Finance, Administration and Resources Committee

Thursday 4 June 2026 at 6.00 pm

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

Malvern Hills Trust

Meeting of the 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

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

Wolfie Papirnik of RBC Brewin Dolphin will be in attendance for agenda item 5

Agenda

1.	Apologies for Absence	
2.	Chair's Communications	
3.	Declarations of Interest	
4.	Public comments	
5.	Annual investment update with RBC Brewin Dolphin	**Confidential Paper A**
6.	Matters Arising from the meeting of 11 December 2025	
7.	Audit update (verbal)	
8.	Review of easement charges	**Paper B**
9.	Fundraising Strategy and Key Performance Indicators	**Paper C**
10.	Policy Review	
10.1	Review of Reserves Policy	**Paper D**
10.2	Bribery }	**Paper E**
10.3	Fraud }	
10.4	Data Protection }	
11.	Reports for information	
11.1	GDPR - Review of data breach log	**Paper F**
11.2	Risk Management red flag items (verbal)	
11.3	Trustee Exchange feedback (verbal)	
12.	Urgent business	
13.	Date of next meeting –Thursday 24 September 2026	

Confidential items

Resolution to exclude the public for discussion of items 14-15 on 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 information).

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14. Communications **Confidential Paper G**

Paper B
For Decision

Finance, Administration & Resources Committee
Easement Pricing Review
4 June 2026

Documents

Land Management Committee 10 October 2019 Paper D

Background

The Easement Guidelines were reviewed on 10 October 2019 by the Land Management Committee, and the Board approved them on 16 January 2020.

For reference the Guidelines are available here:
overground-easement-guidelines-202001-formatted.pdf

Those applying for an easement are asked to pay a fee notionally to cover the Trust's costs of dealing with the application. These fees have not been updated since June 2017.
The fees were set as follows:

Type of overground easement requested	Minimum application fee + VAT
Amendment to route of existing easement	£100 (plus legal/other costs)
Confirmation by deed of a pre-existing prescriptive right of access	£75 (plus legal/other costs)
New agricultural easement	£100 (plus legal/other costs)
New easement for single dwelling	£200 (plus legal/other costs)
Change of use of existing easement	£200 (plus legal/other costs)
New easement for small commercial development	£200 (plus legal/other costs)
New easement for >1 and ≤10 dwellings	£400 (plus legal/other costs)
New easement for >10 dwellings	£750 (plus legal/other costs)
New easement for ≥50 dwellings	£1,000 (plus legal/other costs)
New easement for large commercial development	£1,000 (plus legal/other costs)

There is no proposal to review the guidelines here since these were drafted with guidance from Counsel, but Management is conscious that a full review of the principles applied when setting fees may be needed and a full review will be considered next year.

In the meantime, a simple inflationary uplift exercise has been carried out since the pricing is in urgent need of review.

CPI and CPIH are the more commonly accepted modern benchmarks but RPI has also been considered.

Measure	**Approx Cumulative uplift JUN17-APR26**	**Comment**
CPI	40 %	Most accepted modern measure
CPIH	42 %	ONS preferred headline measure now
RPI	58 %	Older methodology that usually runs higher

On this basis the proposed uplift at 42 % is recommended (with sensible rounding) and the new suggesting prices are in the table below:

Type of overground easement requested	Minimum application fee + VAT
Amendment to route of existing easement	£145 (plus legal/other costs)
Confirmation by deed of a pre-existing prescriptive right of access	£110 (plus legal/other costs)
New agricultural easement	£145 (plus legal/other costs)
New easement for single dwelling	£290 (plus legal/other costs)
Change of use of existing easement	£290 (plus legal/other costs)
New easement for small commercial development	£290 (plus legal/other costs)
New easement for >1 and ≤10 dwellings	£570 (plus legal/other costs)
New easement for >10 dwellings	£1,065 (plus legal/other costs)
New easement for ≥50 dwellings	£1,420 (plus legal/other costs)
New easement for large commercial development	£1,420 (plus legal/other costs)

Recommendation:

1. That the easement prices receive an inflationary uplift as detailed above and that FAR recommends this to the Board for approval in the meeting on 9 July 2026.

Nicky Gutteridge
Finance & Administration Manager
20 May 2026

Finance, Administration & Resources Committee
Fundraising strategy and key performance indicators
4 June 2026

Background papers:

Malvern Hills Trust Business Plan 2022-2027 Adopted March 2022
https://www.malvernhills.org.uk/looking-after/business-plan/

Malvern Hills Trust Land Management Plan (LMP)
https://www.malvernhills.org.uk/looking-after/land-management-plan/ (especially p 68).

The Charity Commission for England and Wales: *The Essential Trustee* (CC3).

The Charity Commission for England and Wales: *Charity fundraising: a guide to trustee duties* (CC20), updated 3 February 2026.

Background and context
In December 2025, FAR discussed beginning the process to replace over 80 targets by 2027 in the Business Plan with a more manageable suite of key performance indicators (KPIs). These were to be used for monitoring over the remainder of the 2022-27 Plan.

FAR also noted that an outstanding project in the Business Plan, which might benefit from fresh attention, would be the development of a fundraising and income generation strategy, for which Trustees' expertise and input would be welcome.

A workshop for Trustees on the two topics was held on 29 April 2026. The CEO and seven Trustees attended.

At the workshop, there was discussion on having a traceability chain model as opposed to bottom up KPIs. To have a more solid foundation, the Trust might consider 10 critical success factors, such as operational competence and financial stability. KPIs would then underpin these, like employee turnover and budget.

Whilst defining measures that flow from the Trust's statutory basis, there would also need to be measures that relate to other statutory considerations than its own Acts. For example, the Trust is required to conserve and enhance biodiversity, Sites of Special Scientific Interest (SSSIs) and Scheduled Monuments on its land. It must adhere to health and safety legislation and to the General Data Protection Regulation (GDPR).

There was a general consensus that some KPIs selected may have an external validation process with an example given of Worcester City Council's adoption of the Green Flag Award scheme.

There was a suggestion that the Trust's committees might want to track KPIs aligned to their topic areas.

It was felt good for the Trust to benchmark against other organisations.

KPI definition

An organisation would customarily use Key Performance Indicators (KPIs) to measure, monitor, and drive progress toward strategic goals. They help to drive continuous improvement and provide evidence of how processes are performing.

A core purpose of KPIs is to ensure accountability and enable sound decision-making, such as by providing data to aid decision-making. A consistent framework to evaluate performance, identifying areas for improvement or early warning signs of issues would be really helpful – as opposed to the 80 targets in the current business plan.

Following research, and the Trustee workshop, officer recommendation for strategic KPIs to monitor to the end of the LMP and Business Plan periods are as follows:

Trust business area	KPI	Frequency of reporting
Land management and Conservation	Overall condition of SSSIs	Annually
	Path accessibility	Annually
	Rag-rating of LMP projects	Annually
Finance (administration)	Total income	Annually
	Level of reserves	Annually
Human resources (administration)	Employee turnover rate	Annually
	Absenteeism rate	Annually
	Employee engagement	Annually
Communications (administration)	Media coverage sentiment for mentions of “Malvern Hills Trust”	Bi-annually
	Share of voice	Bi-annually

Next steps

The current Land Management Plan includes a diagram ‘Acts to Actions’ and there are 33 operational KPIs in the Plan with a focus on features. This approach provides a useful starting point for definition of critical success factors during the refresh of the Plan.

Further strategic KPIs might be considered once the Trust has identified critical success factors in its new LMP and new Business Plan.

Examples of more holistic measures might include overall visitor satisfaction and a qualitative measure against a national standard for open spaces, such as the Green Flag Award for key Malvern Hills and Commons sites.

Comparators

The Trust is currently assessing route condition on its paths through a project with volunteers on the northern hills. The intention is to roll this out across the whole landholding. Other similar organisations to the Trust, like wildlife trusts and conservatortype organisations, will also be monitoring condition of SSSIs and path condition using a methodology aligned to that of local authority public rights of way, for comparison.

The Trust has commissioned Alder UK to compare communications performance with a small number of similar organisations. The closest comparator is currently Herefordshire Wildlife Trust.

If felt suitable, these examples or others could be researched further and benchmarking undertaken on a regular basis.

Fundraising Strategy

On fundraising, the Charity Commission guide *The Essential Trustee* (CC3) gives the following advice on budget setting:

You and your co-trustees need to work out what funds and other resources your charity will need and where the charity will get these from. A charity can only succeed in meeting its aims if it manages its money and other resources properly. You will need to plan and monitor its income and outgoings so that it can meet its short, medium and long term goals.

For a charity to plan effectively, the Commission expects it to set or agree its fundraising strategy/ plan. This reflects:

- Our charity's values;
- The resources we use and the costs we incur in our fundraising; and
- The key financial and reputational risks we may face.

This can be discussed at the Trust's meetings so that we can:

- Monitor progress; and
- Manage the key risks.

At the Trustee workshop, there was discussion on the need to diversify income and to reduce the burden on the levy-payer. The Trust is in a very good position financially, in comparison to other charities, although it was felt that it is over-reliant on Defra grants.

People giving donations to the Trust will do so for a reason and so a wish list is needed. The current LMP contains a list of special projects and future funding priorities to consider include restoring erosion and path improvements. Payment terminals might make the giving of donations easier.

The creation of the role of a fundraising manager in the Trust has been ruled out in the past. The specialism of fundraising has a synergy with communications and the two might be combined should budget allow for additional staff on the team in future.

Activities such as major donor and corporate giving are highly skilled and would require a lot of investment without a clear understanding of return at this stage.

There was discussion at the workshop on licensing, with ideas including event organisers providing a link for participants to make personal donations to the Trust.

In the future, under the new Act, the Trust may have a power to fundraise and could set up a membership organisation.

Several Trustees at the workshop offered to continue to work with the CEO as a sounding board on fundraising.

Recommendations:

1. To recommend to the Board the monitoring of a set of identified KPIs for the remainder of the current Land Management Plan and Business Plan periods.
2. To recommend to the Board that a fundraising strategy working group might form and work with the CEO on defining future fundraising activities.

Deborah Fox, CEO
26th May 2026

Paper D
For Decision

Finance, Administration & Resources Committee

Reserves Policy – Annual Reassessment

4 June 2026

MHT's Reserves Policy was last reviewed at the 25 September 2025 FAR meeting and passed at Board level on 13 November 2025. MHT's Trustees' policy is to aim to maintain free reserve levels at above £350,000.

Charity Commission guidance on reserves is set out in CC19.
https://www.gov.uk/government/publications/charities-and-reserves-cc19/charities-and-reserves

In setting MHT's Reserves Policy, the Trustees follow the five steps recommended in CC19, which are:

1. Understanding the nature of the funds held;
2. Identifying functional assets;
3. Understanding the financial impact of risk;
4. Reviewing sources of income; and
5. Impact of future plans and commitments.

The reasons for holding reserves depend on the activities carried out by the charity. In MHT's case, the following reasons for holding reserves have been identified:

- To fund working capital; levy payments from MHDC and some grant payments are received in arrears, and so reserves are needed to fund expenditure incurred prior to receipt of the funds;
- To purchase vehicles and other MHT equipment including unpredicted needs;
- To fund expenditure arising from unexpected events;
- To support the funding of the Malvern Hills Bill;
- To be resilient to unexpected costs and events; and
- To invest in future projects.

Recommendation:

1. That the FAR Committee recommend raising the free reserves level Policy to £375k
   OR
   That the FAR Committee recommend keeping the free reserves level Policy at £350k
2. That the FAR committee recommend that the policy is reviewed again in 12 months' time.
3. That the FAR committee 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.

References

1. **Reserves Policy**
2. **Comparison of Reserves levels over recent times**

References:

Reserves Policy - EXISTING POLICY JUST APPLYING NEW NUMBERS

Malvern Hills Trust's (MHT's) free reserves are defined as those funds which the charity has available to spend on its charitable objectives.

The free reserves are calculated by starting with the total unrestricted funds value from the accounts. To comply with accounting rules the amount of the pension deficit is included as part of the unrestricted funds shown in the accounts, although it is a liability that will not crystallise, since the deficit to be repaid is part of a different calculation under the triennial valuation of the scheme. This deficit value is therefore added back when calculating the free reserves. The net book value of fixed assets (not available as cash) and the value of committed (designated) funds are then deducted, to come to the free reserve total. In summary, the calculation is as follows:

Total unrestricted funds*
Less:
The defined benefit pension scheme surplus/(deficit)
Net book value of fixed assets funded from the general fund
Committed designated funds

*Unrestricted funds comprise the general fund, and free designated funds and surplus/(deficit) on the defined benefit pension scheme

The level of free reserves and cash balances are reviewed quarterly against the agreed policy. That policy is reassessed annually.

The level of free reserves required will vary from time to time depending on MHT's overall financial position, the economic climate, the security of income from grants and other sources, the expected levels of planned expenditure and the risks of unplanned costs.
In setting the policy, the Trustees have ensured that the contributions required under the defined benefit pension scheme, including those to cover the actuarial deficit, can be met from projected cash flows.

MHT's Trustees' policy is to aim to maintain the free reserves level above £350,000 **.
This threshold has been set by the trustees taking into account the following factors:

- The need to hold funds to maintain the viability of MHT in case of unexpected events leading to uninsured costs;
- The need to provide protection against the risk of a significant drop in grant or other income or unexpected delays in receipts;
- To fund everyday essential expenditure in the event that income streams are unexpectedly interrupted;
- To fund unplanned costs arising from tree diseases;
- The need to provide working capital for MHT, both for day to day work and for future (possibly grant-funded) development; and
- The need to provide a degree of protection against fluctuations in investment income.

At 31st March 2026 total funds of the charity were **£4,246,047** (2024/25 £4,275,183).
This included restricted funds of **£2,913,341** (2024/25 £2,914,588) and committed

designated funds of **£1,179,708** (2024/25 £1,118,634). Details of all the designated funds are given in note xx to the financial statements and restricted funds details are in note xx. (2026 year end note numbers not yet confirmed.)

The level of free reserves as defined above was **£405,945**, made up of the following:

General fund excluding net book value of assets	£59,299
Free designated funds	
Gifts unrestricted	£390,153
Modernisation of Acts – promotion & preparation of the Bill	(£51,563)
Basic Payment Scheme	£1,331
Pond Works	£6,725
Total	£405,945

The total of the free reserve was down on the March 2025 figure (£627,968).
The overall free reserve remains higher than the target minimum of **£350,000.
** Subject to revision.

<u>Comparison of Reserves levels</u>

1. Over the last year, quarterly
2. Over the last 5 years annually

Quarterly Reserves review over the last year

	ACTUAL - FINAL AUDITED			ACTUAL - Q1			ACTUAL - Q2			ACTUAL - Q3			ACTUAL Q4 - DRAFT SUBJECT TO AUDIT		
Policy	> £ 350,000			> £ 350,000			> £ 350,000			> £ 350,000			> £ 350,000		
	31/03/2025			**30/06/2025**			**30/09/2025**			**31/12/2025**			**31/03/2026**		
General Fund Total	371,961			436,242			448,045			368,012			299,997		
Remove NBV of assets	161,649			161,954			189,177			195,809			240,698		
(vehicles and equipment + office equipment)															
rounding															
General Fund excluding NBV of assets	210,312			274,288			258,868			172,203			59,299		
All designated Funds:	**Free**	**Not free**	**Total**	**Free**	**Not free**	**Total**	**Free**	**Not free**	**Total**	**Free**	**Not free**	**Total**	**Free**	**Not free**	**Total**
Unrestricted Gift fund	406,903		406,903	406,917		406,917	415,314		415,314	395,324		395,324	390,153		390,153
HLS		79,081	79,081		79,584	79,584		78,895	78,895		83,759	83,759		85,918	85,918
Countryside Stewardship		380,838	380,838		427,912	427,912	1,331	473,018	474,349	1,331	514,929	516,260	1,331	559,283	560,614
Tree disease fund		33,570	33,570		33,570	33,570		33,570	33,570		33,570	33,570		33,570	33,570
Ash dieback		61,515	61,515		61,515	61,515		47,020	47,020		45,025	45,025		44,530	44,530
Modernisation of Acts:															0
Other costs	7,252	63,000	70,252	7,252	47,891	55,143		45,525	45,525		27,775	27,775		37,996	37,996
Promotion & preparation of the bill		16,287	16,287		-3,120	-3,120		-32,006	-32,006		-12,156	-12,156	** -51,563		-51,563
Election expenses		5,000	5,000		5,000	5,000		17,000	17,000		-1,789	-1,789		14,276	14,276
Boundary commission advice		12,276	12,276		12,276	12,276	12,276		12,276	12,276		12,276	0		0
FAM/CEO replacement		0	0		0	0		0	0		0	0		0	0
Sink hole fund	0		0	0		0	0		0	0		0	0		0
Track & Tree bad weather		14,000	14,000		14,000	14,000		0	0		0	0		0	0
Marketing comms Board approved 25/26 spend		25,000	25,000		16,069	16,069		9,947	9,947		3,081	3,081		0	0
Designated fixed assets		10,411	10,411		9,882	9,882		9,353	9,353		8,824	8,824		57,489	57,489
Pond works													6,725		6,725
	627,968		*1,118,634*	**691,958**		*1,122,249*	**687,789**			**581,134**		*1,111,949*	**405,945**		*1,179,708*
	179.42%			*197.70%*			*196.51%*			*166.04%*			*115.98%*		

** *£50k further drawdown in 25/26 done*
£66k LP loan still available for drawdown but
leaving final £66k for 27/28

Annual Reserves review over the last 5 years

Policy	> 350,000	> 350,000	> 350,000	> 350,000	> 350,000
	31/03/2026	**31/03/2025**	**31/03/2024**	**31/03/2023**	**31/03/2022**
General Fund Total	299,997	371,961	479,130	436,588	425,825
Remove NBV of assets (vehicles and equipment + office equipment)	240,698	161,649	144,047	101,666	116,147
rounding	0	0	2	-5	1
General Fund excluding NBV of assets	59,299	210,312	335,085	334,917	309,679

All designated Funds:	**Free**	**Not free**	**Total**	**Free**	**Not free**	**Total**	**Free**	**Not free**	**Total**	**Free**	**Not free**	**Total**	**Free**	**Not free**	**Total**
Gift fund	390,153		390,153	406,903		406,903	389,386		389,386	383,102		383,102	452,450		452,450
HLS		85,918	85,918		79,081	79,081		112,078	112,078		106,873	106,873		110,327	110,327
Countryside Stewardshep	1,331	559,283	560,614		380,838	380,838		200,437	200,437		150,564	150,564		127,069	127,069
Tree disease fund		33,570	33,570		33,570	33,570		35,865	35,865		35,865	35,865		22,975	22,975
Ash dieback		44,530	44,530		61,515	61,515		90,869	90,869		129,473	129,473		96,031	96,031
Fundraising			0			0	10,000		10,000	10,000		10,000	10,000		10,000
Modernisation of Acts:															
Other costs		37,996	37,996	7,252	63,000	70,252		40,186	40,186		34,010	34,010		34,010	34,010
Promotion & preparation of the bill	-51,563		-51,563		16,287	16,287		-14,342	-14,342		889	889		889	889
Election expenses		14,276	14,276		5,000	5,000		0	0		17,207	17,207		12,207	12,207
Dog Campaign			0	3,501		3,501	3,501		3,501	3,501		3,501	3,500		3,500
Car park repairs			0			0	4,369		4,369	5,100		5,100	3,200		3,200
Boundary commission advice			0		12,276	12,276		12,276	12,276		8,603	8,603			
FAM/CEO re[placement			0			0		0	0		12,500	12,500			
Designated fixed assets		57,489	57,489		10,411	10,411		12,704	12,704						
Marketing & comms			0		25,000	25,000									
Track & tree bad weather			0		14,000	14,000									
Pond works	6,725		6,725												
	405,945			**627,968**			**742,341**			**736,620**			**778,829**		
	115.98%			*179.42%*			*212.10%*			*210.46%*			*222.52%*		

As has become regular practice, we will continue to review free reserves at the end of each quarter during year ended 31st March 2027 and a full detailed review of the policy will be carried out again at a similar time again next year (approx. JUL27).

Common approaches to setting reserves include an expenditure-based formula (such as a target number of months of operating expenditure), an inflationary uplift approach (updating historic reserve targets to maintain their real value over time), and a risk-based hybrid approach combining a baseline expenditure or cashflow measure with adjustments for the charity's specific risks and commitments. An expenditure-based approach is simple, transparent, and easy to monitor, while inflationary uplift helps ensure reserves remain adequate as costs rise.

Current best practice and Charity Commission for England and Wales expectations generally favour a risk-based hybrid model, as this provides a more charity-specific and evidence-based rationale by linking reserves to operational risks, income certainty, cashflow requirements, future commitments, and strategic pressures, rather than relying solely on a fixed formula.

This is usually viewed positively because it demonstrates:

- tailored thinking;
- active risk management;
- linkage to the risk register; and
- strategic understanding.

The free reserves policy was raised to £350k in July 2022 and has remained at that level since then. It is important to note that the uplift in 2022 was heavily driven by potential lost revenue from car park income because of Covid. For that reason, the level as set prior to Covid is being used as the benchmark for inflationary calculations, namely £300k in January 2021.

<u>Inflationary uplift basis</u>
Applying cumulative CPI inflation since JAN21 suggests that a reserves benchmark of £300k at that time would equate to broadly £380k in present day terms.

<u>Expenditure based formula</u>
Broad guidance from the Charity Commission suggests 3-6 months operating expenditure is common. Using that as a basis, the general fund expenditure over the last five years does broadly support that theory and also suggests that we are ready for an uplift.

It is important to acknowledge at the Trust that we are unusual in that we have a guaranteed fixed income from the levy each year and that alone would support a large proportion of the ongoing operational activities of the Trust quite comfortably for the year.

For this reason a 3-6 month operating expenditure benchmark is not so relevant for us. The calculations below look at total costs but also more importantly total costs that remain AFTER the levy is used up:

	2022	2023	2024	2025	2026 draft	2027 budget
General fund total spend	929,298	1,012,231	1,103,595	1,257,626	1,342,595	1,474,770
Levy - guaranteed	566,950	595,300	663,800	697,070	739,100	805,700
General fund spend NOT covered by the levy	362,348	416,931	439,795	560,556	603,495	669,070
Reserves level	350,000	350,000	350,000	350,000	350,000	350,000
Translated to X months spend PRE levy	37.66% 4.5 c 4.5 months	34.58% 4.1 c 4 months	31.71% 3.8 c 4 months	27.83% 3.3 c 3.5 months	26.07% 3.1 c 3 months	23.73% 2.8 c 3 months
Translated to X months spend POST levy	96.59% 11.6 c 12 months	83.95% 10.1 c 10 months	79.58% 9.5 c 9.5 months	62.44% 7.5 c 7.5 months	58.00% 7 c 7 months	52.31% 6.3 c 6.5 months
4 mnths would be INCL LEVY: Rounded	120,783 £121k	138,977 £139k	146,598 £147k	186,852 £187k	201,165 £202k	223,023 £223k
4 mnths would be EXCL LEVY: Rounded	309,766 £310k	337,410 £340k	367,865 £370k	419,209 £420k	447,532 £448k	491,590 £492k

This analysis would support the argument for **not** raising the reserves policy.

Risk based – hybrid
In this model a base level (say 4 months costs and for us, after extracting the levy) is applied plus a contingency element. Clearly the level of contingency is significant and open to debate. This would lean towards a level at c. £223k PLUS contingency. Value to be discussed.

Arguably, £350k on this basis at £223k costs + £127k contingency may be felt as reasonable and thus keeping the policy at £350k.

What this means

Below is a sensitivity analysis looking at a series of potential new reserves policy levels.

Depending on what the Board decides, we will need to consider the implications since it is possible that we will not be meeting that level at 31st March 2026, if the £350k level is increased.

Please be reminded that falling below this level is possible and allowed but not ideal. It should be red flagged for more careful budgeting

The Charity Commission generally prefers:

- an honest explanation;
- active monitoring; and
- evidence that trustees understand the risks,

rather than artificially lowering the target simply to say it has been met. In fact, if risks have increased, Trustees could quite reasonably:

- increase the target reserves level,
  while simultaneously
- acknowledging actual reserves are temporarily below target.

Should the reserves policy level be recommended for increase above that level held at 31.03.26, the Trustees must understand the consequences and requirements.

A narrative for the policy might be:

"The trustees consider it appropriate to set a reserves target that is higher than the level of reserves currently held at 31 March 2026. A reserves policy is intended to reflect the level of reserves trustees believe is prudent for the charity's future financial resilience, having regard to its specific risks, commitments and operating environment, rather than simply mirroring the reserves currently available at the balance sheet date. The Charity Commission's guidance *Charity reserves: building resilience (CC19)* states that: "There is no single level or even a range of reserves that is right for all charities. Any target set by trustees for the level of reserves to be held… should reflect the particular circumstances of the individual charity and be explained in the policy." The guidance also expects charities to "compare the amount of reserves with the charity's reserves policy and explain, where relevant, what steps are being taken to bring the amount of reserves held into line with the level of reserves identified by the trustees as appropriate". In this context, it is acceptable for trustees to determine that the appropriate long-term reserves level exceeds the current reserves position, provided the rationale and future plans are clearly explained."

The narrative within the statutory accounts would need to be amended to acknowledge and deal with this. At the very least something like:

"The trustees reviewed the reserves policy during 2026 and concluded that a higher reserves level remains appropriate due to inflationary pressures, operational risks and ongoing strategic commitments. However, free reserves at 31 March 2026 remained below the target level due primarily to expenditure incurred on the private bill process."

The ongoing regular quarterly review would continue in the same way and there may need to be greater evidence of measures being taken to improve the position.

Nicky Gutteridge
Finance & Administration Manager
20 May 2026

Reserves Policy Sensitivity Analysis

Policy

	31/03/2026			31/03/2025		
Policy	> 350,000			> 350,000		
	> 375,000					
	> 400,000					
	> 425,000					
	> 450,000					
General Fund Total	299,997			371,961		
Remove NBV of assets	240,698			161,649		
(vehicles and equipment + office equipment)						
rounding	0			0		
General Fund excluding NBV of assets	59,299			210,312		
All designated Funds:	**Free**	**Not free**	**Total**	**Free**	**Not free**	**Total**
Gift fund	390,153		390,153	406,903		406,903
HLS		85,918	85,918		79,081	79,081
Countryside Stewardshep	1,331	559,283	560,614		380,838	380,838
Tree disease fund		33,570	33,570		33,570	33,570
Ash dieback		44,530	44,530		61,515	61,515
Fundraising			0			0
Modernisation of Acts:						
Other costs		37,996	37,996	7,252	63,000	70,252
Promotion & preparation of the bill	-51,563		-51,563		16,287	16,287
Election expenses		14,276	14,276		5,000	5,000
Dog Campaign			0	3,501		3,501
Car park repairs			0			0
Boundary commission advice			0		12,276	12,276
FAM/CEO re[placement			0			0
Designated fixed assets		57,489	57,489		10,411	10,411
Marketing & comms			0		25,000	25,000
Track & tree bad weather			0		14,000	14,000
Pond works	6,725		6,725			
	405,945			**627,968**		
HEADROOM £350k	*115.98%*			*179.42%*		
HEADROOM £375k	*108.25%*					
HEADROOM £400k	*101.49%*					
HEADROOM £425k	*95.52%*					
HEADROOM £450k	*90.21%*					

Paper E
For Information and Decision

Ordinary Meeting of Finance, Administration and Resources Committee
Policy Review
4 June 2026

Background Papers
Minutes of the meeting of Governance Committee held on 10 June 2025
Staff Handbook
Governance Handbook

Bribery and Fraud Policies
A revised policy review schedule was approved by Governance Committee in June 2025. There have been some minor adjustments since then and the amended schedule for FAR is attached to this paper for information. This confirms that the Bribery and Fraud policies will be reviewed by FAR and not by Staffing Committee, since these policies apply to trustees as well as staff.

The Bribery and Fraud policies (now the Anti-Bribery Policy and the Fraud Detection and Prevention Policy) have been revised to put them into the new policy format and to make them more relevant to MHT. There is one important addition to the Fraud Policy, which is the emerging threat of AI-related fraud and how this will be managed. A three year review period is suggested for both policies, but in view of the fast changing world of AI, FAR Committee may prefer to opt for a shorter review period for the Fraud Detection and Prevention Policy.

Data Protection Policy Update Discussions
The CEO has been in discussions with our Data Protection Officer Ametros Group regarding the updating of our Data Protection Policy. Whilst there is no legal requirement to maintain such a policy, it serves as an important demonstration of our commitment to data protection. The policy provides clarity for staff and Trustees and acts as a reminder of the importance of data protection within MHT.

It is important to be aware that a data protection policy is an **internal** document intended for staff and Trustees, whilst the Privacy Notice (last approved by the Board in January 2026) is the external facing document, which informs data subjects of what data is collected, how it is processed and why.

A data protection policy should include clear definitions and principles related to data protection. The approach to data sharing depends on an organisation's risk tolerance, ranging from not sharing data unless legally required to do so, to sharing it more broadly.

Over time, additions to the existing policy have blurred its original purpose. For example, provisions related to capturing religious or ethnic data are more appropriately placed in the Trust's privacy notice rather than in the internal policy.

Proposed Next Steps

- FAR Committee to discuss the key internal data protection requirements for trustees and staff. Staff to have a similar discussion regarding employees at the July All Staff meeting.
- FAR's appetite for risk regarding data sharing to be gauged.

Following these discussions, Ametros Group will produce a concise policy document of approximately 1 to 1.5 pages. reflecting the specific nuances of the Trust.

This approach aims to increase ownership of the policy and to ensure that it remains current.

The updated policy will be presented to the FAR Committee in September prior to Board approval at the next available meeting.

Recommendations:

1. That FAR recommend to Board the approval of the revised Anti-Bribery Policy;
2. That FAR recommend to Board the approval of the revised Fraud Detection and Prevention Policy and determine an appropriate review period for it;
3. That FAR discuss and recommend to the CEO the key requirements to be included in a revised data protection policy, pending further discussions ahead of approval at the next meeting.

Alison Marlow
Secretary to the Board
26 May 2026

FAR Committee Policies

Policy Name	Review period	Board last approved	Next review due	FAR agenda date
Accounting Policies & Procedures	Annual	Mar-26	Mar-27	Dec-26
Anti-Bribery	3 years	2023	2026	04/06/2026
Data Protection	Annual	Feb-24	NOW	24/09/2026
Detection & Prevention of Fraud	3 years	Oct-23	2026	04/06/2026
Information Security Policy	2 years	Mar-25	Mar-27	Jun-27
Investment (Land Purchase)	2 years	May-26	May-28	Jun-28
Investment (Parliamentary & Land Management)	2 years	May-26	May-28	Jun-28
LGPS Discretions	2 years	Jul-25	Jul-27	Jun-27
Memorials and Giving	5 years	*Unknown*	*Unknown*	Dec 26
Privacy	2 years	Jan-26	Jan-28	Dec-27
Reserves	Annual	Mar-26	Mar-27	Dec-26
Vehicle Replacement	3 years	Jan-19	NOW	24/09/2026

Malvern Hills Trust

Anti-Bribery Policy

Purpose

This policy sets out Malvern Hills Trust's (MHT) commitment to preventing bribery and corruption in all forms, and to compliance with the UK Bribery Act 2010 and Charity Commission regulatory guidance.

MHT is committed to conducting all its activities with integrity, honesty and transparency, and to making sure that they are free from bribery and corruption.

Applicability

This policy applies to all MHT trustees, volunteers, employees, partners and contractors, from all of whom the highest standards of honesty and integrity are expected. Its requirements are also reflected, where appropriate, in related policies, procedures, agreements, and contracts.

The prevention, detection and reporting of bribery is the responsibility of **all** employees and trustees.

The CEO is responsible for delivering the Policy and will be accountable for its implementation and associated training. Employees should seek advice from the CEO if they are unsure about whether any particular conduct may be in violation of this policy.

Definition of Bribery

Bribery is the offering, giving or promising of money or another advantage to induce someone to act improperly in their role, or to reward them for having done so. It can include trying to influence a decision-maker by providing a personal benefit beyond what may legitimately be offered through a tender process.

Types of bribery include, but are not limited to:

- Bribing another individual (giving an advantage in return for improper action);
- Being bribed (receiving an advantage in return for improper action);
- Failure of an organisation to prevent bribery.

Prevention of Bribery

To reduce the risk of bribery, we will:

- Train staff and trustees to recognise and avoid bribery;
- Provide suitable channels of communication for staff and others to report suspicion of bribery, whilst maintaining confidentiality;
- Establish strong internal control procedures and make sure these are followed, in order to minimise exposure to bribery and corruption, and to protect our assets and reputation;
- Take firm and vigorous action against any individual(s) involved in bribery.

Prohibited Conduct

MHT prohibits and will not under any circumstances tolerate:

- Offering, promising, giving, requesting, agreeing to, receiving or accepting any bribe or other improper inducement, whether financial or non-financial, from or to any person or organisation, to obtain a commercial, contractual, regulatory or personal advantage;
- Any conduct that could amount to an offence under the UK Bribery Act 2010 or any other applicable anti-bribery or anti-corruption law;
- Making facilitation payments to secure or speed up routine government action;
- Failing to report any actual or suspected bribery or corruption to MHT senior management or, where necessary, to the appropriate authorities;
- Retaliating against, or threatening, anyone who reports suspected bribery or refuses to take part in conduct that may breach this policy;
- Any conflict of interest or self-dealing that could harm MHT.

Gifts, Hospitality and Donations

MHT recognises that the giving and receiving of gifts, hospitality and donations is an established part of building relationships and promoting goodwill. However, it is important that these are managed appropriately to ensure that they do not compromise MHT's integrity and reputation.

Gifts, hospitality and donations may only be offered when reasonable and necessary to conduct MHT's business. They must not be offered or accepted if doing so might reasonably be seen as an attempt to influence business decisions, or if they are excessive or inappropriate.

All gifts, hospitality and donations must be approved by and recorded by the CEO.

MHT will not accept donations from sources that are known to be, or suspected of being, involved in bribery or corruption.

Reporting of Bribery

- Any suspected instances of bribery must be reported immediately to the CEO. If the CEO is unavailable, or the incident involves the CEO, the report should be made to the Chair of the Board or the Chair of Finance, Administration and Resources Committee.
- Instances of alleged bribery will investigated rigorously and without delay.
- Any and all instances of bribery will be reported to the Board of Trustees and, if appropriate, referred to the police and other appropriate authorities. MHT will assist these authorities in any related investigation.

Malvern Hills Trust

Version Control - Approval and Review

This policy will be reviewed every three years, or following an incident, or other significant factors.

Version No	Approved By	Approval Date	Main Changes	Review Period
1.0	Board	October 2023	Initial draft approved	3 years
2.0	Board	9 July 2026	Complete revision	3 years

Next review due: July 2029

Regulatory Guidance

Gov.UK

- Your responsibilities under money laundering supervision
- Anti Bribery Policy

Charity Commission

- Know your donor key questions.
- Know your partner, key issues to think about.
- Know you donor – checklist.
- Protecting charities from harm – compliance toolkit.
- Advice on suspect donations.
- Donations from outside the UK.
- End use of funds.
- Designated persons list.
- Tainted donations.

OFSI

- OFSI Charity Sector Guidance on Sanctions.
- UK Sanctions Guidance.
- UK Sanctions List

Related MHT Policies & Procedures

Accounting Policies and Procedures Manual

Data Protection Policy

Fraud Policy

Safeguarding Policy

Whistleblowing Policy

Malvern Hills Trust

Fraud Prevention and Detection Policy

Purpose

This policy sets out Malvern Hills Trust's (MHT) commitment to preventing, detecting, and responding to fraud, including emerging risks linked to artificial intelligence (AI), such as voice and video cloning.

Applicability

This policy applies to all MHT trustees, volunteers, employees, partners and contractors, from all of whom the highest standards of honesty and integrity are expected. Its requirements are also reflected, where needed, in related policies, procedures, agreements, and contracts.

The prevention, detection and reporting of fraud is the responsibility of **all** employees and trustees of MHT.

The CEO is responsible for delivering the Policy and will be accountable for its implementation and associated training.

Definition of Fraud

Fraud is any deliberate act of deception, misrepresentation, or omission intended to secure a gain, cause a loss, or expose an individual or organisation to the risk of loss or other unfair or unlawful advantage. It may benefit or harm MHT and may be committed by people both inside and outside the organisation. Fraud is recorded as a risk on the MHT Risk Register.

Types of fraud include, but are not limited to:

- Financial fraud (e.g., embezzlement, theft).
    - Procurement
    - Employee
    - Grants
- Identity fraud (e.g. impersonation using AI technologies).
- Cyber fraud (e.g. phishing, AI-generated scams).

Prevention of Fraud

To reduce the risk of fraud, we will:

General measures

- Promote a strong anti-fraud culture across MHT;
- Carry out regular assessments of fraud risk;
- Implement proportionate fraud prevention measures suited to MHT's circumstances;
- Review and improve fraud prevention measures on an ongoing basis.

Procurement fraud

This is any fraud relating to the purchase of goods and services. We will:

- Maintain robust internal financial procedures, ensuring that clear controls and separation of duties are in place;
- Adhere strictly to the rules and regulations on tender process and quotations detailed in the Accounting Policies and Procedures Manual;
- Act upon advice from external auditors.

Employee fraud

This can include: misuse of time and resources; fraudulent claims; failure to register or declare conflicts of interest, gifts, or hospitality; giving false information in a job application, and/or; manipulation of finance and payroll systems. We will:

- Conduct thorough pre-employment checks;
- Train staff and trustees to recognise and avoid fraud;
- Provide suitable channels of communication for staff and others to report suspicion of fraud, whilst maintaining confidentiality.

Grant fraud

MHT receives and subsequently pays out grants to individuals. We will:

- Monitor payments to recipients;
- Maintain a database of the number of stock associated with payments and conduct checks on livestock grading the common;
- Act on advice from Natural England and external Auditors.

AI fraud

We recognise that AI technologies can be misused to commit fraud, including:

- Voice cloning: using AI to copy voices for impersonation.
- Video cloning and deepfakes: AI-generated videos used to mislead or deceive.

We will:

- Carry out regular staff training on recognising and responding to AI-related frauds;
- Implement robust identity verification processes for financial transactions and sensitive communications;
- Use AI detection tools to identify and flag potential deepfake content;
- Protect sensitive data to prevent unauthorised access that could enable AI fraud.

Tax Evasion

The Trustees have assessed the risk of tax evasion and related issues, such as money laundering and bribery, where appropriate. Tax evasion risks to MHT include.

- Misusing Gift Aid – claiming tax relief on donations that do not qualify;
- Incorrectly Reporting Income – under-declaring funds or failing to disclose taxable income;
- Avoiding Payroll Taxes – paying staff or contractors 'off the books' without tax deductions.

To reduce the risk of tax evasion, we will:

- Carry out appropriate due diligence;
- Carry out appropriate staff briefing/training;
- Ensure financial transactions and records are subject to scrutiny on an ongoing basis.;
- Maintain clear financial records and receipts for donations, grants, and expenses;
- Ensure donors meet the criteria before claiming Gift Aid;
- Pay staff and contractors correctly using PAYE or proper invoicing for tax compliance;
- Declare all sources of funding, including trading and investment income;
- Seek professional advice when needed.

Reporting of Fraud

- All suspected fraud, including AI-related incidents, must be reported immediately to the CEO. If the CEO is unavailable, or the incident involves the CEO, the report should be made to the Chair of the Board or the Chair of Finance, Administration and Resources Committee.
- Reports of alleged fraud will be investigated rigorously and without delay.
- Any and all incidents of fraud will be reported to the Board of Trustees and, if appropriate, to the Police.
- Additional reporting will also be considered.
  - Action Fraud
  - Charity Commission for England and Wales
  - HMRC for tax fraud or avoidance.

Malvern Hills Trust

Version Control - Approval and Review

This policy will be reviewed every three years, or following an incident, or other significant factors.

Version No	Approved By	Approval Date	Main Changes	Review Period
1.0	Board	October 2023	Initial draft approved	3 years
2.0	Board	9 July 2026	Complete revision, with AI risks added.	3 years

Next review due: July 2029

Regulatory Guidance

Charity Commission England & Wales

- CC8 - Protect your charity from fraud.
- How to report a serious incident in your charity.

Protect your charity from cyber-crime

Related MHT Policies & Procedures

Accounting Policies and Procedures Manual

Bribery Policy

Data Protection Policy

Safeguarding Policy

Whistleblowing Policy

Paper F
For Information

Finance, Administration & Resources Committee

General Data Protection Regulation (GDPR) update
4 June 2026

Background papers and information

None.

1. The Trust was informed on 29 April, via its subscription to Babble SafeWeb, that there were breaches on the dark web containing data relating to the Trust. On 20 April, two previous staff email addresses had been found in a breach dump involving 8.2 million records, including names, phone numbers, and physical addresses, linked to Pitney Bowes. The implication is that criminals could use this data for identity theft or targeted scams, increasing our risk of fraud. Actions advised by Babble included:

    - Changing passwords for all online accounts, especially those using the compromised emails.
    - Enable multi-factor authentication (MFA) on our important accounts.
    - Monitoring our accounts and credit reports regularly for suspicious activity.

    On this occasion, the two email addresses compromised were for previous staff. Overall, Babble SafeWeb considered it a lower risk.

2. It is important that all Trustees are aware of Section 170 of the UK Data Protection Act 2018. This legislation makes it a criminal offence to knowingly or recklessly obtain, disclose, or procure personal data without the consent of the data controller.

    This, coupled with unlawful retention or selling of data, is punishable by an unlimited fine, often prosecuted by the Information Commissioner's Office. A person may defend themselves if they prove the action was necessary for crime prevention, required by law, or justified in the public interest.

    The Trust provides a secure email address to its Trustees. It is a normal control measure to protect data held by the Trust and allows compliance with the Trust's Data Retention Policy.

    Whilst some data may appear innocuous, it might be used inappropriately and there is a risk of breaching Section 170.

    If Trustees are not using their dedicated email account, the DPO advises that when they leave the Trust, additional measures would be needed to confirm that all data had been returned to the Trust.

    All trustees are therefore advised to use their Trust email account only in undertaking Trust business and not to share Trust business outside of this safe environment.

Deborah Fox, CEO
18 May 2026