

Kidderminster Town Council Agenda

To all Town Councillors

You are hereby summoned to attend a virtual meeting of Town Council, to be held on
Tuesday 12th January 2021 at 6.00pm for the transaction of the business detailed below:



Tony Beirne
Town Clerk
6/01/2021

Public

Agenda item	Subject	Page
1.	Apologies	
2.	Minutes To approve the minutes of the Council meeting held on 16 th December 2020 (<u>attached</u>)	3
3.	Declarations of Interests	
4.	Public participation In accordance with Standing Order 3(c), to allow members of the public to make representations, ask questions, and give evidence. <i>Members of the public will be called in order of receipt of notice of their intention to speak. Please email townclerk@kidderminstertowncouncil.gov.uk or telephone 01562 732680 to give your name and an indication of the topic you intend to raise.</i>	
5.	Future Governance of the Town Hall (attached) Presentation from Peter White, Director, Fresh Life Consulting	7

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct (“the Code”) requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a Disclosable interest in the matter under discussion.

Please see the Members’ Code of Conduct for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI’s and ODI’s are interests defined in the Code of Conduct that will be adopted by the Town Council at this meeting.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council’s Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

Register of Interests

As part of managing the risk assessment Councillors are reminded to ensure they keep their register of interests up to date. If you have any questions please contact the Town Clerk

For further information

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Tony Beirne, Town Clerk, Kidderminster Town Council, DY11 7WF. Telephone: 01562 732680 or email townclerk@kiddermistertowncouncil.gov.uk

Documents referred to in this agenda may be viewed on Town Council’s website

Date of next meeting

Wednesday 3rd February 2021 at 6.00pm
Virtual Meeting

Kidderminster Town Council

MINUTES of the virtual meeting held on Wednesday 16th December 2020 at 6.00pm

Present: The Mayor (Councillor S. Rook)
Councillors J. Aston, J. Baker, R. Bishop, S. Chambers, M. Cheeseman, H. Dyke, K. Gale, N. Gale, L. Hyde, M. Kelly, N. Knowles, F. Oborski MBE, M. Rayner, D. Ross, J. Smith, M. Stooke and P. Young

C.575 Apologies

None

C.576 Minutes of the meeting held on 30th September 2020

RESOLVED: - that the minutes of the meeting held on 30th September 2020 be agreed as a correct record.

C.577 Declarations of Interests by Members

	Councillor	Declaration	Minute	Reason
1.	H. Dyke	ODI	C.581	Councillor Dyke was the WFDC portfolio holder for the services affected by the Localism discussion. She took no part in the debate or the vote on this item

C.578 Mayor's Engagements

i. Mr Jim Pearman – Town Crier 2006 to 2017

The Mayor informed Council that Jim Pearman the former Town Crier had recently passed away. She said Mr Pearman had served the town for over 10 years as the official Town Crier, and that he was easily recognisable in his distinctive uniform and top hat. She also said he had represented Kidderminster on the national stage at Town Crier events and that he was the first official Town Crier of the newly formed Town Council five years ago.

Councillors observed a minute's silence in memory of Mr Pearman.

ii. High Sheriff's visit

The Mayor reported that in November 2020 she welcomed the High Sheriff, Mr Mark Jackson OBE to the Town Hall. She said it was an informative and enjoyable visit. The High Sheriff has offered to do all he can to help, post Covid, to aid Kidderminster's recovery. The Mayor also expressed her thanks to Councillor Oborski who had attended at the High Sheriff's visit.

iii. Remembrance Sunday

The Mayor informed Council that with the late changes to the Covid rules in November 2020 the planned church service had to be cancelled at the last minute. The Mayor went on to thank the officers who organised the outdoor service on Sunday morning 8th November 2020 at such short notice. She said it was a small but fitting tribute to those who have and are serving in our forces and she was grateful to the Deputy Lord Lieutenant who had made sure he was in Kidderminster to represent the Queen. She expressed her hope that, in 2021, the service and parade will return to the usual organisation to fully honour Remembrance Sunday

iv. Horsefair Clock

The Mayor informed Council that the Horsefair Clock has been erected. There is one outstanding issue which is the connection of the electricity supply to have the clock fully operational. Unfortunately, with the pandemic, timescales cannot be guaranteed but it is hoped that the clock will be fully working by January 2021. The Mayor paid tribute to all those in the local community who made this happen and she also thanked the Town

Council for agreeing to oversee the future maintenance and running of the clock.

v. Christmas Lights

The Mayor updated Council on the Christmas Lights which are installed and working. She said she was delighted with the positive feedback the Town Council had received. She added the 'Virtual Switch-on' video is available for viewing on our social media and that it had proved a popular addition to the Facebook page.

The Mayor also informed Council that a Christmas story video had also been produced which will be available across our social media from Christmas Eve.

RESOLVED: - that the report of the Mayor's Engagements be noted

C.579 Public participation

None.

C.580 Presentation from Stepway

Stepway is a registered charity which promotes social inclusion among veterans of the armed forces; preventing them from becoming socially excluded and assisting them to integrate into society.

The presentation on the work of Stepway was given Dawn Turner, Founder and Operations Director

After questions it was

RESOLVED: - that the presentation from Stepway be noted

C.581 Budget Planning 2021 and potential future Town Council service provision

The Town Council considered the report on taking on future services from Wyre Forest District Council. Specifically taking on the running of four parks from 1st April 2021.

After discussion it was

RESOLVED: - that The Town Council

- i. agree, in principle, to transfer four parks, namely
 - Brinton Park
 - St George's Park
 - White Wickets Park and
 - Springfield Parkto the ownership and management of the Town Council from 1st April 2021
- ii. seek the agreement of WFDC that it will commit to resolving all the ownership issues relating to the parks prior to transfer and to cover the costs for the related work
- iii. seek the agreement of WFDC to set up an SLA for 2021/22, subject to transfer, to run the parks
- iv. agree, in principle, to an increase in the precept for 2021/22 to cover the costs of taking on the ownership of the parks; and to note that, over the coming years, there will need to be further increases in the precept to manage the parks
- v. does not take on the running of the Cemetery
- vi. does not take on the running the Community Safety Service
- vii. agrees that future consideration for taking on any other services takes place after the Town Council elections in May 2021
- viii. appoints Councillors D. Ross, N. Knowles and M. Rayner (from the Localism Group) to support the Town Clerk in finalising the details of the transfer
- ix. instructs the Town Clerk to report back to the February 2021 meeting of Council with detailed recommendations and costings.

Councillor Dyke had declared an interest and took no part in the discussion or voting.

Councillors Hyde, Kelly and Knowles wished to be recorded as having voted against the resolution.

Councillor Oborski MBE wished to be recorded as voting against C.581vi.

C.582 Finance Report

a) Budget spend to date

b) Accounts paid and income received to date

The Town Clerk stated that officers continued to monitor budgets spend to work to minimise spend and maximise income opportunities including potential grants. The Town Clerk went through the expenditure list. He stated that balances as at 8th December 2020 were £700,091.76

RESOLVED: - that Council

- i. notes the expenditure to date
- ii. approves the accounts paid to date
- iii. notes the income received to date
- iv. notes the current balances

C.583 Queen's Platinum Jubilee

Councillor K. Gale raised the issue of organising appropriate celebrations to commemorate the Queen's 70-year reign which is programmed for the four-day Bank Holiday weekend from 2nd to 5th June 2022.

It was agreed that the planning and organisation would be referred to the Events & Services Committee.

The meeting ended at 7.36pm

Mayor

Date

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Kidderminster Town Hall

Governance, State Aid and VAT

Context

➤ Resilient Heritage Project recommended:

- ❖ Need to improve facilities in order to cater for modern requirements and compete
- ❖ A more socially entrepreneurial approach to management
- ❖ A wider range of events and activities to cater for all the community
- ❖ A governance structure that will attract external funding:
 - ❖ Charitable trust to run the Town Hall
 - ❖ Trading subsidiary company to run non-charitable functions – e.g. bar operation
- ❖ Specialist legal and VAT advice

Future
Operation
and
Management:
key
requirements
to be
addressed

- **Governance:** Effective, Tax Efficient, Transparent, Accountable, Responsible
- **State Aid:** Need to ensure this requirement isn't breached
- **VAT:** Need to ensure that the most cost-effective VAT arrangement is put in place

Preferred
Governance
Structure

Governance Recommendations

- The solicitors have reviewed 4 options and have recommended the following:
 - Charitable Company limited by Guarantee "Kidderminster Town Hall Trust" (KTHT)
 - 3-4 Nominated councillors
 - 6-8 Independents
 - Independent Chair
 - Wholly owned trading subsidiary company
 - Similar directorial mix

This is a common model that has been used elsewhere by local government and endorses the earlier recommendations

Benefits

- More commercial approach to management and maximising income
- Can act outside political and economic constraints that can impede local government
- Incorporated body so trustees are personally protected financially, providing they don't act illegally
- Access to more grant sources
- Tax advantages – no corporation tax; 80% rates relief; Gift Aid
- Less 'red tape' ... so faster decision-making
- Not restricted by charitable status so can trade like a private company
- Ability to recruit a diverse board with range of required skills, experience and influence
- Good public image: giving the TH to the community

Disbenefits

- Council has arms-length control
- On-going funding insecurity and no financial cushion
- If it gets into financial difficulty the council may need to step in and provide support
- Set up costs will need to be paid for
- Social objectives may not receive the same priority as profit driven ones
- May not have the same access to range of in-house resources as in local authority set up
- Regulation by Charities Commission and by Companies House

Mechanisms and controls: Transfer Arrangements

- Long lease (150 years?) at a peppercorn
- Long-term Agreement between KTC – KTHT to sit alongside KTHT constitution
- Both to take effect at practical completion of the capital works phase
- Memorandum and Articles, and charity registration to be obtained
- Draft lease and Long-term Agreement to be prepared during pre-capital works phase

Regulation: State Aid

State Aid Recommendations

Assume

- EU rules equivalent will apply
- A leasehold interest at a peppercorn
- Continued revenue funding to the charity by KTC for a proportion of the running costs to enable community activities

If all these apply, State Aid hurdles can be negotiated successfully

Regulation: VAT

- Need to clarify current VAT arrangement to ensure it is operating correctly and confirm that the local authority has not 'opted to tax' KTH
- Local authority VAT rules will allow all VAT on Capital Scheme to be recovered subject to the local authority using KTH for non-business purposes and clarifying current arrangements
- Revenue support by LA should be through an SLA plus VAT and Charity should register building for VAT purposes ('Opt to tax')
- On-going VAT planning will be required – cultural exemption likely to apply (exempt admission fees)
- May be need for a paid director to 'break' cultural exemption and should plan for this possibility
- View is that using various mechanisms, a VAT efficient arrangement will be achievable in the operational phase

Kidderminster Town Hall

Pre-Capital Works Phase (current phase – open for business)	Capital Works Phase (building work taking place)	Post-Capital Works Phase (Operational Phase – open for business)
<ul style="list-style-type: none"> • Continue current management arrangement • Applications for grant funding to be made in name of KTC <p><i>and</i></p> <ul style="list-style-type: none"> • Register new trust ('KTHH') and trading subsidiary ('KTHH') • Identify nucleus of trustees (LA nominees and independents) • KTC + KTHH to enter into Agreement to Lease subject to completion of capital works 	<ul style="list-style-type: none"> • Capital works phase to be managed by KTC • Building contract and professional team to be appointed by KTC who will act as the employer • Transfer of existing Town Hall staff to KTHH during this phase • new staff to be employed by KTHH 	<ul style="list-style-type: none"> • Transfer of building /commencement of lease to take effect at handover of completed building • KTHH 'Opts to Tax' on building at time it registers for VAT • Consider VAT group with trading subsidiary

Summary Conclusions

Governance

- *Set up Charity with trading subsidiary;*
- *Transfer of KTH on Long-term Lease and Long-term Agreement*
- *Draft documentation to be prepared and registered, well in advance of implementation to establish a solid basis on which to proceed*

State Aid

- *These hurdles can be overcome – no ‘showstoppers’*

VAT

- *KTC to carry out capital works and transfer building on completion, reclaiming all VAT (about £1.5m) – no funding from KTHT or KTHE*
- *Charity ‘elects to tax’ building – may need a paid director if preference is to ‘break’ cultural exemption so that admission fees are liable to VAT*
- *An efficient VAT arrangement can be negotiated*