suggest that the Board record an assessment of satisfactory at that date; and**
- **That in reviewing the Policy, the FAR Committee should consider the position of the Unrestricted Gift Fund as the basis for the free reserve and report back to the Board.**

David Fellows and Malcolm Victory left the meeting at 8.15 pm

10.2. **Anti-Bribery Policy and Fraud Detection and Prevention Policy**
The Committee received a paper from the Secretary to the Board, recommending the adoption of revised policies on Anti-Bribery and Fraud Prevention and Detection.

A trustee suggested that only gifts valued at over £25 should have to be declared to and approved by the CEO and this was agreed.

The Committee agreed that a three-year review period was appropriate.

On the proposal of Lucy Hodgson seconded by David Core, it was RESOLVED, with seven in favour and one abstention, to recommend to Board the approval of the Anti-Bribery Policy and the Fraud Prevention and Detection Policy , subject to the caveat in the Anti-Bribery Policy that only gifts of higher value than £25 required CEO approval.

10.3. **Data Protection**
It was noted that the policy was currently under review with the Trust's Data Protection Officer (DPO).

11. **Reports for Information**

11.1. **GDPR Update**

The Committee received a paper from the CEO. She drew attention to the advice from the DPO on the use of personal email accounts for Trust business and the risk of breach of Section 170 of the Data Protection Act 2018. She urged trustees to use the safe area provided for all Trust business. The Trust did not want to have to seek an affidavit for the return of data when a trustee left the Board. A trustee suggested that this sounded like a threat and that it was reasonable for trustees to retain certain information on leaving the Board. The CEO said that she would check with the DPO and the Charity Commission about trustees keeping records for themselves. She insisted that she only wanted to help trustees understand the regulations; it was a serious issue.

11.2. **Risk Management red flag items**

Item deferred due to lack of time.

11.3. **Trustee Exchange Feedback**

Item deferred due to lack of time.

12. **Urgent Business**

None.

13. **Communications**

Deferred to the next Board meeting.

14. **Date of Next Meeting**

Thursday 24 September 2026

The meeting closed at 8.30 pm.