

KIDDERMINSTER TOWN COUNCIL  
Vicar Street  
Kidderminster  
Worcestershire  
DY10 1DA



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21<sup>st</sup> September 2022

The meeting of **KIDDERMINSTER TOWN COUNCIL** will be held in the **COUNCIL CHAMBER, KIDDERMINSTER TOWN HALL** on **WEDNESDAY 28<sup>th</sup> SEPTEMBER 2022** at **6:00PM** when Members are summoned to attend.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Lee Jakeman', is written over a faint, larger blue ink signature.

Lee Jakeman  
Chief Executive

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Membership: Councillors K. Gale (Mayor), J. Aston, R. Bishop, D. Chambers, G. Connolly, H. Dyke, N. Gale, D. Hine, B. Hopkins, S. Miah, T. Muir, F. Oborski (MBE), J. Phillips, M. Rayner, S. Rook, D. Ross, J. Smith, E. Stokes.

**1. Apologies for absence**

**2. Announcements**

**2.1. Tributes To Her Late Majesty Queen Elizabeth The Second.**

**2.2 Mayor's Diary**

To note the Mayor's engagements between 27<sup>th</sup> July and 31<sup>st</sup> August 2022:

Thursday 28<sup>th</sup> July – Kidderminster College Careers Fair.

Friday 29<sup>th</sup> July – Reveal of Covid Memorial Art Installation at Kidderminster hospital.

Saturday 20<sup>th</sup> August – Garden Party at Holmwood Care Home (*Deputy*).

Monday 22<sup>nd</sup> August – River Boat Trip along River Severn.

**3. Declarations of interest**

To receive declarations under consideration on this agenda in accordance with the Localism Act 2011 s32 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Members are reminded that should you declare a pecuniary interest at a meeting, it is your responsibility to inform the Monitoring officer.

**4. Public Question Time**

In accordance with Standing Order 3(c), to allow members of the public to make representations, ask questions, and give evidence at a meeting which they are entitled to attend in respect of the business on the agenda.

Members of the public will be called in order of receipt of notice of their intention to speak. Please email [townclerk@kidderminstertowncouncil.gov.uk](mailto:townclerk@kidderminstertowncouncil.gov.uk) or telephone 01562 732680 to give your name and an indication of the topic you intend to raise.

**5. Minutes**

To approve the minutes of the meeting of Kidderminster Town Council held on Wednesday 27<sup>th</sup> July 2022.

**6. Finance**

**6.1. Schedule of Payments**

To retrospectively approve payments from 21<sup>st</sup> July 2022 date to 31<sup>st</sup> August 2022.

(TC/7/22-23)

## **6.2. Budget Monitoring**

To receive a summary budget report as at 31 Aug 2022.

(TC/8/22-23)

## **7. Town Hall**

### **7.1. Public Works Loan Board**

To receive a report regarding an application for a loan from the Public Works Loan Board and a recommendation:

To seek the approval of the Secretary of State for Levelling Up, Housing and Communities to apply for a PWLB loan of £500,000 over the borrowing term of 20 years for the redevelopment of Kidderminster Town Hall. The annual loan repayments will come to around £37,000.

It is not intended to increase the council tax precept for the purpose of the loan repayments.

(TC/9/22-23 – To follow)

### **7.2. Town Hall / Exchange Café**

To receive a report from the Exchange Café from the Town Clerk, to include a summary of finances and consider if the Town Council would want to extend the current arrangements beyond 30<sup>th</sup> September 2022.

(TC/10/22-23)

## **8. Assets Of Community Value – Former Rainbow Children’s Centre**

To receive correspondence from Wyre Forest District Council (WFDC) and form a view as to whether the Town Council wishes to be considered as a potential bidder for the former Rainbow Children’s Centre.

(TC/11/22-23)

## **9. Local Policing**

To receive a report that provides a response to members with regards to questions raised following a policing report at the Town Council meeting on Wednesday 27<sup>th</sup> July.

(TC/12/22-23)

## **10. KIDDERMINSTER EDUCATIONAL FUND**

To consider a report and a recommendation:

To appoint (a number i.e., 3 -5) named councillors to the management committee of the Kidderminster Educational Foundation for the purpose of carrying out and overseeing the day-to-day management of the Charity (on behalf of the Town Council) in line with the charities aims (including the awarding of grants) and providing regular (at least annually) reports to the Full Town Council.

(TC/17/22-23)

## **11. Public Bodies**

**RECOMMENDED** in terms of Schedule 12A, Local Government Act 1972, the following items will be likely to disclose exempt information relating to establishment and contractual matters and it is, therefore, **RECOMMENDED** that pursuant to the provisions of the Public Bodies (Admissions to Meetings) Act 1960, the public and press be excluded.

## **12. Public Parks**

(TC/13/22-23)

## **13. Town Hall**

(TC/14/22-23)

## **14. Levelling Up Funding – Agreement with Wyre Forest District Council**

(TC/18/22-23)

# Kidderminster Town Council MINUTES

Minutes of  
the Town Council  
meeting held on  
Wednesday 27 July 2022  
in the Council Chamber, Kidderminster Town Hall at 6pm.

**Those Present:** Cllr K Gale, Town Mayor: Cllrs, J. Aston, R. Bishop, G. Connolly, N. Gale, S. Miah, T. Muir, F. Orborski MBE, M. Rayner, D. Ross, J. Smith and E Stokes.

**In Attendance:** Mr Lee Jakeman, Chief Executive, Mrs S. Tandy, Office Manager and Mr R. Stannard, Mayor's Officer.

**C.027 WELCOME BY THE TOWN MAYOR**

The Town Mayor welcomed everyone to the meeting. Prayers were held by the Mayor's Chaplain, Reverend Laura Betson.

**C.028 WELCOME TO MR LEE JAKEMAN, CHIEF EXECUTIVE, KIDDERMINSTER TOWN COUNCIL**

The Town Mayor and Councillor Ross welcomed Mr Jakeman to the Council.

**C.029 APOLOGIES FOR ABSENCE:**

Apologies were received and accepted from Cllrs D. Chambers, D. Hine, H. Dyke, J. Phillips and S. Rook.

*(Clerk's Note: Councillor Rook viewed proceedings remotely)*

**C.030 INTERESTS & DISPENSATIONS**

None received.

**C.031 MINUTES**

**RESOLVED:** That the minutes of the meetings held on the 15 and 28 June 2022 were a true record of the meeting and were duly signed by the Mayor.

**C.032 POLICING UPDATE**

Members received a report from PCSO Luke Holloway regarding local policing in the town. Members were asked to direct any specific questions about policing to the Chief Executive who will email him accordingly.

**C.033****SERVICES COMMITTEE**

**RESOLVED:** That the services committee dates be: 7<sup>th</sup> September, 9<sup>th</sup> November, 8<sup>th</sup> February and 10<sup>th</sup> May 2022, subject to checking the Meeting Calendar.

And

That the CEO will produce draft Terms of Reference for the first meeting and subsequent ratification by the Town Council.

*(Clerk's Note: The first committee meeting scheduled for 7<sup>th</sup> September 2022 will now be held on 8<sup>th</sup> September 2022)*

Members agreed to split the Events and Services Committee

**RESOLVED:** That the following Councillors will serve on the Committees.

Committee	Membership
Finance & Overview (5 members)	D. Ross (Chairman); J. Smith (Vice Chairman); J. Aston, D. Chambers & F. Oborski.
Events (7 members)	N. Gale (Chairman); R. Bishop (Vice-Chairman); G. Connolly, D. Hine, B. Hopkins, S. Miah & M. Rayner
Town Hall (5 members)	D. Ross (Chairman); E. Stokes (Vice Chairman); and B. Hopkins, H. Dyke & F. Oborski.
Services (5 members)	J. Smith, R Bishop, G Connolly, S Miah and
Staffing (5 members)	J. Smith (Chairman); H. Dyke (Vice Chairman) R. Bishop B. Hopkins & S. Rook
Planning (6 members - 1 per ward) <ul style="list-style-type: none"> <li>• Aggborough &amp; Spennells</li> <li>• Blakebrook &amp; Habberley South</li> <li>• Broadwaters</li> <li>• Foley Park &amp; Hoobrook</li> <li>• Franche &amp; Habberley</li> <li>• Offmore &amp; Comberton</li> </ul>	<ul style="list-style-type: none"> <li>• D. Hine</li> <li>• E. Stokes (Chairman)</li> <li>• T. Muir</li> <li>• D. Chambers</li> <li>• G. Connolly (Vice Chairman)</li> <li>• S. Miah</li> </ul>

**C. 034****FINANCE REPORT**

Members received and noted the schedule of payments to date and bank balance. It was noted the any councillors who has specific questions in relation to the report should email the Chief Executive.

**C.035**

**TOWN COUNCILLOR EMAILS**

Members noted that all Councillors had been issued with town council.gov email addresses.

**RESOLVED:** The town council.gov e-mail addresses be used by councillors in official correspondence from Monday 1 August 2022.

Date of next Meeting: Wednesday 14<sup>th</sup> September 2022

The meeting closed at 18.30 pm.

Chairman:

Date:



**KIDDERMINSTER TOWN COUNCIL MEETING  
WEDNESDAY 14<sup>th</sup> SEPTEMBER**

**Expenditure and Income**

**1. Accounts Paid 21<sup>st</sup> July to 31<sup>st</sup> August 2022 (includes some earlier dates)**

<u>Date</u>	<u>Payee</u>	<u>Purpose</u>	<u>Amount Excl. VAT</u>	<u>Ref</u>
<b><u>FINANCE</u></b>				
08/06/2022	Go Cardless		262.80	Debit1105
13/06/2022	O2	Town Clerk Mobile Phone	19.82	DD
13/06/2022	O2	Town Clerk Mobile Phone	16.42	DD
12/07/2022	O2	Town Clerk Mobile Phone	19.82	DD
12/07/2022	O2	Town Clerk Mobile Phone	16.42	DD
25/07/2022	Spitfire	Monthly call charges	67.05	Debit1166
25/07/2022	Wilko	Magazine Trays & Pen Pot	10.42	Debit1167
25/07/2022	B&M	Stationery - Folders / Binders	2.50	Debit1168
25/07/2022	Post Office	Stamps	15.20	Debit1169
25/07/2022	Post Office	Stamps	7.60	Debit1170
01/08/2022	Zoom	Monthly Charge	11.99	Debit1176
04/08/2022	Go Cardless / Nettle	Concierge	219.00	Debit1178
04/08/2022	Barclays Bank	Bank Charges	66.80	DD
05/08/2022	LGRC Associates Ltd	T. Predeth Locum Services - Mileage	270.90	IP1037
11/08/2022	O2	Town Clerk Mobile Phone	19.82	DD
11/08/2022	O2	Town Clerk Mobile Phone	16.42	DD
17/08/2022	Zoom	Monthly Charge	11.99	Debit1187
19/08/2022	Lyreco UK Ltd	Stationery	89.99	Debit1192
22/08/2022	Lyreco UK Ltd	Deed Document Wallet	99.28	Debit1193
24/08/2022	Spitfire	Monthly call charges	67.05	Debit1195
30/08/2022	Zoom	Monthly Charge - 29/08/22- 28/09/22	11.99	Debit1198
			<b><u>1,323.28</u></b>	
<b><u>STAFFING &amp; CIVIC</u></b>				
17/06/2022	Sandras Catering	No detail, but Sumup Receipt provided	219.00	Debit1121
07/07/2022	Vistaprint	Standard Business Cards	25.89	Debit1149
21/07/2022	One Stop Promotions Ltd	50 X BUNTING - RED WHITE AND BLUE	700.00	IP1027
29/07/2022	The Right Fuelcard	Mayoral Car - Fuel	65.01	DD
01/08/2022	Fletcher Associates	Monthly fee for Personnel and Employment Law Scheme	210.00	DD



05/08/2022	The Right Fuelcard	Mayoral Car - Fuel	1.50	DD
05/08/2022	LGRC Associates Ltd	T. Predeth Locum Services June 2022	6,896.37	IP1037
15/08/2022	DPG learn	CIPD Level 5 12 month extension	416.67	Debit1186
18/08/2022	MBFS UK Ltd	Mayoral Car - Hire Charge August	217.45	DD
			<b>8,751.89</b>	

### **EVENTS & SERVICES**

21/04/2022	E.On Next	Elec. Re Horsefair Clock, Kidderminster - 01/03/2022-31/03/2022	33.75	DD
21/06/2022	E.On Next	Elect. Horsefair Clock, Kidderminster - 01/05/2022-31/05/2022	32.18	DD
21/07/2022	E.On Next	Elect. Horsefair Clock, Kidderminster - 01/06/2022-30/06/2022	32.80	DD
21/07/2022	Npower	Electricity Market Street Public Conveniences - 01/06/2022-30/06/2022	223.55	DD
26/07/2022	UK Storage Company	Rental of Unit B143 & Insurance - 21/07/2022-17/08/2022	231.18	Debit1174
28/07/2022	NPower	Electricity - Clock Tower 01/06/22 - 30/06/22	43.94	DD
28/07/2022	Stephen Carrigan T/A Load Street Studios	BEWDLEY PRIMARY SCHOOL/SOUND ENGINEERING	66.00	IP1030
04/08/2022	Graffiti Removal Ltd	1 TUB OF 70 GRAFFITI SAFEWIPES	67.75	IP1032
04/08/2022	John Woodhouse Garden Services	Lengthsman Scheme July 2022	162.75	IP1036
19/08/2022	Npower	Electricity Market Street Public Conveniences - 01/07/2022-31/07/2022	224.08	DD
22/08/2022	R N A Heating	ST GEORGES PADDLING POOL WATER TESTING APPROX 8 WEEKS - 7 DAYS PER WEEK	9,500.00	IP1040
22/08/2022	Waldeck Associates Ltd	JOB NO WCM/220004 BAXTER PARK GARDENS - CAR PARK	1,150.00	IP1042
22/08/2022	Berrington Court Fun Fund	FINANCE TO BERRINGTON COURT TOWARDS COSTS FOR DEMENTIA SUPPORT: INTEGRATION AND GENERATION BOAT TRIP ON RIVER KING FROM STOURPORT ON 22ND AUGUST 2022	400.00	IP1043

23/08/2022	E.On Next	Elect. Horsefair Clock, Kidderminster - 01/07/2022- 31/07/2022	31.05	DD
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26/08/2022	Npower	Electricity - Clock Tower 01/07/22 - 31/07/22	45.42	DD
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**12,244.45**

### **TOWN HALL MANAGEMENT**

19/04/2022	Facebook	New Traffic Ad Set	100.00	Debit1017
13/06/2022	Facebook	Rock for Ukraine - Promotion	25.00	Debit1112
24/06/2022	Facebook	Rock for Ukraine - Promotion	25.00	Debit1134
21/07/2022	Defibstore Ltd	Cardiac Science Powerheart G5 Paediatric Pads	80.00	Debit1165
25/07/2022	Amazon	Clear Name Tag Badge ID card holders (50)	10.82	Debit1171
25/07/2022	Amazon	Lanyard ID card pass holder (25)	21.84	Debit1172
26/07/2022	Greenworks Solutions Ltd	Lavazza LB4702 Barista 2 Head, Auto Steam Wand	212.92	Debit1173
27/07/2022	B&Q	Mortar, dust masks, clearwater strips	25.05	Debit1175
28/07/2022	Signtech (Midlands) Ltd	1 X NEW POOL SAFETY SIGNATE - ST GEORGES PADDLING POOL	275.00	IP1029
28/07/2022	Stephen Carrigan T/A Load Street Studios	MARK BILLY BILLINGHAM/SOUND REINFORCEMENT	150.00	IP1030
01/08/2022	Defib Warehouse / First Rescue Training Supplies Ltd	Powerheart G5 Adult Debrillator Pads	63.33	Debit1177
01/08/2022	WFDC	NNDR - Town Hall August	2,470.00	DD
04/08/2022	WFDC	PROVIDE KTC EMAIL ADDRESS AND LICENCE REQUIREMENT INCLUDING CLOUD BACKUP, TRAINING AND SUPPORT FOR KTC COUNCILLORS ONLY USING THEIR OWN DEVICE 2022/2023 AND SUPPLY 2 X IPADS	2,140.00	IP1029
04/08/2022	PPL PRS Ltd	ROYALTIES DUE FOR THE MUSIC LICENCE KIDDR TOWN HALL - LIVE	715.23	IP1030
04/08/2022	Mark 7 Productions	AN EVENING WITH MARK "BILLY" BILLINGHAM 1ST JULY 2022	6,399.83	IP1033
04/08/2022	Iceland	Milk, Coffee, Tea, Biscuits, Bag	46.49	Debit1180
10/08/2022	GT Access Limited	Hire of Cherry Picker	880.00	Debit1181
10/08/2022	Post Office	Postage	47.50	Debit1182
12/08/2022	Facebook	KTH Link clicks 10/08/22 - 11/08/22	8.41	Debit1183

15/08/2022	Annette Gregory - Kidderminster Jazz Club	Simon Spillett 07/07/22	391.85	Debit1185
18/08/2022	LWC Drinks	Bar Supplies	343.76	Debit1190
22/08/2022	Novar Systems Ltd	CSC FIRE SAFETY - SERVICE CONTRACT PERIOD AUGUST 2022 - JULY 2023	2,059.64	IP1038
22/08/2022	Nicholson & Co Ltd	1 DAY ORGAN TUNING	429.00	IP1039
22/08/2022	Fresh Life Consulting Ltd	KTH PROJECT MANAGEMENT BETWEEN 1.07.2022 TO 31.07.2022	3,381.00	IP1041
22/08/2022	Nettl	JOB NO 5171142 04.04.2022 SUB: KIDDERMINSTER EVENTS	15.00	IP1045
22/08/2022	Nettl	JOB NO 5172281 05.04.2022 SUB: TOWN HALL NETTLE CONCIERGE 3 MONTH	360.00	IP1045
22/08/2022	Nettl	JOB NO 5179801 13.04.2022 SUB: KIDDR TOWN HALL HOSTING	15.00	IP1045
22/08/2022	Nettl	JOB NO 5198493 04.05.2022 SUB: KIDDR EVENTS HOSTING	15.00	IP1045
22/08/2022	Nettl	JOB NO 5199805 05.05.2022 SUB: TOWN HALL NETTL CONCIERGE 3 MONTH	360.00	IP1045
22/08/2022	Nettl	JB NO 5207373 13.05.2022 SUB: KIDDERMINSTER TOWN HALL HOSTING	15.00	IP1045
22/08/2022	Nettl	JOB NUMBER 5208808 15.05.2022 SUB: NETTL SSL CERTIFICATE	29.00	IP1045
22/08/2022	Nettl	JOB NUMBER 5227949 04.06.2022 SUB: KIDDR. EVENTS HOSTING	15.00	IP1045
22/08/2022	Nettl	JOB NUMBER 5228263 SUB: TOWN HALL NETTL: CONCIERGE 3 MONTH	360.00	IP1045
22/08/2022	Nettl	JOB NUMBER 5234561 13.06.2022 SUB: KIDDR TOWN HALL HOSTING	15.00	IP1045
22/08/2022	Nettl	JOB NO 5255630 04.07.2022 SUB: KIDDR EVENTS HOSTING	15.00	IP1045
22/08/2022	Nettl	JOB NO 5256684 05.07.2022 SUB: TOWN HALL NETTL CONCIERGE 3 MONTH	360.00	IP1045
22/08/2022	Nettl	JOB NUMBER 5263611 13.07.2022 SUB: KIDDR TOWN HALL HOSTING	15.00	IP1045

26/08/2022	Greenworks Solutions Ltd	Lavazza LB4702 Barista 2 Head, Auto Steam Wand	212.92	Debit1197
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**22,103.59**

Town Hall Transformation Project

21/07/2022	Glenn Howells Architects Ltd	KTH - JUNE 2022 INVOICES GH TEAM INVOICES - REVISED FEE DRAWDOWN TO REFLECT CURRENT CONSTRUCTION ESTIMATE	8,511.00	IP1028
04/08/2022	Artelia Projects UK Ltd	COST MANAGEMENT SERVICES - JULY 2022	4,104.00	IP1031
04/08/2022	Stage Right Theatre Consultants Ltd	CONSULTANCY SERVICES FOR THEATRE DESIGN AT KTC STAGE 4 JULY 2022	4,246.00	IP1034
04/08/2022	Hoare Lea LLP	KTH REDEVELOPMENT ITEM 3 STAGE 4A - TECHNICAL DESIGN	1,490.00	IP1035
04/08/2022	Trainline	Return to K'ster (Moor Street, Birmingham)	10.82	Debit1179
18/08/2022	Trainline	Train ticket	10.82	Debit1191
22/08/2022	Glenn Howells Architects Ltd	JUNE 2022 - REVISED FEE DRAWDOWN TO REFLECT THE CURRENT CONSTRUCTION ESTIMATE	25,533.00	IP1044

**43,905.64**

**GRANT INCOME**

11/04/2022	Facebook	Promoting Show - Mozart	150.32	Debit1013
26/05/2022	Facebook	Kidd. Male Choir Jubilee Event - Promotion	17.00	Debit1083
27/05/2022	Facebook	Kidd. Male Choir Jubilee Event - Promotion	17.00	Debit1086
07/06/2022	Facebook	Kidd. Male Choir Jubilee Event - Promotion	16.00	Debit1103
21/07/2022	DRP UK Ltd	Falling Sands Viaduct Interactive Presentation	6,000.00	IP1026
21/07/2022	DRP UK Ltd	Final invoice for Falling Sands Viaduct Promo Film	2,000.00	IP1026
22/08/2022	Fresh Life Consulting Ltd	EMPLOYING ARTS DEVELOPMENT OFFICER FOR KTC JULY 2022	2,746.45	IP1041

**10,946.77**

**TOTAL EXPENDITURE**

**99,275.62**

IP – Internet Payment  
Debit – Debit Card Purchase  
DD – Direct Debit

## 2. Income Received 21<sup>st</sup> July to 31<sup>st</sup> August 2022

<u>Date</u>	<u>Payee</u>	<u>Purpose</u>	<u>Amount Excl. Vat £</u>
<b><u>FINANCE</u></b>			
05/08/2022	Barclays	Loyalty Reward	17.49
			<b>17.49</b>
<b><u>STAFFING &amp; CIVIC</u></b>			
08/06/2022	Ebay	Refund re 2 x Platinum Jubilee Banners	14.99
11/07/2022	WFDC	Refund on Admin Fee re WFDC Inv. 80079505	25.00
			<b>39.99</b>
<b><u>TOWN HALL MANAGEMENT</u></b>			
10/06/2022	SumUp Payments	Bar Income	99.29
13/06/2022	SumUp Payments	Bar Income	939.94
21/07/2022	SumUp Payments	Bar Income	47.50
25/07/2022	Banked Income	Bar Income	223.25
25/07/2022	Banked Income	Payment of Invoice 100000359, 100000376, Room Hire and Door Sales	834.66
27/07/2022	Redditch YWCA	Part payment of invoice 100000331 - Cust.400070	352.50
28/07/2022	B&Q	Refund re Clearwater Test Strips (Debit 1175 K006 21010)	10.00
29/07/2022	Newcastle College	Payment of Invoice 100000375 - Debtor 400046 NCG Accounts	313.33
01/08/2022	Banked Income	Sale of Tickets - The Carpenters Experience & We Three Kings	87.00
01/08/2022	S Parker	Payment of Invoice 10000394 Debtor 400096	380.83
08/08/2022	WFDC	PAYMENT TO KTC FOR FUND 45 & DEBTORS INCOME 01.06.2022 TO 31.07.2022	14,073.06
11/08/2022	Dawson M	Payment of invoice 100000404 100000414 - Debtor 400132	150.00
11/08/2022	Wyre Forest Historical Society	Payment of invoice 100000411 - Debtor 400026	37.50
15/08/2022	Banked Income	Bar Income	157.08
15/08/2022	Kidderminster BID	Payment of invoice 100000397 - Debtor 400131	1,425.00
16/08/2022	SumUp Payments	Bar Income	550.83
16/08/2022	WFDC	WFDC Grant Income Q2 2022/23	7,470.00
16/08/2022	Severn Arts	Payment of invoice 100000406 - Debtor 400067	451.82
16/08/2022	WFDC	Payment of invoice 100000402 - Debtor 400072	56.67

17/08/2022	GT Access Ltd	Refund for deposit re Hire of Cherry Picker	172.00
18/08/2022	Banked Income	J Griffiths - Wedding Income	50.00
22/08/2022	Banked Income	Wedding Ceremony - J Griffiths	200.00
22/08/2022	S Parker	Payment of invoice 10000412 - Debtor 400096	357.01
24/08/2022	Ex Cathedra Ltd	Payment of invoice 100000421 - Debtor 400113	108.33
26/08/2022	Vestia	Payment of invoice 100000417 - Debtor 400121	256.67
26/08/2022	PM LLP Office Birmingham	Payment of invoice 100000420 - Debtor 400134	60.67
26/08/2022	Kidderminster College	Payment of invoice 100000401 and 100000416 - Debtor 400046	1,175.00
Various	Various	Wedding Income	1,016.67
Various	Various	Rents	125.00
Various	Various	Delivery Fee	28.75
Various	Various	Booking Fee	380.50
Various	Various	Hirers ticket income	6,257.50
Various	Various	Event income	2,888.63
			<b>40,736.99</b>
<b>TOTAL INCOME</b>			<b>40,794.47</b>

### 3. Balances

Bank Balance as at 31<sup>st</sup> August 2022: **£443,679.09**

TC/8/22-23

## Budget Monitoring as at 31 August 2022

KIDDERMINSTER TOWN COUNCIL	2022/23 Original Budget	2022/23 Actual to 31/08/22	2022/23 Variance Budget to Actual
	£	£	£
<b>COMMITTEE</b>			
1. COUNCIL	(779,040)	(415,580)	(363,460)
2. FINANCE	71,110	29,606	41,505
3. STAFFING & CIVIC	220,250	68,150	152,100
4. EVENTS & SERVICES	197,830	45,825	152,005
5. TOWN HALL / TOWN COUNCIL	289,850	229,528	60,322
6. TOWN HALL / TRUST	0	0	0
7. GRANT INCOME	0	(1,693)	1,693
<b>TOTAL NET EXPENDITURE/(INCOME)</b>	<b>0</b>	<b>(44,164)</b>	<b>44,164</b>



KIDDERMINSTER TOWN COUNCIL	2022/23 Original Budget	2022/23 Actual to 31/08/22	2022/23 Variance Budget to Actual
	£	£	£
<b>1. COUNCIL</b>			
<b>EXPENDITURE</b>			
Contribution to future Election costs	10,000	0	10,000
Contribution to future Election costs (b/f from 17/18, 18/19, 19/20 & 20/21)	57,720	0	57,720
Contingency for Pay Award	8,180	0	8,180
Contingency	33,940	0	33,940
<b>GROSS EXPENDITURE</b>	<b>109,840</b>	<b>0</b>	<b>109,840</b>
<b>INCOME</b>			
Precepts	(831,160)	(415,580)	(415,580)
Earmarked Reserve - Election costs	(57,720)	0	(57,720)
<b>GROSS INCOME</b>	<b>(888,880)</b>	<b>(415,580)</b>	<b>(473,300)</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>(779,040)</b>	<b>(415,580)</b>	<b>(363,460)</b>

KIDDERMINSTER TOWN COUNCIL	2022/23 Original Budget	2022/23 Actual to 31/08/22	2022/23 Variance Budget to Actual
	£	£	£
<b>2. FINANCE</b>			
<u>EXPENDITURE</u>			
SUPPLIES AND SERVICES			
General Office Expenses	7,000	1,837	5,163
Audit Fees	1,750	0	1,750
Professional Subscriptions	3,100	2,739	361
Insurances	7,500	7,163	337
Discretionary Grants	5,000	5,000	0
Ward Grants	9,000	950	8,050
SUPPORT SERVICES			
WFDC Finance support	21,540	5,385	16,155
WFDC ICT	10,430	5,083	5,347
WFDC Legal	5,790	1,448	4,343
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>71,110</b>	<b>29,606</b>	<b>41,505</b>

KIDDERMINSTER TOWN COUNCIL	2022/23 Original Budget	2022/23 Actual to 31/08/22	2022/23 Variance Budget to Actual
	£	£	£
<b>3. STAFFING AND CIVIC</b>			
<u>EXPENDITURE</u>			
EMPLOYEE COSTS			
Salary Costs	116,720	13,997	102,723
National Insurance	12,090	988	11,102
Pension Costs	12,800	2,337	10,463
Agency Staff	40,000	30,963	9,037
Town Crier	500	0	500
Town Mayor's allowance	6,860	0	6,860
Deputy Mayor's allowance	2,260	706	1,554
SUPPLIES AND SERVICES			
Training	4,500	1,140	3,360
Mayoral Car	4,500	1,564	2,936
Mayor and Civic Budget	15,000	8,492	6,508
Jubilee Events	0	4,575	(4,575)
Twinning	2,500	138	2,363
HR Advice	2,520	5,175	(2,655)
<b>GROSS EXPENDITURE</b>	<b>220,250</b>	<b>70,075</b>	<b>150,175</b>
INCOME			
Grant Income	0	(500)	500
Income Miscellaneous	0	(1,425)	1,425
<b>GROSS INCOME</b>	<b>0</b>	<b>(1,925)</b>	<b>1,925</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>220,250</b>	<b>68,150</b>	<b>152,100</b>

KIDDERMINSTER TOWN COUNCIL	2022/23 Original Budget	2022/23 Actual to 31/08/22	2022/23 Variance Budget to Actual
	£	£	£
<b>4. EVENTS AND SERVICES</b>			
<u>EXPENDITURE</u>			
EMPLOYEE COSTS			
Salary Costs	45,650	11,534	34,116
National Insurance	5,500	1,375	4,125
Pension Costs	2,280	226	2,054
RUNNING COSTS			
Parks	41,610	1,700	39,910
St Mary's Churchyard	12,990	3,248	9,743
Statues and Memorials	4,950	1,667	3,283
Maintenance of Street Furniture - cleaning and replacement	5,200	1,072	4,128
St Georges Paddling Pool	4,500	13,033	(8,533)
Market Street Public Conveniences	23,400	6,080	17,320
Grounds Maintenance (Allotments)	4,000	828	3,173
Lengthsman	200	1,513	(1,313)
Dementia Services	3,000	1,271	1,729
Grit Bins	1,000	0	1,000
Kidderminster Arts Support	5,000	0	5,000
Town Centre Hanging flowers and Planting	13,000	3,163	9,838
Christmas Lights	29,000	0	29,000
<b>GROSS EXPENDITURE</b>	<b>201,280</b>	<b>46,709</b>	<b>154,571</b>
INCOME			
Lengthsman Income	0	264	(264)
Grant Income	0	(100)	100
Contribution from External Bodies	0	(750)	750
Earmarked Reserve - Dementia	0	(298)	298
Earmarked Reserve - Baxter / Rowland Hill Statue	(500)	0	(500)
Earmarked Reserve - War Memorials	(2,950)	0	(2,950)
<b>GROSS INCOME</b>	<b>(3,450)</b>	<b>(884)</b>	<b>(2,566)</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>197,830</b>	<b>45,825</b>	<b>152,005</b>

KIDDERMINSTER TOWN COUNCIL	2022/23 Original Budget	2022/23 Actual to 31/08/22	2022/23 Variance Budget to Actual
	£	£	£
<b>5. TOWN HALL / TOWN COUNCIL</b>			
<u>EXPENDITURE</u>			
EMPLOYEE COSTS			
Salary Costs	104,960	35,625	69,335
National Insurance	9,420	2,782	6,638
Pension Costs	17,600	4,153	13,447
RUNNING COSTS			
Town Hall Net Running Costs	119,470	167,229	(47,759)
Town Hall Project Support	30,000	11,339	18,662
ICT Contribution	8,400	8,400	0
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>289,850</b>	<b>229,528</b>	<b>60,322</b>

KIDDERMINSTER TOWN COUNCIL	2022/23 Original Budget	2022/23 Actual to 31/08/22	2022/23 Variance Budget to Actual
	£	£	£
<b>6. TOWN HALL</b>			
<u>EXPENDITURE</u>			
EMPLOYEE COSTS			
Salary Costs	104,960	35,625	69,335
National Insurance	9,420	2,782	6,638
Pension Costs	17,600	4,153	13,447
Town Hall Project Support	30,000	11,339	18,662
Honorarium - Town Hall Organist	400	0	400
Staff Car Parking Passes	1,000	0	1,000
Training	4,000	0	4,000
RUNNING COSTS			
Mobile Phone Charges	530	442	88
Broadband/WIFI	200	0	200
Purchase & Rental of Vending Machines	180	117	63
Clothing and Uniforms	200	33	167
Print Management Recharge	380	0	380
General Office Expenses	630	251	379
Bank Charges	500	183	317
Public Performance and Wedding Licence	300	1,656	(1,356)
Arts Council Expenditure	0	2,280	(2,280)
OVERHEADS			
Repairs and Maintenance of Buildings	5,000	6,367	(1,367)
Maintenance of Town Hall Organ	0	858	(858)
Lift Maintenance	1,000	0	1,000
Electricity	8,000	2,598	5,403
Gas	7,000	1,407	5,593
Non Domestic Rates	12,200	13,093	(893)
Water and Sewerage Rates	6,000	9,299	(3,299)
Fire and Burglar Precaution Alarms Maintenance	1,500	3,965	(2,465)
Window Cleaning	700	0	700
Waste Disposal Charges	1,400	0	1,400
Cleaning Contract	13,000	6,933	6,067
Hygiene and Towel Services	1,500	159	1,341
Insurance	19,600	16,714	2,886
Town Hall Transformation Project	0	111,345	(111,345)
ICT Contribution	8,400	8,400	0
Support Services - Finance	14,220	3,555	10,665
Support Services - ICT	19,150	4,788	14,362
Support Services - Legal	1,480	370	1,110
Support Services - Facilities Management	10,300	2,575	7,725
EVENTS AND MARKETING			
Marketing and Design	3,000	2,688	312



KIDDERMINSTER TOWN COUNCIL	2022/23 Original Budget	2022/23 Actual to 31/08/22	2022/23 Variance Budget to Actual
	£	£	£
Wedding Ceremonies and Receptions Expenditure	100	0	100
Town Hall Event Expenditure	0	22,311	(22,311)
Hirers Ticket Expenditure	5,000	12,250	(7,250)
Refreshment Expenditure	0	1,079	(1,079)
Bar Purchases	0	7,779	(7,779)
Donation Expenditure	0	535	(535)
Christmas Events	0	88	(88)
Sound and Lighting	0	150	(150)
<b>GROSS EXPENDITURE</b>	<b>308,850</b>	<b>298,167</b>	<b>10,683</b>
<b>INCOME</b>			
Grant Income	0	(14,940)	14,940
Grant Income LUF	0	28,489	(28,489)
Refreshment Sales	0	(462)	462
Wedding Ceremonies and Receptions	(8,000)	(8,894)	894
Rents	(7,000)	(9,820)	2,820
Hirers Ticket Income	0	(28,202)	28,202
Delivery Fee	0	(110)	110
Booking Fee	0	(1,742)	1,742
Sound and Lighting Income	0	(608)	608
Sales	0	(263)	263
Bar Income	0	(18,481)	18,481
Town Hall Event Income	0	(8,445)	8,445
Registrar Rental Income	(4,000)	0	(4,000)
Duty Manager Recharge	0	(1,433)	1,433
Miscellaneous Income	0	(807)	807
Donation Income	0	(535)	535
Third Party Hirers Insurance Income		(108)	
Release of Earmarked Reserve	0	(2,280)	2,280
<b>GROSS INCOME</b>	<b>(19,000)</b>	<b>(68,639)</b>	<b>49,531</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>289,850</b>	<b>229,528</b>	<b>60,214</b>



KIDDERMINSTER TOWN COUNCIL	2022/23 Original Budget £	2022/23 Actual to 31/08/22 £	2022/23 Variance Budget to Actual £
<b>7. GRANT INCOME</b>			
<u>EXPENDITURE</u>			
Cultural Recovery Fund Grant Expenditure (K007)	0	200	(200)
Cultural Recovery Fund Grant 2 Expenditure (K008)	0	11,618	(11,618)
Light Up Kidderminster Expenditure (K010)	0	8,300	(8,300)
<b>GROSS EXPENDITURE</b>	<b>0</b>	<b>20,118</b>	<b>(20,118)</b>
<u>INCOME</u>			
Earmarked Reserve Release - Cultural Recovery Fund (K007)	0	(200)	200
Earmarked Reserve Release - Cultural Recovery Fund 2 (K008)	0	(11,618)	11,618
Grant Income - Light Up Kidderminster (K010)	0	(9,993)	9,993
<b>GROSS INCOME</b>	<b>0</b>	<b>(21,811)</b>	<b>21,811</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>0</b>	<b>(1,693)</b>	<b>1,693</b>

**KIDDERMINSTER TOWN COUNCIL  
TOWN COUNCIL MEETING**

**28<sup>th</sup> September 2022**

LJ/2022

20<sup>th</sup> September 2022

REPORT TO TOWN COUNCILLORS

AGENDA ITEM 7.1 – PUBLIC WORKS LOAN BOARD (PWLB) FINANCING

AIM

1. To approve a formal application to the PWLB for a loan of £500,000, to contribute to the cost of the Town Hall Refurbishment project.

BACKGROUND

2. The Town Council has developed a project to refurbish the Town Hall as part of the Levelling Up Fund (LUF) bid (£17,942,766) being secured by Wyre Forest District Council.
3. The Town hall refurbishment element of the project is £8,674,936. The Town Council has agreed to be the delivery partner of the Town Hall project while Wyre Forest District Council and Worcestershire County Council will deliver the 2 other complementary projects. The 2 other projects being; the regeneration of the Canal and its tow path to improve connectivity with Stour Valley Country Park, and Wilden Marsh SSSI, and the regeneration of an empty building and conversion for commercial use (boutique hotel). The empty building lies directly behind the Town Hall and the canal runs through the Town Centre and as close as 150m from the Town Hall.
4. The grant funding requires that 10% of the cost of the projects (i.e. in the case of the Town Hall project £867,494) are funded by a local contribution. Via an MOU between Kidderminster Town Council has been agreed which commits Kidderminster Town Council to provide the local contribution.
5. Applications are required in a prescribed format. Advice in general, how to apply and the application form can be found at [About PWLB lending \(dmo.gov.uk\)](https://www.dmo.gov.uk/about-pwlb-lending) and required to be submitted to the Secretary of State (Department for Levelling Up, Housing & Communities).
6. Town and Parish Councils are required to process applications to the PWLB through County Associations. The CEO of Kidderminster Town Council met with the Executive Officer (Christopher Wayman) of Worcestershire County Association

of Local Councils on 9th August to discuss the application process and was provided with, the formal application form and accompanying reference documents.

7. The Town Council has previously indicated its desire to part fund the local contribution through a loan of £500k through the Public Works Loan Board, Town Council minute C.022 dated 15<sup>th</sup> June 2022 refers. However, that was not sufficient to support a formal application to the Secretary of State. The guidance from DLHUC provides a specific form of words to resolved along with some specific evidence that must be presented to the Town Council before it might pass the resolution.
8. The CEO has completed the application form with due regard for the guidance provided by the Worcestershire County Association (for local councils) and members are being asked to approve the application.

## DISCUSSION/ COMMENT

### Affordability

9. Enclosed is a report on the Council's budget for the current year and a 4 year forward budget, which demonstrates that the Town Council can afford the cost of the loan repayments without need to increase the precept (subject to some reasonable assumptions). The forward budget demonstrates that loan repayments of circa £37k per annum can be funded through cost savings during development, largely due to the requirement not to pay the £29k annual non-domestic rates bill. Beyond that and when the Town Hall opens again (2 years) the loan costs will be funded through efficiencies (e.g. reduced utility costs), the consultants fees no longer being required, theatre ticket and venue sales coming back on line, along with increased revenue streams in other Council service areas.
10. Delivery of the project and the ongoing venture centres around a formal options appraisal and Outline Business Plan produced in June 2020 and further refined in Mar 2022.

### Public Consultation

11. There being no requirement to increase the precept results in there being no need to consult the public specifically regarding an increase in the precept. However, the public have been consulted through:
  - a. A series of consultation events at the Town Hall over the past 12 months,
  - b. Display boards being publicly displayed in the foyer of the Town Hall at the entrance to the cafe,
  - c. A summary of the project being published on the Town Council's website,

- d. The subject appearing regularly on the publicly published agenda of Town Council meetings over the past 16 months, which in turn are open to the public.

## FINANCIALS

12. The funding of just over £7m is dependent upon agreement of the Town Council for match funding of 10% (£867,494).
13. £200k is being sourced through the Kidderminster Educational Fund (KEF) - a charity which has restricted funds of £200k for capital works related to "the provision of facilities for recreation and other leisure-time occupations and development and improvement of knowledge, understanding and practice of the arts and crafts which serve the arts."
14. £100k of Town Council finances has been set aside by resolution of the Town Council to contribute to the 'local contribution (minute c.624 dated 26 May 2021 refers).
15. A PWLB of £500K, the £200k Grant from KEF and the £100k of Town Council Earmarked Funds combined produce a local contribution of £800k. A shortfall of £67k remains.
16. The Town Council as at 31<sup>st</sup> March 2022 had a general reserve of £448,943 (of which £100k has been earmarked for the project). Current estimates indicate an underspend that will add to the level of this year's general reserve (circa £71k) and this leaves some headroom to accommodate some increases to services and provide a buffer in the current climate of excessive inflationary pressures. Maintaining a flat cash value of the precept (£831k) for the next 2 years will likely see further increases in the general reserve and will likely provide more than sufficient headroom to accommodate the current volatility in costs worldwide.
17. There is an alternative option to raise £500k (other than a PWLB), and that is directly through an increase in next year's precept. With a Council Tax Base of just over 17,000, £500k can be realised by increasing the Band D equivalent from £47.50 by just under £30 per household (to £97). The year after would see the Band D return to a figure close to the current £47.50. Town Councils have repeatedly been asked by central government to show restraint in imposing high increases to Council Tax (or risk losing the privilege of uncapped taxation). A precept increase of some 62% appears wholly unreasonable.
18. PWLB interest rates vary and are set by the Treasury. Current loan rates are available through the Treasury Website, [Fixed Rate Loans - Estimated Repayment Costs](https://www.dmo.gov.uk/loans/estimated-repayment-costs) ([dmo.gov.uk](https://www.dmo.gov.uk)). Current estimated costs of a £500k loan are enclosed which indicates that the loan repayments every 6 months would be £18,472.33 (£36,944.66 per annum) throughout the term.

19. With the benefit of the project being gained is over many years it is considered appropriate that the cost (of the borrowing) is also spread over many years; a PWLB is preferable to a sudden and significant uplift for one year in the precept.
20. A draft budget which includes forward budgets until FY 2026/27 is enclosed and includes estimated loan repayments. It seeks to demonstrate that the 'business as usual' activity can likely be achieved with a precept fluctuation over the next 4 years of between £805k to £830k. This can be levelled out by appropriate use of the general reserve in specific years to an average of £820k.

## SUMMARY

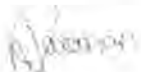
21. Kidderminster Town Council is required to fund a £867k contribution to add to the Levelling Up Fund Grant, to make much needed improvements to the Town Hall (e.g. energy efficiency, redesigning layout to increase useability and to significantly improve accessibility). A vibrant Town Hall providing significant arts facilities to the community is considered to be essential to the aspirations of improving the economy of the Town Centre.
22. £500k of the Town Council funding is being proposed via a Loan from the PWLB over a period of 20 years.
23. Adding £37k each year to the budget to pay for the loan repayments leaves the estimated average precept at £820k per annum (£11k below the current precept).

## RECOMMENDATION(s)

24. It is recommended that the Town Council RESOLVES:

To seek the approval of the Secretary of State for Levelling Up, Housing and Communities to apply for a PWLB loan of £500,000 over the borrowing term of 20 years for the redevelopment of Kidderminster Town Hall. The annual loan repayments will come to around £37,000.

It is not intended to increase the council tax precept for the purpose of the loan repayments.



Lee Jakeman  
Chief Exec

Encls:

1. Kidderminster Town Council Current a Forward Budget Estimates to 2026/27

2. Kidderminster Town Council Parish and Town Borrowing Application Form 2022-2023.
3. Fixed Rate Loans - Estimated Repayment Costs, dated 20 September 2022.



# KIDDERMISTER TOWN COUNCIL - Forward Budget Estimates 2022 to 2027 (Including PWLB)

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual	2022/23 Actual to 31/08/22	2022/23 Original Budget	2022/23 Predicted Outturn	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Summary Page	£	£	£	£	£	£	£	£
COMMITTEE								
1. COUNCIL	(724,443)	(415,580)	(779,040)	(770,220)	60,000	71,000	72,000	73,000
2. FINANCE	76,227	29,606	71,110	74,280	68,760	61,550	54,750	63,250
3. STAFFING & CIVIC	206,404	68,150	220,250	228,980	189,170	189,070	169,970	169,770
4. EVENTS & SERVICES	121,606	45,825	197,830	142,153	122,140	155,130	202,730	204,030
5. TOWN HALL / TOWN COUNCIL	0	229,528	289,850	253,032	334,828	291,714	293,250	282,410
6. TOWN HALL / TRUST	314,502	0	0	0	0	0	0	0
7. GRANT INCOME	0	(1,693)	0	0	0	0	0	0
8. PWLB Loan					36,945	36,945	36,945	36,945
TOTAL NET EXPENDITURE/(INCOME)	(5,705)	(44,164)	0	(71,775)	811,843	805,409	829,645	829,405



KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/08/22 £	2022/23 Original Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
<b>1. COUNCIL</b>								
<b>EXPENDITURE</b>								
Contribution to future Election costs	0	0	10,000	10,000	0	10,000	10,000	10,000
Contribution to future Election costs (b/f from 17/18, 18/19, 19/20 & 20/21)	31,957	0	57,720	57,720	0	0	0	0
Contingency for Pay Award	0	0	8,180	17,000	30,000	36,000	42,000	48,000
Contingency	0	0	33,940	33,940	30,000	25,000	20,000	15,000
Creation of Earmarked Reserve	10,000		0	0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>41,957</b>	<b>0</b>	<b>109,840</b>	<b>118,660</b>	<b>60,000</b>	<b>71,000</b>	<b>72,000</b>	<b>73,000</b>
<b>INCOME</b>								
Precepts	(734,443)	(415,580)	(831,180)	(831,160)				
Earmarked Reserve - Election costs	(31,957)	0	(57,720)	(57,720)	0	0	0	0
<b>GROSS INCOME</b>	<b>(766,399)</b>	<b>(415,580)</b>	<b>(888,880)</b>	<b>(888,880)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>(724,443)</b>	<b>(415,580)</b>	<b>(779,040)</b>	<b>(770,220)</b>	<b>60,000</b>	<b>71,000</b>	<b>72,000</b>	<b>73,000</b>

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual	2022/23 Actual to 31/08/22	2022/23 Original Budget	2022/23 Predicted Outturn	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£	£	£	£	£	£	£	£
<b>2. FINANCE</b>								
<b>EXPENDITURE</b>								
<b>SUPPLIES AND SERVICES</b>								
General Office Expenses	11,844	1,837	7,000	7,000	5,000	5,000	5,200	5,200
print management re-charge					600	600	600	600
mobile phones					500	500	500	500
Audit Fees	1,600	0	1,750	1,750	1,750	1,750	1,750	1,750
Professional Subscriptions	3,076	2,739	3,100	3,200	3,200	3,200	3,200	3,200
Insurances	6,599	7,163	7,500	7,500	7,500	7,500	9,000	9,000
Purchase of Artefacts	2,000	0	0	0	0	0	0	0
Discretionary Grants	3,000	5,000	5,000	5,000	0	0	0	0
Ward Grants	7,500	950	9,000	9,000	9,000	9,000	9,000	9,000
<b>SUPPORT SERVICES</b>								
WFDC Finance support	21,010	5,385	21,540	21,540	21,790	20,000	20,500	21,000
WFDC ICT	13,947	5,083	10,430	13,500	13,500	10,000	1,000	9,000
WFDC Legal	5,650	1,448	5,790	5,790	5,920	4,000	4,000	4,000
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>76,227</b>	<b>29,606</b>	<b>71,110</b>	<b>74,280</b>	<b>68,760</b>	<b>61,550</b>	<b>54,750</b>	<b>63,250</b>

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/08/22 £	2022/23 Original Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
<b>3. STAFFING AND CIVIC</b>								
<b>EXPENDITURE</b>								
<b>EMPLOYEE COSTS</b>								
Salary Costs	111,516	13,997	116,720	116,720	116,720	116,720	116,720	116,720
National Insurance	8,248	988	12,090	12,090	12,090	12,090	12,090	12,090
Pension Costs	7,960	2,337	12,800	12,800	12,800	12,800	12,800	12,800
Temporary office relocation expenses				6,500	19,500	19,500	0	0
Agency Staff	28,608	30,963	40,000	35,000	0	0	0	0
Town Crier	500	0	500	500	500	500	500	500
Town Mayor's allowance	7,713	0	6,860	6,860	6,860	6,860	6,860	6,860
Deputy Mayor's allowance	2,353	706	2,260	2,260	0	0	0	0
Contingency for Tax/NI	(4,122)	0	0	0	0	0	0	0
Creation of Earmarked Reserve	4,122	0	0	0	0	0	0	0
<b>SUPPLIES AND SERVICES</b>								
Training	3,072	1,140	4,500	4,500	1,500	1,500	2,000	2,000
Mayoral Car	3,979	1,564	4,500	4,500	4,500	4,500	4,500	4,500
Mayor and Civic Budget	22,763	8,492	15,000	15,000	10,000	10,000	10,000	10,000
Jubilee Events	0	4,575	0	4,575	0	0	0	0
Twinning	0	138	2,500	2,500	1,900	1,800	1,500	1,300
HR Advice	9,693	5,175	2,520	5,175	2,800	2,800	3,000	3,000
<b>GROSS EXPENDITURE</b>	<b>206,404</b>	<b>70,075</b>	<b>220,250</b>	<b>228,980</b>	<b>189,170</b>	<b>189,070</b>	<b>169,970</b>	<b>169,770</b>
<b>INCOME</b>								
Grant Income	0	(500)	0	0	0	0	0	0
Income Miscellaneous	0	(1,425)	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>0</b>	<b>(1,925)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>206,404</b>	<b>68,150</b>	<b>220,250</b>	<b>228,980</b>	<b>189,170</b>	<b>189,070</b>	<b>169,970</b>	<b>169,770</b>

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/08/22 £	2022/23 Original Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
<b>4. EVENTS AND SERVICES</b>								
<b>EXPENDITURE</b>								
<b>EMPLOYEE COSTS</b>								
Salary Costs	18,179	11,534	45,650	45,650	45,650	45,650	45,650	45,650
National Insurance	1,993	1,375	5,500	5,500	5,500	5,500	5,500	5,500
Pension Costs	0	226	2,280	2,280	2,280	2,280	2,280	2,280
<b>RUNNING COSTS</b>								
Parks	690	1,700	41,610	32,000				
changes to services					40,000	42,000	44,000	46,000
changes to services					500	500	500	500
service expansion contingency					18,000	19,000	19,000	19,000
St Mary's Churchyard	20,399	3,248	12,990	12,990	13,310	9,000	9,000	9,000
Statues and Memorials	1,305	1,667	4,950	3,950	1,500	1,500	1,500	1,500
Maintenance of Street Furniture - cleaning and replacement	6,207	1,072	5,200	5,200	5,200	5,200	5,500	5,700
St Georges Paddling Pool	7,500	13,033	4,500	13,033	4,500	4,800	4,700	4,800
Market Street Public Conveniences	19,714	6,080	23,400	24,000	25,000	25,500	26,000	26,400
Grounds Maintenance (Allotments)	4,460	828	4,000	4,000	4,000	4,000	0	0
Lengthsman	4,830	1,513	200	200	200	200	200	200
Dementia Services	1,217	1,271	3,000	3,000	1,000	700	400	0
Creation of Earmarked Reserve	1,783							
Grit Bins	792	0	1,000	1,000	1,000	1,000	1,000	1,000
Kidderminster Arts Support	0	0	5,000	2,000	2,500	2,500	2,500	2,500
Town Centre Hanging flowers and Planting	12,340	3,163	13,000	13,000	13,000	13,000	13,000	13,000
Christmas Lights	25,274	0	29,000	29,000	29,000	29,000	29,000	29,000
Christmas - Santa in the Town Hall	2,492			0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>129,174</b>	<b>46,709</b>	<b>201,280</b>	<b>196,803</b>	<b>212,140</b>	<b>211,130</b>	<b>209,730</b>	<b>212,030</b>
<b>INCOME</b>								
No Barriers Award Grant Income	(1,000)			0				
Lengthsman Income	14,318	264	0	0				
Income - External Works	(2,250)			0				
changes to services				(50,000)	(85,000)	(50,000)	0	0
changes to services				(1,200)	(5,000)	(6,000)	(7,000)	(8,000)
Grant Income	0	(100)	0	0	0			
Contribution from External Bodies	0	(750)	0	0	0			
Earmarked Reserve - Dementia	0	(296)	0	0	0			
Earmarked Reserve - Baxter / Rowland Hill Statue	0	0	(500)	(500)	0			
Earmarked Reserve - War Memorials	0	0	(2,950)	(2,950)	0			
<b>GROSS INCOME</b>	<b>(7,568)</b>	<b>(884)</b>	<b>(3,450)</b>	<b>(54,650)</b>	<b>(90,000)</b>	<b>(56,000)</b>	<b>(7,000)</b>	<b>(8,000)</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>121,606</b>	<b>45,825</b>	<b>197,830</b>	<b>142,153</b>	<b>122,140</b>	<b>155,130</b>	<b>202,730</b>	<b>204,030</b>

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/08/22 £	2022/23 Original Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
5. TOWN HALL / TOWN COUNCIL	N/A for 21/22							
EXPENDITURE								
EMPLOYEE COSTS								
Salary Costs		35,625	104,960	115,164	115,164	105,000	105,000	105,000
National Insurance		2,782	9,420	9,420	9,420	9,420	9,420	9,420
Pension Costs		4,153	17,600	17,600	17,600	17,600	17,600	17,600
RUNNING COSTS								
Town Hall Net Running Costs		167,229	119,470	72,448	162,644	159,694	161,230	150,390
Town Hall Project Support		11,339	30,000	30,000	30,000	0	0	0
ICT Contribution		8,400	8,400	8,400	0	0	0	0
TOTAL NET EXPENDITURE / (INCOME)	0	229,528	289,850	253,032	334,828	291,714	293,250	282,410

See 6. Town Hall for detail

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/08/22 £	2022/23 Original Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
<b>6. TOWN HALL</b>								
<b>EXPENDITURE</b>								
<b>EMPLOYEE COSTS</b>								
Salary Costs	120,355	35,625	104,960	105,000	105,000	105,000	105,000	105,000
Supplementary staff				10,164	10,164	0	0	0
National Insurance	9,107	2,782	9,420	9,420	9,420	9,420	9,420	9,420
Pension Costs	16,155	4,153	17,600	17,600	17,600	17,600	17,600	17,600
Town Hall Project Support	44,715	11,339	30,000	30,000	30,000	0	0	0
Honorarium - Town Hall Organist	400	0	400	400	0	0	400	400
Staff Car Parking Passes	0	0	1,000	0	0	0	1,000	1,000
Training	387	0	4,000	1,000	1,500	1,600	1,700	2,000
<b>RUNNING COSTS</b>								
Mobile Phone Charges	527	442	530	530	530	530	530	530
Broadband/WIFI	0	0	200	0	0	0	0	0
Purchase & Rental of Vending Machines	392	117	180	180	0	0	200	200
Clothing and Uniforms	568	33	200	200	200	200	200	200
Print Management Recharge	743	0	380	380	0	0	500	500
General Office Expenses	1,336	251	630	630	500	500	750	750
Bank Charges	986	183	500	500	750	750	750	800
Public Performance and Wedding Licence	1,242	1,656	300	300	0	0	300	300
Arts Council Expenditure	8,104	2,280	2,280	2,280	0	0	0	0
<b>OVERHEADS</b>								
Repairs and Maintenance of Buildings	95,946	6,367	5,000	9,000	4,000	4,000	4,000	4,000
Maintenance of Town Hall Organ	969	858	0	858	0	0	1,000	1,000
Lift Maintenance	0	0	1,000	0	0	0	1,000	1,000
Electricity	13,983	2,598	8,000	8,000	4,000	4,000	12,000	14,000
Gas	10,582	1,407	7,000	7,000	3,000	3,000	12,000	15,000
Non Domestic Rates	25,443	13,093	12,200	18,600	0	0	25,000	25,000
Water and Sewerage Rates	9,570	9,299	6,000	9,299	9,500	9,500	9,500	9,500
Fire and Burglar Precaution Alarms Maintenance	4,282	3,965	1,500	4,000	0	0	5,000	5,000
Window Cleaning	687	0	700	350	0	0	1,000	1,000
Waste Disposal Charges	2,463	0	1,400	1,400	0	0	2,500	2,600
Cleaning Contract	26,791	6,933	13,000	9,000	2,000	2,000	20,000	20,000
Hygiene and Towel Services	3,251	159	1,500	1,500	0	0	3,000	3,000
Insurance	15,771	16,714	19,600	16,714	16,714	16,714	20,000	20,100
Town Hall Transformation Project	318,095	111,345	0	0	85,000	85,000		
ICT Contribution	8,400	8,400	8,400	8,400	0	0	0	0
Support Services - Finance	14,100	3,555	14,220	14,720	15,000	15,000	15,000	15,000
Support Services - ICT	20,902	4,788	19,150	19,150	17,430	14,900	14,900	15,010
Support Services - Legal	1,430	370	1,480	1,480	1,520	0	0	0
Support Services - Facilities Management	10,140	2,575	10,300	10,300	1,000	1,000	12,000	12,000
<b>EVENTS AND MARKETING</b>								
Marketing and Design	7,573	2,688	3,000	3,000	500	1,500	3,000	3,000
Wedding Ceremonies and Receptions Expenditure	0	0	100	100	0	0	500	500
Town Hall Event Expenditure	8,697	22,311	0	23,000	500	500	500	0
Hirers Ticket Expenditure	18,496	12,250	5,000	12,250	0	0		
Refreshment Expenditure	458	1,079	0	0	0	0		
Bar Purchases	19,589	7,779	0	7,779	0	0		
Donation Expenditure	0	535	0	535	0	0		
Christmas Events	2,050	88	0	4,000	2,000	2,000	3,000	3,000
Sound and Lighting	0	150	0	150				
<b>GROSS EXPENDITURE</b>	<b>844,682</b>	<b>298,167</b>	<b>311,130</b>	<b>369,169</b>	<b>337,828</b>	<b>294,714</b>	<b>303,250</b>	<b>308,410</b>



KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/08/22 £	2022/23 Original Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
<b>INCOME</b>								
Grant Income WFDC Transfer	(43,320)	(14,940)	0	(29,880)	0	0	0	0
Grant Income WFDC Stonework	(49,500)	0	0	0				0
Grant Income HMRC	(1,930)	0	0	0				
Grant Income Architectural Heritage	(47,250)	0	0	0				
Grant Income LUF	(273,401)	28,489	0	0				
Refreshment Sales	(133)	(462)	0	0				
Wedding Ceremonies and Receptions	(13,250)	(8,394)	(5,000)	(8,394)	0	0	(2,000)	(18,000)
Rents	(11,061)	(9,320)	(7,000)	(9,320)	0			
Hirers Ticket Income	(37,225)	(28,202)	0	(28,202)				
Delivery Fee	(154)	(110)	0	(110)				
Booking Fee	(1,692)	(1,742)	0	(1,742)				
Sound and Lighting Income	(433)	(608)	0	(608)				
Sales	0	(263)	0	(263)				
Bar Income	(24,743)	(18,481)	0	(19,000)				
Town Hall Event Income	(6,639)	(8,445)	0	(8,445)				
Registrar Rental Income	(8,000)	0	(4,000)	(4,000)	(3,000)	(3,000)	(8,000)	(9,000)
Duty Manager Recharge	(2,263)	(1,433)	0	(1,443)				
Miscellaneous Income	(1,068)	(807)	0	(807)				
Donation Income	0	(535)	0	(535)				
Third Party Hirers Insurance Income	(14)	(108)	0	(108)				
Release of Earmarked Reserve	(8,104)	(2,280)	0	(2,280)				
<b>GROSS INCOME</b>	<b>(530,180)</b>	<b>(68,639)</b>	<b>(19,000)</b>	<b>(116,137)</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>(10,000)</b>	<b>(26,000)</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>314,502</b>	<b>229,528</b>	<b>292,130</b>	<b>253,032</b>	<b>334,828</b>	<b>291,714</b>	<b>293,250</b>	<b>282,410</b>



KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/08/22 £	2022/23 Original Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £	2026/27 Estimate £
<b>7. GRANT INCOME</b>								
<b>EXPENDITURE</b>								
Cultural Recovery Fund Grant Expenditure (K007)	27,266	200	0	200				
Cultural Recovery Fund Grant 2 Expenditure (K008)	50,375	11,618	0	17,084				
Sustainability Expenditure (K009)	10,000	0	0	0				
Light Up Kidderminster Expenditure (K010)	26,007	8,300	0	13,993				
<b>GROSS EXPENDITURE</b>	<b>113,647</b>	<b>20,118</b>	<b>0</b>	<b>31,277</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INCOME</b>								
Earmarked Reserve Release - Cultural Recovery Fund (K007)	(14,176)	(200)	0	(200)				
Earmarked Reserve Release - Cultural Recovery Fund 2 (K008)	0	(11,618)	0	(17,084)				
Grant Income Arts Council - Cultural Recovery Grant	(13,090)	0	0					
Grant Income Arts Council - Cultural Recovery Grant 2	(50,375)	0	0					
Grant Income - Sustainability	(10,000)	0	0					
Grant Income - Light Up Kidderminster (K010)	(26,007)	(9,993)	0	(13,993)				
<b>GROSS INCOME</b>	<b>(113,647)</b>	<b>(21,811)</b>	<b>0</b>	<b>(31,277)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL NET EXPENDITURE / (INCOME)</b>	<b>0</b>	<b>(1,693)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



### **A checklist of key information to be provided with any Parish and Town Councils borrowing application**

Councils wishing to borrow will have to get in touch with the County Association, whether a member or not, to submit the Application Form. Where a borrowing approval is required the purpose must be detailed on the application and in a report to Council. Approvals should only be sought for capital expenditure. Please complete the borrowing application form and provide the following supporting information;

1. Copy of full minute of the Full Council Meeting with the resolution to seek the Secretary of State's approval for the proposed borrowing drafted in accordance with the example criteria;
2. Copy of the Council's budget or cash flow forecast for the current year, and next year (if available), showing the provision made to meet the loan costs, as well as a copy of the latest Annual Governance & Accountability Return (AGAR);
3. Full report to the Council or business case. This should include a breakdown of the proposed works, estimated costs, financial planning to fund the loan repayments and the steps/options the Council/has in place to mitigate the risk for not being able to afford the loan repayments;
4. Please provide information on how the Council will afford the loan repayments, breakdown of funding resources, amounts to be used from reserves, and any increase of precept to fund the borrowing;
5. If the Council precept is to be increased to cover the loan repayment, please confirm the amount and percentage of the planned increase related to the loan only (if possible how much increase for house holders at Band D);
6. If applicable, please provide evidence of public support to increase the precept to cover the loan repayment (e.g. the result of any consultation).
7. You still need to provide details how local residents were consulted on the project and associated borrowing even if you are not increasing precept to fund the loan (e.g. newsletter/website/in the agenda of public meeting).

Full provision of this information with the application demonstrating that it meets the guidance criteria will expedite the approval process. For further information,

- Please read full guide to parish borrowing in Page 5 and the supporting documents;
- For any queries, please contact your local association at first instance or;
- For clarification on any aspect of this guidance, please contact DLUHC by email: [parish.borrowing@levellingup.gov.uk](mailto:parish.borrowing@levellingup.gov.uk)

## APPLICATION FOR BORROWING APPROVAL FOR TOWN/PARISH COUNCILS

- If you have any queries about completing this form please contact your local county association.
- When completing this form please use CAPITALS.
- Once completed and signed please send this form to your local county association.

<b>1. Name of Council</b>	Kidderminster Town Council
<b>2. Name of Clerk</b>	Lee Jakeman
<b>Working Address (inc. Postcode)</b>	Kidderminster Town Hall, Vicar Street, Kidderminster, Worcestershire, DY10 1DATEL: 01562 732680
<b>Email address</b>	LEE.JAKEMAN@KIDDERMINSTERTOWNCOUNCIL.GOV.UK
<b>Telephone</b>	01562 732680
<b>3. Name of Chair</b>	COUNCILLOR KEVIN GALE
<b>4. Home Address (inc. Postcode)</b>	20 FERGUSON DRIVE, KIDDERMINSTER, DY11 7HG
<b>Telephone</b>	01562637053
<b>Email address</b>	KEVIN.GALE@KIDDERMINSTRERTOWNCOUNCIL.GOV.UK
<b>5. District/Unitary Council area</b>	WYRE FOREST DISTRICT COUNCIL/ WORCESTERSHIRE COUNTY COUNCIL
<b>6. Purpose of Borrowing</b> Please give a brief description of the purpose for which funds are required.  Example of Capital projects : Purchase of land/building or, construction/building works or, provision of other assets or; provision of grants to another body for a Capital expenditure	<p>WYRE FOREST DISTRICT COUNCIL HAS OBTAINED SOME £14M OF LEVELLING UP GRANT FUNDING BASED AROUND 3 RELATED TOWN CENTRE REGENERATION PROJECTS. ONE OF WHICH IS IN RELATION THE UPGRADING / REFURBISHING OF THE GRADE II LISTED TOWN HALL (OWNED AND MANAGED BY KIDDERMINSTER TOWN COUNCIL) TO CONTRIBUTE TO 4 OVERARCHING ASPIRATIONS:</p> <p>1 - ENSURE THAT THE TOWN HALL IN ITS MULTI-FACETED ROLE (AS A CIVIC CENTRE, A THEATRE/ ENTERTAINMENT VENUE AND A COMMUNITY HUB), IS MORE ACCESSIBLE TO THE WIDER PUBLIC, MOST NOTABLY THOSE WITH SOME FORM OF DISABILITY, BY MAKING MODIFICATIONS TO THE ENTRANCE AND THOROUGHFARES.</p> <p>2. SIGNIFICANT AND CONSIDERATE MODIFICATIONS TO THE GENERAL FABRIC OF THE BUILDING ARE REQUIRED TO IMPROVE ENERGY EFFICIENCY AND CONTRIBUTE TO REDUCED CO2 EMISSIONS (AND IN TURN ENERGY COSTS IN THE FUTURE).</p> <p>3. UPGRADE THE THEATRE HOUSED WITHIN THE TOWN HALL TO MAKE IT MORE VERSATILE AND SUITABLE FOR A WIDER RANGE OF ENTERTAINMENT EVENTS. THIS IS INTENDED TO ATTRACT A WIDER RANGE OF PERFORMERS AND ARTISTS WHICH CAN SIGNIFICANTLY IMPROVE THE ARTS AND CULTURAL OFFERING WITHIN THE HEART OF THE TOWN FOR THE BENEFIT OF LOCAL RESIDENTS</p> <p>4. DUE TO TIS LOCATION AT THE HEART OF THE TOWN CENTRE AN ENHANCED CIVIC AND ARTS FACILITY IS INTENDED TO BE A CATALYST TO IMPROVE THE CURRENT STAGNANT ECONOMIC</p>

<b>7.</b> <b>Total Contract/Project Value</b>	<b>£867,494</b>								
<b>Funding from Council's own</b>	<b>£167,000</b>								
<b>Funding from other sources</b>	<b>£200,000</b>								
<b>Amount to be borrowed</b>	<b>£500,000</b>								
<b>8.</b> <b>Deadline for approval (if applicable)</b> If borrowing is required by a specific date – eg an auction date, or to meet match-funding requirements - give details here.	18 DECEMBER 2022. MATCH FUNDING COMMITMENT REQUIRED.								
<b>9.</b> <b>Is funding from other sources confirmed?</b>	<b>Yes</b>								
<b>10.</b> <b>Proposed Borrowing Source</b>	PWLB								
<b>11.</b> <b>Repayment option (if borrowing from PWLB)</b>	<b>Annuity✓</b>								
<b>12.</b> <b>Intended Borrowing Term (please specify the number of years)</b>	20 YEARS								
<b>13.</b> <b>Details of Existing Loans</b>	<table border="1"> <thead> <tr> <th>1<sup>st</sup> loan</th><th>2<sup>nd</sup> loan</th><th>3<sup>rd</sup> loan</th><th>4<sup>th</sup> loan</th></tr> </thead> <tbody> <tr> <td>£ Nil</td><td>£ Nil</td><td>£ Nil</td><td>£ Nil</td></tr> </tbody> </table>	1 <sup>st</sup> loan	2 <sup>nd</sup> loan	3 <sup>rd</sup> loan	4 <sup>th</sup> loan	£ Nil	£ Nil	£ Nil	£ Nil
1 <sup>st</sup> loan	2 <sup>nd</sup> loan	3 <sup>rd</sup> loan	4 <sup>th</sup> loan						
£ Nil	£ Nil	£ Nil	£ Nil						
<b>Date Taken Out</b>	NONE								
<b>Amount Outstanding</b>	£Nil      £Nil      £Nil      £Nil								
<b>Unexpired Term</b>	NONE								
<b>14.</b> <b>Are you increasing Precept to fund this borrowing?</b>	<b>No</b>								
<b>What will be the amount and percentage of the planned</b>	£NIL      %								
<b>What will cost band D per annum?</b>	<b>£47.50</b>								
<b>15.</b> <b>If applicable, have you assessed the extent of public support to increase precept for this loan?</b>	<b>N/A – HOWEVER THE PROJECT TO UPGRADE THE TOWN HALL HAS BEEN PART OF A NUMBER OF GENERAL CONSULTATIONS WITH THE PUBLIC TO HELP</b>								
<b>If yes, what were the results of the assessment to increase precept for this loan?</b>	Nil								

<b>16.</b> <b>Precept for previous year:</b>	<b>£ 42.50</b> for Band D
<b>Precept for current year:</b>	<b>£ 47.50</b> for Band D
<b>Precept for next year:</b>	<b>£ 47.50</b> for Band D
<b>17.</b> <b>Number of Electorate</b>	<b>41,739</b>
<b>18.</b> <b>Value and purpose of all funds, capital/revenue reserves and balances currently held.</b>	£448,943 (AS AT 1 APRIL 2022)

<b>19.</b> <b>Have you provided the following supporting evidence?</b>	Please tick the appropriate boxes below	
a) Full Council minutes with resolution to apply to DLUHC for borrowing	YES	NO
b) Report to the Council/ Business Case	YES	NO
c) Council Budget for current year and next year if available	YES	NO
d) Communications with local residents on the purpose of borrowing, borrowing amount and increase in precept (if applicable)	YES	NO

**20.**  
**Approval of Full Council**

The above application was agreed by resolution of the full council on..... (date), the Report to Council and Budget attached have been taken to and approved by the full Council, and the draft Minutes attached have been seen and authorised for submission by the Chairman.

The Council undertakes to notify the Department for Levelling Up, Housing and Communities (DLUHC), as soon as reasonably practicable, in the event:-

- of not exercising the approval, or,
- it finds that the original amount requested is greater than the actual borrowing need.

SIGNED.....  
(Chair of the Council)

DATE.....

NAME.....

SIGNED.....  
(Responsible Financial Officer)

DATE.....

NAME.....

*Please send signed, completed forms and all supporting information to your county association of local councils.*

*Failure to submit all required information will delay your borrowing approval.*



# **A GUIDE TO PARISH AND TOWN COUNCIL BORROWING IN ENGLAND**

## **Introduction**

1. In this guide, all references to statutory provisions are to provisions in the Local Government Act 2003 ('the 2003 Act'). References to parish councils include those designated as town councils, village councils, community councils, neighbourhood councils and city councils in England.

2. This guide replaces all previous guidance on borrowing by parish councils in England and reflects the legal framework in force as at 1 April 2015. The law that allows a parish council to borrow money is contained in paragraph 2 of Schedule 1. Before such a council can borrow a sum of money, it must first receive an approval to borrow from the "appropriate person": in England the Secretary of State by way of the Department for Levelling Up, Housing and Communities (DLUHC), and in Wales, the Welsh Ministers. Evidence of the borrowing approval may be required at audit.

3. This guide sets out the criteria that the Secretary of State generally applies in deciding whether to give borrowing approval, and how parish councils should go about applying for approval. It applies only to England. Community and town councils in Wales should contact the Local Government Finance Division of the Welsh Government (telephone: 029 20 823227 or 029 20 825223) for details of the approval system applicable to them.

4. There is no national limit on the total annual amount of borrowing approvals that will be granted. Councils should only apply for borrowing approval when they are fully ready to take up the borrowing, for example, when planning permission has been obtained. Applications by councils for borrowing approval should be sent to the local County Association affiliated to the National Association of Local Councils (NALC). This applies whether or not the council is a member of NALC.

5. If the Association considers that the application form is complete with no obvious omissions or errors, and that the application is made in good faith, the application will be forwarded to DLUHC. Where an Association has any concerns it will raise the matter with the council. The council may, if it wishes, take up any disputed issue with DLUHC. The review by the County Association is intended to assist councils in submitting well-founded applications to DLUHC. The County Association will provide a brief factual report to DLUHC with the application.

## **Local Accountability and Transparency**

6. The Government's localism agenda aims to place more power into people's hands. For democratic accountability to increase, local people need to be able to hold local authorities to account over how they spend public funds and the decisions that are made on their behalf. This principle applies to decisions made by all levels of local government, including parish councils. Transparency is the foundation of this

accountability and, if people are to play a bigger role in society, they need to have the tools and information to enable them to do so.

7. When considering whether to apply for borrowing approval, parish councils should be fully open and transparent with their residents and taxpayers in all their dealings. Details of the project and plans for borrowing and loan repayment must be available to residents from an early stage. This could include discussion of proposals in open meetings, and ensuring that information is available for the public before and after a decision is taken, for example on the council website or published in local newsletters. Evidence of this will be taken into account in considering whether to give approval for borrowing. When increasing precept to fund borrowing, evidence of public support for increasing the associated precept will be required to support the loan application.

### **What is a Borrowing Approval?**

8. It is a formal approval issued by the Secretary of State to borrow money.

9. The Secretary of State's decision on the borrowing application will be sent direct to the Clerk to the council. A copy of the decision letter will also be sent to the Chair of the council and the local County Association. Where approval to borrow is given, as well as containing the legal authority for the council to borrow money, the approval will state the maximum amount of money that can be borrowed, the purpose for which the money may be used, the period within which money must be borrowed, and the maximum period within which the borrowing must be repaid.

10. Where a council wishes to use borrowed money for a purpose other than that specified in the borrowing approval letter, written consent to the change of use must be obtained from DLUHC, prior to committing to the expenditure. This applies to unused funds.

### **Who can apply for Borrowing Approval?**

11. Any parish council in England.

### **When is a Borrowing Approval not required?**

12. Under paragraph 2(3)(a)(i) of Schedule 1, no approval is required for borrowing by temporary loan or overdraft from a bank or otherwise of sums which the council may temporarily require to meet expenses pending the receipt of revenues receivable by it in respect of the period of account in which the expenses are chargeable.

13. A council may also borrow by temporary loan or overdraft pending the raising of the loan permitted by a borrowing approval (paragraph 2(3)(a)(ii) of Schedule 1). A council must be in possession of the borrowing approval when the temporary loan is taken out, but no second approval is required. The temporary loan must be for the purpose of meeting expenses intended to be met by the approved borrowing. A council can also raise a further loan to repay the original loan without the need for another approval, so long as the new borrowing takes place within the fixed period

(paragraph 2(3)(b) of Schedule 1). For the meaning of "fixed period" see paragraph 33 of this guide.

14. In all other circumstances, borrowing approval is required.

### **How is an application for borrowing approval made?**

15. In the first instance, councils should complete the application form included in this guidance. Contact should also be made with the local County Association who will process the application form once it is completed. All questions in the form need to be answered and all supporting information must be supplied (see paragraph 16 below). The making of the application requires approval by resolution of the full council (paragraph 4 of Schedule 1). The form must be signed by the Chair of the council and the responsible financial officer (in most councils the Clerk is also the responsible financial officer, but the post is sometimes a separate appointment). The completed form must be sent in hard copy to the County Association (see paragraph 4 above).

### **What information must be provided?**

16. In addition the form must be accompanied by:-

- a copy of the council's budget for next year (or for the current year if next year's is not available) clearly illustrating the total income and expenditure and costs associated with the project in question,
- a copy of the written report or business case considered by the council in reaching its decision to apply for borrowing approval,
- the full minutes of the meeting at which the resolution to make the application was passed,
- evidence that residents have been consulted on the following:
  - i) the proposed project,
  - ii) the council's intention to borrow,
  - iii) proposals to increase the precept to meet borrowing costs, if applicable; and
  - iv) if applicable evidence of public support to increase precept because of the proposed borrowing.

17. Where the council intends to provide a grant to another body the references to "project" in this guide and in the application form apply to the assistance being provided by the council, not to the project towards which the assistance is given. For example, if a council wishes to borrow £50,000 to part finance a grant of £100,000 towards the construction by a local charity of a village hall costing £250,000, the application form should show £100,000 as the total cost of the project and £50,000 as the amount to be borrowed, and explain how the remaining £50,000 is to be financed by the council.

### **Parish council precepts and council tax referendum principles**

18. When planning budgets and considering whether to apply for borrowing approval, parish councils should bear in mind the provisions of Chapter 4ZA of Part 1 of the Local Government Finance Act 1992 relating to council tax referendums. Each



year, the Secretary of State will determine “excessiveness principles”. If an authority breaches those principles, it must arrange a referendum to seek the approval of its local electors to the excessive increase in council tax it has set. For 2022-23, no principles were set for parish councils: so the new referendum provisions did not apply to them for that year.

19. However, Ministers have made it clear that when setting principles in future years, the Secretary of State will consider whether this, in light of the extent to which restraint in relation to council tax in 2022-23 has been exercised in order to provide protection for local taxpayers and to extend the principle of direct democracy.

20. If the Secretary of State decides to determine council tax referendum principles in relation to parish councils for the financial year 2023-24, (and in subsequent financial years), a parish council would need to consider whether its relevant basic amount of council tax<sup>1</sup> was excessive by reference to those principles. Councils with precept increases resulting in a relevant basic amount of council tax which exceeded the principles would be required to hold a referendum to seek local electors’ approval to that increase. The result of the referendum would be binding and where an increase was not approved, the parish precept would be substituted with a precept that produced a relevant basic amount of council tax that was not excessive by reference to the principles. Parish councils would be responsible for meeting the costs of any referendum.

21. It should be noted that the Secretary of State will **not** exclude increases in parish council tax precepts attributable to a borrowing approval when considering whether to set council tax referendum principles for parish councils in 2023-24 and in future years.

22. The Secretary of State intends to determine excessiveness principles in parallel with the process for deciding the annual local government finance settlement for each year; so it is expected that principles will be proposed in November/December alongside the announcement of the provisional settlement.

### **What are the criteria for borrowing approval?**

23. The Secretary of State will generally apply the following criteria in deciding whether to give borrowing approval:

- a) the borrowing should be for a purpose that would be capital expenditure as defined in section 16 of the 2003 Act. Appendix A to this guide explains what is covered by the section 16 definition;
- b) the amount to be borrowed should generally not be less than £5 multiplied by the number of local government electors for the area of the council as counted at the latest register for the electoral roll. However, the Department will consider

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<sup>1</sup> For the meaning of “relevant basic amount of council tax” see section 52ZX(5) of the Local Government Finance Act 1992.

applications for a lower borrowing amount where the total project cost is above the threshold and grants or other resources intended for the project expenditure will be refused or reduced if the borrowing does not go ahead;

- c) any unallocated balances (including, where appropriate, capital receipts), beyond those required for the prudent financial management of the council, should be used in the project for which borrowing is required;
- d) the council should have a realistic budget (this must be affordable, taking account of its effect on the council's precept) for the servicing and repayment of the debt. The Secretary of State will expect to see that the affordability of the loan charges and any other revenue costs arising from the project is demonstrated in the written report to the council recommending the borrowing application. A copy of the report should be submitted with the application form. The report should provide:
  - an estimate of the annual costs, and an indication of whether they will be covered by reductions in other expenditure, or by additional income from the precept or other sources,
  - in cases where an increase in the precept is proposed, an estimate of the amount of the increase in both monetary and percentage terms, and recognition that any proposed increase in precept may be subject to council tax referendum principles in future years,
  - evidence that any risks and uncertainties affecting the financing of the project have been taken into account in assessing its affordability,
  - details of any significant financial developments that might affect the ability of the council to finance the costs in future years, so far as can reasonably be foreseen.
- e) The council should have consulted local residents on the project and associated borrowing. The format of consultation with residents is a matter for the council to decide, however councils should note the following:
  - details of the project and plans for borrowing and loan repayment must be accessible to residents from an early stage,
  - decisions on borrowing must be taken in an open and transparent way, following discussion in open meetings,
  - inclusion of the matter on an agenda for a public meeting of the council will not, in itself, be considered sufficient evidence of consultation,
  - the council should ensure that information about the progress of the project continues to be available to residents following the approval to borrow,
  - in particular, any proposal to increase the precept to meet borrowing costs **must** be backed by evidence of public support.

### **When should a council apply?**

24. All councils are encouraged to let their County Associations know of their borrowing requirements as soon as possible. However, councils should not apply for borrowing approval until all negotiations have been completed, all other sources of funding have been secured and all other consents (e.g. planning permission) have been obtained. If an applicant council is successful, processing of the borrowing approval should generally take between 3 – 4 weeks from the date of its receipt by DLUHC. The borrowing approval will authorise the council to take out a loan within a period of twelve months starting with the date of issue of the borrowing approval.

### **How much can a council borrow?**

25. The amount that an individual council will be authorised to borrow will normally be limited to a maximum of £500,000 in any single financial year for any single purpose.

26. Where borrowing approval is sought for an amount higher than £500,000, DLUHC may issue the borrowing approval phased over the life of the project. An approval-in-principle for the full amount will normally be issued at the outset of the project, with formal approval letters issued at stages agreed with the council. DLUHC may request project progress reports at any time during the phased approvals process.

27. A council wishing to borrow more than £500,000 is encouraged to contact DLUHC as early as possible to discuss the approvals process and should acknowledge that the processing times will be longer due to additional stages of review.

### **Where can councils go for funds?**

28. Councils may not, without the consent of HM Treasury, borrow otherwise than in sterling (section 2(3)). In practice, most councils are likely to obtain funds from the Public Works Loan Board or the clearing banks. When councils apply for funds, the Public Works Loan Board will insist that they have sight of the original borrowing approval. Loans may also be taken out from private or voluntary sector organisations, or from individuals. Irrespective of the proposed source of borrowing, councils must have borrowing approval in place before arranging a loan. Evidence of the borrowing approval may be required at audit. Councils are advised to seek appropriate advice.

29. Councils are reminded that the decision to borrow must be taken by the full council (paragraph 2(4) of Schedule 1). This is a separate decision from the decision to apply for borrowing approval. Lenders will generally offer a variety of loan structures such as fixed or variable repayment rates of interest, discount or premiums for early repayment in certain circumstances.

### **Timing of borrowing**

30. A council may borrow by temporary loan or overdraft pending the raising of the loan permitted by a borrowing approval (paragraph 2(3)(a)(ii) of Schedule 1). This means that progress on a project need not be delayed until the longer-term borrowing is arranged. See paragraph 13 above for the requirement for borrowing approval in these circumstances.

### **Security for the lender**

31. All borrowing by a council, together with interest on it, is charged indifferently on all the revenues of the council (section 13(3)). A council cannot mortgage or charge



any of its property as security for money borrowed or which it otherwise owes; any security given in breach of this provision is unenforceable (section 13(1) and (2)).

### **Period of loan**

32. Councils must determine the period within which the money borrowed will be repaid, and they are required to make charges to revenue account sufficient to repay the principal within that period and meet the interest charges on the borrowing (paragraphs 3 and 5 of Schedule 1). The period determined is known as the "fixed period", and the council's determination requires the consent of the Secretary of State. The borrowing approval letter will normally specify the maximum period for the repayment of the loan. The maximum period will begin on the date on which the money is borrowed, and will generally be either:

- *50 years*, for the acquisition of, or works on or to, land, buildings, roads or structures, or the making of grants for such purposes; or
- *10 years or life span of an asset*, in all other cases.

33. Councils are asked to consider carefully whether it would be appropriate to borrow for the permitted maximum or for a shorter period. Generally the borrowing period should be no greater than the period for which the expenditure is forecast to provide benefits to the council (or the body being assisted). Thus if a piece of equipment is only thought likely to last for five years, it would be more appropriate to borrow for five years than for the ten years that the borrowing approval might permit.

### **When a borrowing approval is no longer required**

34. If a council finds it no longer needs the borrowing approval issued to it, it must inform DLUHC.

35. If a council finds that it does not need to borrow the full amount as specified in the approval letter, DLUHC should be informed of the actual loan amount as soon as is reasonably practical.

### **Best Practice**

- Seek appropriate advice and guidance at early stage of the project.
- Programme prudent use of balances as well as borrowing.
- Budgets or revised budgets should be considered before applying for borrowing approval.
- The borrowing term should not exceed the life of the asset.
- Even if the council secures an interest free loan, it will still require borrowing approval.
- Consult local residents about the proposed project and the intention to borrow.
- Make sure residents have access to as much information as possible about the project and loan, both before and after the decision to borrow.
- If increasing precept, ensure residents are consulted on the increase and obtain evidence to support loan application.

## APPENDIX A

### DEFINITION OF CAPITAL EXPENDITURE

- 1 Section 16 of the 2003 Act defines "capital expenditure" as "expenditure of the authority which falls to be capitalised in accordance with proper practices". In turn section 21(2) defines "proper practices" as those accounting practices that local authorities are required to follow by virtue of any enactment, or of a code of practice or other document specified in regulations. Under this power the Secretary of State has specified (among other documents) the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code"). The Code does not apply to parish councils. However, the first of the criteria set out in paragraph 24 of this guide relies on the Code's provisions to provide a definition of capital expenditure for parishes consistent with the definition applicable elsewhere in the public sector. This is done purely to ensure that all applications are judged against uniform criteria, and does not imply that the Code is in any way applicable to a parish council's accounting statements.

- 2 The key relevant paragraphs of the 2012-13 Code for the purposes of the capital expenditure definition are as follows:

**4.1.2.11 Property, plant and equipment** are tangible assets (ie assets with physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one period.

#### **Recognition**

**4.1.2.16** The cost of an item of property, plant and equipment falling under this section of the Code shall be recognised (and hence capitalised) as an asset on a local authority Balance Sheet if, and only if:

- it is probable that the future economic benefits or service potential associated with the item will flow to the authority, and
- the cost of the item can be measured reliably.

**4.1.2.17** Costs that meet the recognition principle in paragraph 4.1.2.16 include initial costs of acquisition and construction, and costs incurred subsequently to enhance, replace part of, or service the asset.

The Code goes on to exclude day-to-day servicing (ie repairs and maintenance) from the definition if they do not add to the future economic benefits or service potential of the asset.

- 3 In addition, section 16 allows the Secretary of State to adjust the definition of capital expenditure by regulation, and, in the case of a particular authority, by direction. Regulation 25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), as amended, provides as follows:

### ***Expenditure to be capital expenditure***

25. —(1) For the purposes of Chapter 1 of Part 1 the following expenditure of a local authority, incurred on or after 1st April 2004, shall be treated as being capital expenditure insofar as it is not capital expenditure by virtue of section 16(1) —

(a) expenditure incurred on the acquisition or preparation of a computer program, including expenditure on the acquisition of a right to use the program, if the authority acquire or prepare the program for use for a period of at least one year for any purpose relevant to its functions;

(b) subject to paragraph (2), the giving of a loan, grant or other financial assistance to any person, whether for use by that person or by a third party, towards expenditure which would, if incurred by the authority, be capital expenditure;

(c) the repayment of any grant or other financial assistance given to the local authority for the purposes of expenditure which is capital expenditure;

(d) subject to paragraph (3) the acquisition of share capital in any body corporate;

(e) expenditure incurred on works to any land or building in which the local authority does not have an interest, which would be capital expenditure if the local authority had an interest in that land or building;

(ea) expenditure incurred on the acquisition, production or construction of assets for use by or disposal to, a person other than the local authority which would be capital expenditure if those assets were acquired produced, or constructed for use by the local authority; and

(f) the payment of any levy by a local authority under section 136 of the Leasehold Reform Housing and Urban Development Act 1993 (levy on disposals)

(2) Where the expenditure referred to in paragraph (1)(b) is a loan given by a parish council or charter trustees to any person, it shall not be treated as being capital expenditure by virtue of this regulation.

(3) Where the expenditure referred to in paragraph (1)(d) is—

(a) an investment in a money market fund; or

(b) an investment in the shares of a company to which Part 4 of the Finance Act 2006 (Real Estate Investment Trusts) applies; or

(c) the acquisition of shares in an investment scheme approved by the Treasury under section 11 (1) of the Trustee Investments Act 1961 (local authority investment schemes).

it shall not be treated as being capital expenditure by virtue of this regulation.

Parish councils should note in particular the effect of paragraph (2) of the regulation.



United Kingdom  
Debt Management  
Office

Data Date: 20-Sep-2022

PWLB FIXED RATE LOANS  
ESTIMATED REPAYMENT COSTS

Amount of Advance: 500,000.00

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
1 year	-	0.00	0.00	-	0.00	0.00	0.00
Over 1 not over 1½	-	0.00	0.00	-	0.00	0.00	0.00
Over 1½ not over 2	4.02	131,343.74	525,374.96	4.02	135,050.00	2,512.50	525,125.00
Over 2 not over 2½	4.05	106,156.18	530,780.90	4.05	110,125.00	2,025.00	530,375.00
Over 2½ not over 3	4.07	89,368.37	536,210.22	4.07	93,508.33	1,695.83	535,612.50
Over 3 not over 3½	4.09	77,389.67	541,727.69	4.09	81,653.57	1,460.71	540,900.00
Over 3½ not over 4	4.10	68,402.06	547,216.48	4.10	72,750.00	1,281.25	546,125.00
Over 4 not over 4½	4.11	61,418.62	552,767.58	4.11	65,830.56	1,141.67	551,375.00
Over 4½ not over 5	4.11	55,823.56	558,235.60	4.11	60,275.00	1,027.50	556,512.50
Over 5 not over 5½	4.12	51,263.50	563,898.50	4.12	55,754.55	936.36	561,800.00
Over 5½ not over 6	4.12	47,454.19	569,450.28	4.12	51,966.67	858.33	566,950.00
Over 6 not over 6½	4.12	44,233.61	575,036.93	4.12	48,761.54	792.31	572,100.00
Over 6½ not over 7	4.12	41,475.59	580,658.26	4.12	46,014.29	735.71	577,250.00
Over 7 not over 7½	4.12	39,087.62	586,314.30	4.12	43,633.33	686.67	582,400.00
Over 7½ not over 8	4.12	37,000.32	592,005.12	4.12	41,550.00	643.75	587,550.00
Over 8 not over 8½	4.12	35,160.62	597,730.54	4.12	39,711.76	605.88	592,700.00
Over 8½ not over 9	4.12	33,527.25	603,490.50	4.12	38,077.78	572.22	597,850.00
Over 9 not over 9½	4.12	32,067.63	609,284.97	4.12	36,615.79	542.11	603,000.00
Over 9½ not over 10	4.12	30,755.70	615,114.00	4.12	35,300.00	515.00	608,150.00
Over 10 not over 10½	4.12	29,570.35	620,977.35	4.12	34,109.52	490.48	613,300.00
Over 10½ not over 11	4.12	28,494.33	626,875.26	4.12	33,027.27	468.18	618,450.00
Over 11 not over 11½	4.12	27,513.36	632,807.28	4.12	32,039.13	447.83	623,600.00
Over 11½ not over 12	4.13	26,630.60	639,134.40	4.12	31,133.33	429.17	628,750.00
Over 12 not over 12½	4.13	25,806.06	645,151.50	4.12	30,300.00	412.00	633,900.00
Over 12½ not over 13	4.13	25,046.27	651,203.02	4.13	29,555.77	397.12	639,387.50
Over 13 not over 13½	4.14	24,359.24	657,699.48	4.13	28,843.52	382.41	644,550.00
Over 13½ not over 14	4.15	23,723.74	664,264.72	4.14	28,207.14	369.64	650,075.00
Over 14 not over 14½	4.15	23,119.07	670,453.03	4.14	27,591.38	356.90	655,250.00
Over 14½ not over 15	4.16	22,571.29	677,138.70	4.15	27,041.67	345.83	660,812.50
Over 15 not over 15½	4.17	22,061.09	683,893.79	4.15	26,504.03	334.68	666,000.00
Over 15½ not over 16	4.18	21,584.96	690,718.72	4.16	26,025.00	325.00	671,600.00
Over 16 not over 16½	4.19	21,139.83	697,614.39	4.17	25,576.52	315.91	677,225.00
Over 16½ not over 17	4.20	20,722.96	704,580.64	4.17	25,130.88	306.62	682,437.50
Over 17 not over 17½	4.21	20,331.94	711,617.90	4.18	24,735.71	298.57	688,100.00
Over 17½ not over 18	4.23	19,980.54	719,299.44	4.19	24,363.89	290.97	693,787.50
Over 18 not over 18½	4.24	19,635.11	726,499.07	4.20	24,013.51	283.78	699,500.00
Over 18½ not over 19	4.25	19,309.77	733,771.26	4.21	23,682.89	276.97	705,237.50



Period	Annuity				EIP		
	Rate	½ Yearly	Total	Rate	Initial ½ Yearly	Reduces by	Total
(years)	%	Cost (£)	Cost (£)	%	Costs (£)	each ½ year (£)	Cost (£)
Over 19 not over 19½	4.27	19,019.15	741,746.85	4.22	23,370.51	270.51	711,000.00
Over 19½ not over 20	4.28	18,729.61	749,184.40	4.23	23,075.00	264.38	716,787.50
Over 20 not over 20½	4.30	18,472.33	757,365.53	4.24	22,795.12	258.54	722,600.00
Over 20½ not over 21	4.31	18,213.61	764,971.62	4.26	22,554.76	253.57	728,975.00
Over 21 not over 21½	4.32	17,968.65	772,651.95	4.27	22,302.91	248.26	734,850.00
Over 21½ not over 22	4.34	17,753.12	781,137.28	4.28	22,063.64	243.18	740,750.00
Over 22 not over 22½	4.35	17,533.08	788,988.60	4.29	21,836.11	238.33	746,675.00
Over 22½ not over 23	4.37	17,341.02	797,686.92	4.30	21,619.57	233.70	752,625.00
Over 23 not over 23½	4.38	17,142.80	805,711.60	4.31	21,413.30	229.26	758,600.00
Over 23½ not over 24	4.39	16,954.44	813,813.12	4.32	21,216.67	225.00	764,600.00
Over 24 not over 24½	4.41	16,792.35	822,825.15	4.34	21,054.08	221.43	771,250.00
Over 24½ not over 25	4.42	16,622.05	831,102.50	4.35	20,875.00	217.50	777,312.50
Over 25 not over 25½	4.43	16,459.96	839,457.96	4.36	20,703.92	213.73	783,400.00
Over 25½ not over 26	4.44	16,305.61	847,891.72	4.37	20,540.38	210.10	789,512.50
Over 26 not over 26½	4.45	16,158.56	856,403.68	4.38	20,383.96	206.60	795,650.00
Over 26½ not over 27	4.46	16,018.42	864,994.68	4.39	20,234.26	203.24	801,812.50
Over 27 not over 27½	4.47	15,884.82	873,665.10	4.40	20,090.91	200.00	808,000.00
Over 27½ not over 28	4.48	15,757.40	882,414.40	4.41	19,953.57	196.88	814,212.50
Over 28 not over 28½	4.49	15,635.86	891,244.02	4.42	19,821.93	193.86	820,450.00
Over 28½ not over 29	4.49	15,502.11	899,122.38	4.43	19,695.69	190.95	826,712.50
Over 29 not over 29½	4.50	15,391.34	908,089.06	4.44	19,574.58	188.14	833,000.00
Over 29½ not over 30	4.51	15,285.60	917,136.00	4.44	19,433.33	185.00	838,550.00
Over 30 not over 30½	4.51	15,166.63	925,164.43	4.45	19,321.72	182.38	844,875.00
Over 30½ not over 31	4.52	15,070.15	934,349.30	4.46	19,214.52	179.84	851,225.00
Over 31 not over 31½	4.52	14,959.84	942,469.92	4.47	19,111.51	177.38	857,600.00
Over 31½ not over 32	4.53	14,871.77	951,793.28	4.47	18,987.50	174.61	863,187.50
Over 32 not over 32½	4.53	14,769.33	960,006.45	4.48	18,892.31	172.31	869,600.00
Over 32½ not over 33	4.53	14,670.50	968,253.00	4.49	18,800.76	170.08	876,037.50
Over 33 not over 33½	4.54	14,593.62	977,772.54	4.49	18,687.69	167.54	881,650.00
Over 33½ not over 34	4.54	14,501.63	986,110.84	4.50	18,602.94	165.44	888,125.00
Over 34 not over 34½	4.54	14,412.80	994,483.20	4.50	18,496.38	163.04	893,750.00
Over 34½ not over 35	4.54	14,326.99	1,002,889.30	4.51	18,417.86	161.07	900,262.50
Over 35 not over 35½	4.54	14,244.06	1,011,328.26	4.51	18,317.25	158.80	905,900.00
Over 35½ not over 36	4.54	14,163.90	1,019,800.80	4.52	18,244.44	156.94	912,450.00
Over 36 not over 36½	4.54	14,086.38	1,028,305.74	4.52	18,149.32	154.79	918,100.00
Over 36½ not over 37	4.54	14,011.40	1,036,843.60	4.52	18,056.76	152.70	923,750.00
Over 37 not over 37½	4.54	13,938.86	1,045,414.50	4.53	17,991.67	151.00	930,350.00
Over 37½ not over 38	4.54	13,868.64	1,054,016.64	4.53	17,903.95	149.01	936,012.50
Over 38 not over 38½	4.54	13,800.67	1,062,651.59	4.53	17,818.51	147.08	941,675.00
Over 38½ not over 39	4.53	13,715.60	1,069,816.80	4.53	17,735.26	145.19	947,337.50
Over 39 not over 39½	4.53	13,651.77	1,078,489.83	4.54	17,679.11	143.67	954,000.00
Over 39½ not over 40	4.53	13,589.93	1,087,194.40	4.54	17,600.00	141.88	959,675.00
Over 40 not over 40½	4.53	13,530.00	1,095,930.00	4.54	17,522.84	140.12	965,350.00
Over 40½ not over 41	4.52	13,452.41	1,103,097.62	4.54	17,447.56	138.41	971,025.00
Over 41 not over 41½	4.52	13,396.02	1,111,869.66	4.54	17,374.10	136.75	976,700.00

Period (years)	Annuity				EIP		
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
Over 41½ not over 42	4.51	13,321.72	1,119,024.48	4.54	17,302.38	135.12	982,375.00
Over 42 not over 42½	4.51	13,268.60	1,127,831.00	4.54	17,232.35	133.53	988,050.00
Over 42½ not over 43	4.50	13,197.34	1,134,971.24	4.54	17,163.95	131.98	993,725.00
Over 43 not over 43½	4.50	13,147.26	1,143,811.62	4.54	17,097.13	130.46	999,400.00
Over 43½ not over 44	4.49	13,078.81	1,150,935.28	4.54	17,031.82	128.98	1,005,075.00
Over 44 not over 44½	4.49	13,031.55	1,159,807.95	4.54	16,967.98	127.53	1,010,750.00
Over 44½ not over 45	4.48	12,965.72	1,166,914.80	4.54	16,905.56	126.11	1,016,425.00
Over 45 not over 45½	4.48	12,921.09	1,175,819.19	4.54	16,844.51	124.73	1,022,100.00
Over 45½ not over 46	4.47	12,857.67	1,182,905.64	4.54	16,784.78	123.37	1,027,775.00
Over 46 not over 46½	4.46	12,795.38	1,189,970.34	4.54	16,726.34	122.04	1,033,450.00
Over 46½ not over 47	4.46	12,754.32	1,198,906.08	4.54	16,669.15	120.74	1,039,125.00
Over 47 not over 47½	4.45	12,694.20	1,205,949.00	4.53	16,588.16	119.21	1,043,600.00
Over 47½ not over 48	4.45	12,655.35	1,214,913.60	4.53	16,533.33	117.97	1,049,262.50
Over 48 not over 48½	4.44	12,597.26	1,221,934.22	4.53	16,479.64	116.75	1,054,925.00
Over 48½ not over 49	4.43	12,540.10	1,228,929.80	4.53	16,427.04	115.56	1,060,587.50
Over 49 not over 49½	4.43	12,504.25	1,237,920.75	4.53	16,375.51	114.39	1,066,250.00
Over 49½ not over 50	4.42	12,448.92	1,244,892.00	4.52	16,300.00	113.00	1,070,650.00

**Note:** 1. If a borrower wishes to make a premature repayment of a loan, either in whole or in part, it should contact the Board giving full details beforehand. The Board will usually agree to accept this request but it should be noted that a premium will be payable when the interest rate on the loan to be repaid is higher than the current rate applying to the premature repayment of a loan repayable by the same method and over the same period as that remaining on the loan which it is proposed to repay. When the interest rate on the loan to be repaid is lower than the current rate applying to the premature repayment, a discount will be allowed.



KIDDERMINSTER TOWN COUNCIL  
TOWN COUNCIL MEETING

14<sup>th</sup> September 2022

LJ/2022

23<sup>rd</sup> August 2022

REPORT TO TOWN COUNCILLORS

AGENDA ITEM 7.2 – EXCHANGE CAFE

AIM

1. To receive a report from the Exchange Café from the Town Clerk, to include a summary of finances and consider if the Town Council would want to extend the current arrangements beyond 30<sup>th</sup> September 2022.

BACKGROUND

2. 17th November 2021 Town Council agenda included (at agenda item 7) a report titled 'The Exchange Café'. Within that report it comments that 'It is a time limited project up to 30th September 2022.
3. The project is the operation of a café by a private contractor within an area of the Town Hall. It is a temporary measure (presumably due to the fact that the Town Hall was expected to close for refurbishment on or around September 2022).
4. An Agreement was drawn up (**Enclosure 1**).
5. The Town Hall is likely to now remain open for use until just before Christmas of 2022 (17<sup>th</sup> December).

DISCUSSION/ COMMENT

6. Now that the Town Hall is not closing for refurbishment as early as previously thought there is an opportunity to extend [the agreement] to 17<sup>th</sup> December 2022.
7. A report on the activities and performance of the Exchange Café has been prepared by our Arts Engagement Consultant is attached (**Enclosure 2**) and identifies some of the community benefit being delivered through the project. The report includes reference to the ongoing financial position.
8. There is insufficient time to consider an alternative use of the area over the course of the next few months.
9. The named point of contact at the Town Council (within the agreement) no longer works for the Council and that the agreement should include an appointment (e.g Town Hall Manager) and not a named individual.

## FINANCIALS

10. There are some costs to the Town Council to support this initiative however they are difficult to quantify precisely. The Exchange café does not contribute to any of the utility charges that the activity incurs e.g. electricity (for lighting, microwave, dishwasher) and water (washing up). The area of the café is cleaned daily by the Town Council's contractors and there is no recharge to the café for this service.
11. The costs are likely to be minimal (a couple of pounds a day for the utilities) and some small charge for the cleaning.

## SUMMARY

12. The Council has an agreement in place to allow a commercial café operation that can encourage / support arts activity.
13. The current agreement is due to expire on 30<sup>th</sup> September 2022.
14. The expiry date was likely to have been in line with the anticipated closure date of the Town Hall in preparation for its refurbishment; that date has been pushed back slightly.
15. At little cost, the opportunity to extend the facility until mid-December 2022 has arisen

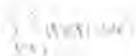
## OPTIONS

16. Cease the current agreement on 30<sup>th</sup> September 2022, as previously agreed.
17. Extend the current agreement until 17<sup>th</sup> December 2022

## RECOMMENDATION(s)

18. It is recommended that the Town Council RESOLVES:

***To extend the existing agreement with the Exchange Café (to operate a café) to continue up to 17<sup>th</sup> December 2022.***



Lee Jakeman  
Chief Executive Officer

Encl:

1. Agreement – Exchange Café Use of Town Hall.
2. The Exchange Arts & Café – Report August 22.



The Exchange Café  
Kidderminster Town Hall  
Agreement

Date: 29/09/21

**Introduction**

We are creating a new eco-friendly arts space in the Town Hall. The Exchange will be a real meeting place at the heart of Kidderminster Town Centre. It will have a tearoom where people can meet, chat and eat.

Within the space there will be an arts activity area for workshops and a small stage for performances. There will be a market stall in the room where new artists can sell their works – learning about sales and running a business, and also a gallery space where the works that have been created can be displayed, or new talent can hold an exhibition. This is a grass-roots space where anyone can develop their artistic talents.

**Tea Room**

Key attributes of the Tea Room business:

- Enthusiastic
- Community-minded
- Good-quality food from local suppliers
- Price points are reflective of the community
- Adaptable

The Town Hall responsibilities:

- Equipment provision:
- Tables, chairs, tableware
- Basic kitchen equipment: dishwasher, fridge, freezer, 2 ring hot plate, soup kettle, 4 slot toaster, coffee machine, hot water urn
- Serving counter
- Till

Financials

The Town Hall will provide a rent-free and rate-free space until the end of September 2022. This will be reviewed every 3 months

Insurance

The building and equipment will be insured by the Town Hall.

Maintenance

The Town Hall will maintain The Exchange space, the electrical and water services within the space and any equipment they have provided.

### Relationships

To work in a positive, cooperative and professional manner with all tearoom staff.  
To keep tearoom staff updated with the events timetable and events in the space.

Tea Room business responsibilities:

- Staffing the café including training, customer service standards, payroll and financial management.
- Meeting Environmental Health Standards
- Creating a menu that caters for the wider community and meets the attributes listed above.
- Buying and selling the food and beverages
- Creating a positive, inclusive and friendly environment with keen attention to cleanliness.
- Insuring the business and their staff, extra equipment etc
- Providing an excellent level of customer service
- Work in a positive, cooperative and professional manner with any Town Hall/Town Council staff

The Tea room and Town Hall staff will meet regularly to review feedback, financials and activity plans and adapt accordingly.

The café and Town Hall will work together in close partnership to create a cohesive space where our community is welcome.

The Town Hall retains responsibility for managing/terminating the agreement should the responsibilities not be met by the café.

### Opening times

The café will be open Thursday – Saturday 10am – 3pm plus occasional evenings for events which will be arranged and agreed in advance.

### Key Holders

The Tea Room Manager will be a key holder and responsible for opening and closing the building when Town Hall staff are not present. Training will be provided.

The designated Town Hall contact will be Rachel Shepherd, Business Development Manager (Working hours 9am-2.30pm Tue-Thu) who can be contact on [Rachel.shepherd@kidderminstertownhall.gov.uk](mailto:Rachel.shepherd@kidderminstertownhall.gov.uk) or 01562 732997. It would be preferable to send an email as some hours are working from home.

## **The Exchange Arts & Café – Report August 22**

Report by: Nina Price (Arts Engagement Consultant) 18<sup>th</sup> August 2022.

**Approx weekly numbers Café:** 200 (although this can fluctuate greatly depending on weather / events / school holidays etc)

**Approx weekly numbers Arts:** 130

### **Partner Organisations Involved**

**Sandra & Nigel Beare-Wolfenden** - Café operators

**Arts Etc** - delivery of inclusive creative sessions, including: Writing Workshop, Reading for Wellbeing, Drama, Family Splatterdays, SEND Splatterdays, Art Club and Life Drawing.

**Lyn Tyler - Collage Club** - Monthly art group that explore different themes through the medium of collage. A gallery of work will be displayed in November. Subsidised Art Sessions.

**Kidderminster BID** - Community Training Courses / Pub Watch Meetings

**Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP)** – Funding partners for Light up Kidderminster and Cultural Action Zone (CAZ) initiative of which Kidderminster Town Council are the lead organisation

**Our Way Advocacy** - Volunteer Opportunities

**Susfest** - District wide 'sustainability' Festival. Exhibition of artwork by adults with additional needs

**Dementia Friendly Alliance** - Coffee Morning (Organised by Kidderminster Town Council)

**Community Housing** - Space provided to set up stall to engage with local community

**Wyre Forest Day Resource Centre** - Weekly coffee mornings with clients

### **Project Overview**

The Exchange Arts & Café was initially set up as a 'pop-up' space for the community where projects and initiatives could be explored prior to the Town Hall Closing for Redevelopment in September 2022. Initially funded through the 'Steps to Sustainability' grant that was awarded to Kidderminster Town Council through Rachel Shepard and Nina Price's engagement in an ongoing Social Enterprise and Heritage Fund course. The success of The Exchange has been fantastic and although there has been no monetary gain for the Town Hall, the social value has been vast. The opening of The Exchange Arts & Café has not only raised the profile of the Town Hall to the local community, but also increased reputation of the Town Hall to local and national funding bodies.

The Exchange has transformed the former WFDC HUB into an inclusive and welcoming space that has been successful in creating a community of local people who regularly access and feel engaged with the Town Hall. Recent audience development research has shown that the people of Kidderminster do not feel like the Town Hall is a place for them. The Exchange has been instrumental over the past 8 months in starting to change this perception. The Exchange continues to open Thursday, Friday and Saturdays to both maximise on the 3 busiest days of the week in Kidderminster, but also to minimise the impact on the offices during Café open times. The Exchange has welcomed a number of visitors including the Police and Crime Commissioner, John-Paul Campion and Mark Garnier MP who commented :



*'I had a wonderful time and on my visit met some of the dedicated people who are making The Exchange café such a warm and inviting space for the community. Sandra, Nigel and Arts Etc charity were happy to share some of their excellent work with me.'*

The Exchange has also supported other programmes and initiatives including the Jubilee Celebrations by presenting an exhibition of artwork and photographs and offering support to the Kidderminster BID 'Kidderminster Proud' community fun day.

### **Financial report from Nigel and Sandra Beare-Wolfenden**

#### **The Exchange Café**

##### **Income**

•From sales: £17922

•From donations: £200 (Initial set up through Steps to Sustainability funding)

Total: £18122

##### **Expenditure**

•Staff costs: £4100 (not including N&S Wolfenden)

•Stock costs: £7140

•Sundries: £480 (Insurance)

Total: £11720

*(These figures are up to end of July 2022)*

It indicates a gross profit of £6402 which when divided by 9 months equates to £711 per month income for Sandra and Nigel. Approx collective hours for S&N including café open times and prep are 50 hours per week.

#### **A sample of comments from The Exchange feedback forms:**

*'The restaurant is so fantastic and very friendly – all the food is so fantastic and tasty. They cannot move. Please stay!' - anon*

*'A lovely little gem! Attentive, friendly staff and relaxed, comfortable surroundings. Lovely big slices of cake too. Will try a meal next time. Also perfectly placed in town!' – Terese*

*'It is my first time here and I have to say that my first impression was 'home'. What a gem it is here, just peaceful and really lovely. Staff are so lovely and friendly, I really enjoyed my tea and toast and I had a very nice relaxing time. The beautiful china and feel is just lovely. I am so glad I stepped in and had the experience. All the best in the future!!!' – Caterina*

*'This is the best café that I have ever been to – a welcoming atmosphere, warm and friendly staff. Excellent food it is always spotless and the whole place has an air of professionalism. I meet a lot of people here, in my business there are few places in the town which are more suitable for one to meet or make an appointment and I recommend it highly' – Tony S*

*'We have been bringing our service users here for a while and find it very friendly and welcoming and lovely drinks' – Wyre Forest Day Resource Centre*

*'Nice little café and lovely staff. Very nice food, very good atmosphere.' – Richard & Sandra*



*'The Exchange Café has offered such a great boost to the town for both a friendly and enjoyable place to stop and have a drink. It has offered a great place for people to come along and enjoy art classes that allows their growth and development within themselves and supported well by the café and staff. It will be a great tragedy to have this café close up and feel they should be supported to be able to open somewhere else – as in many ways their generosity and support to customers is what this town needs as I feel is slowly lacking in this kind of support and generosity the café offers.'* Michelle C

*'Always great food and very friendly service. They cannot do enough for you!'* – Gay H

*'I like the food a lot. You gise [sic] are verry [sic] nice. Thankyou thankyou [sic] so much. Have a good day'* Grace G (age 8)

*'People very Friendly and place spotless. Staff very nice. Staff very friendly. Tea and coffee great value – we visit every sat, very friendly staff. Cakes and food look very good but yet to try! Would recommend. Would be a shame to lose it.'* – Sue M and friends.

*'A wonderful vibrant space. Very welcoming arts centre and great café supplying quality snacks especially homemade scones! The Town Hall is a special place for me as I worked in the Town Clerks office when I left school age 15 and stayed for 4 years. I love the postcard image by Linda Nelson also the stained-glass card print. Finally a great community space to empower various groups. Well done!'* – hijinx3

*'Since finding the Exchange coffee shop I have been so happy. We come in Thurs Fri Sat for chat and coffee, meet people as rest of week I sit at home with just 4 walls to look at. On Thursday I have joined the art class and having so much fun. I am 81 years old and feel it is time we have somewhere that we enjoy. Please can you find somewhere you can place until you open up again. Maybe paver would be nice as all the staff could go there but we need to. Coffee shop Sandra and Nigel are so popular.'* Patricia C

*'This is a fabulous community resource. The facilities and activities are just what the community in Wyre Forest needs. I am a social prescriber. Please continue to support this and the groups who come here.'* Elizabeth D (NHS)

-----END-----

KIDDERMINSTER TOWN COUNCIL  
TOWN COUNCIL MEETING

14<sup>th</sup> September 2022

LJ/2022

6<sup>th</sup> September 2022

REPORT TO TOWN COUNCILLORS

AGENDA ITEM 8 – ASSETS OF COMMUNITY VALUE FORMER RAINBOW CHILDREN'S CENTRE,  
RADFORD AVENUE KIDDERMINSTER - NOTICE TO DISPOSE

AIM

1. To receive correspondence from Wyre Forest District Council (WFDC) and form a view as to whether the Town Council wishes to be considered as a potential bidder for the former Rainbow Children's Centre.

BACKGROUND

2. E- mail dated 16<sup>th</sup> August 2022 from WFDC refers (extract enclosed). Kidderminster Town Council informed that the building, which is registered as an Asset of Community Value, has been notified that the owner has served notice of its intention to sell the building.

DISCUSSION/ COMMENT

3. While the Council or councillors might wish to bid on the property, I can see no reference in previous minutes or Town Council plans to acquire property for a specified use.
4. Any bid would require some planned purpose and some relatively detailed business plan to justify additional unbudgeted expenditure.

FINANCIALS

5. There are no budgeted or earmarked funds that could carry the cost of the purchase of a large building and the associated costs.

RECOMMENDATION(s)

6. It is recommended that the Town Council RESOLVES:

To note, but decline the invitation to register an interest (under the right to buy under the Assets of Community Value Scheme) to bid for the former Rainbow Children's Centre

*Lee Jakeman*

Lee Jakeman  
Chief Exec  
Encl:

1. Extract form e-mail WFDC to KTC dated 16<sup>th</sup> August 2022.

Extract from e-mail WFDC to KTC dated 16<sup>th</sup> August 2022.

Dear Town Clerk

**Community Right to Bid – Assets of Community Value former Rainbow Children's Centre, Radford Avenue, Kidderminster - notice to dispose**

I am writing to inform you that, on 16<sup>th</sup> August, the Council received notification from [owner] that they intend to dispose of the listed community asset the **former Rainbow Children's Centre, Radford Avenue, Kidderminster**

**Moratorium Periods (delay of sale)**

This notification has triggered the initial six weeks moratorium period which commenced 16<sup>th</sup> August 2022. Community groups may now notify the local authority of their intention to be treated as a potential bidder for the asset. Requests should be made in writing to ourselves before the end of the initial moratorium period 27<sup>th</sup> September 2022. If no bids are received then the owner may continue with the sale of the asset.

If within the six weeks a local community group states they wish to be considered as a potential bidder, they will be given six months to put together a viable bid. This is known as the full-moratorium period. The full moratorium period ends on 16<sup>th</sup> February 2023. The owner can, at the end of the moratorium, sell to whomever they choose and at whatever price. The owner is also at liberty to negotiate with a preferred buyer during the moratorium period: but the sale cannot be concluded during that period.

**Protected Period**

If after the six month moratorium period a community group has not successfully bought the property, a further 12 month protection period is triggered (in total an eighteen month period commencing on the day the Council received written notification of the owner's intention to dispose of the asset). During this protection period the asset may be sold by the owner on the open market without the risk of any further moratorium period being triggered. The protection period will end on 16<sup>th</sup> February 2024

Kind Regards

**Caroline Newlands**

**Solicitor to the Council**

**Wyre Forest District Council**

KIDDERMINSTER TOWN COUNCIL  
TOWN COUNCIL MEETING

14<sup>th</sup> September 2022

ST/2022

02 September 2022

REPORT TO TOWN COUNCILLORS

AGENDA ITEM 9 – POLICING REPORT

AIM

1. To provide a response to members with regards to questions raised following a policing report at the Town Council meeting on Wednesday 27<sup>th</sup> July.

BACKGROUND

2. PSCO Holloway gave a policing update to members. Members were asked to forward any questions for the police directly to the Chief Executive.
3. Office Manager forwarded questions to the Local Police Team.

SUMMARY

4. Below, are Members' questions and the response from the police as follows:

**a) If a resident is worried about continued anti-social behaviour - whom do they contact? I have recently needed to contact a specific area team and have found finding their contact information incredibly difficult. Could team contact information (phone and emails) for all areas be circulated to all councillors?**

All of the details for all SNT officers across Wyre Forest can be found on the internet on the West Mercia Police website. If a resident or organisation puts in a post code then the details of the officers for that area will come up. Each team has its own team email address. Again these are on the contact us section on the internet. We have a poster that contains all of our details. Due to a lot of recent team member changes we are in the process of having ours updated. As soon as it comes back from publishing you will have a copy.

In the event of ASB – **This should always be reported via 101 or the online reporting via our website.** This ensures that the incident is reported correctly and entered on our systems. The incident will then be deployed to by the correct department. If it is just ASB reported, then the departments that record the incidents send them on to the relevant teams. SNT are not always the most appropriate team to deal with a call. Should a member

of the public or councillor want us to be aware in addition to the 101 or online, they should feel free to contact us also.

**b) The 'targeted approach' that is mentioned - what does this mean, and can we have the 'report' in some written form so we can promote the good work being done through our own channels?**

We have our priorities and take a targeted approach to solving problems. Once an issue has been identified we will use a range of tactics in an attempt to resolve the issue. Targeting is a term used to show we have identified something and are focussing on the issue. (As discussed prior and what we were actually supplied. We need 3 priorities from the town council that may be what we are looking at already or something we could look at as well. It's a little bit more difficult as you will have the thoughts of X amount of Councillors and unlikely to all be for the town centre/Greenhill due to the make up. But as per the Community Charter we need priorities that the TC provide that we can work together on resolving. Tony kept this very tight and applied common sense when choosing the priorities. It was just him and the Chair. This is one of the items I will raise with the CEO.)

Once we have been set the priorities, we can work on them and look to make the situation better. We can then report back to the TC who can publish the results and set us some more.

**c) What is being done about ASB relating to dogs? I have had several complaints of dogs continually barking through the day and night. I think there has been a rise in dogs being left alone post pandemic and suffering from separation anxiety (and barking) and with the heatwave dogs being in gardens and not being controlled properly by their owners. For barking dogs, I refer residents to Worcestershire Reg Services; for nuisance/uncontrolled dogs this is a police issue (for private residents) so who deals with this? Is there someone who specifically deals with dogs?**

As a rule we would not deal with issues that are outlined to do with dogs. WF has a PSPO in place to deal with some elements of dog related ASB. If a dog was causing a nuisance in a private dwelling this would be for the local authority or housing provider to look at. It would be a noise issue that the local authority could deploy noise monitoring equipment to.

The only time the Police would intervene is if the behaviour of dog or owner fell within our powers granted to us by the dog act.

**RECOMMENDATION(s)**

5. It is recommended that the Town Council **RESOLVES**: to note the responses from the Local Policing Team.

Sharon Tandy  
Office Manager

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**KIDDERMINSTER TOWN COUNCIL  
TOWN COUNCIL MEETING**

**28<sup>th</sup> September 2022**

LJ/2022

21<sup>st</sup> September 2022

REPORT TO TOWN COUNCILLORS

AGENDA ITEM 10 – KIDDERMINSTER EDUCATIONAL FOUNDATION

AIM

1. To confirm representatives on the Management Committee of the Kidderminster Educational Foundation (Charity No: 527537).

BACKGROUND

2. Kidderminster Town Council was appointed sole Trustee of the Kidderminster Educational Foundation on 1 April 2016.
3. As Sole Trustee the Town Council has corporate responsibility for the management of the Charity.
4. The last record of meeting appears to be a virtual meeting held on 20<sup>th</sup> October 2020 which was attended by (then) Councillors F. Oborski MBE (Chairman), J. Baker, M. Kelly, and P. Young.
5. Town Council minute C619 dated 26 May 2021 resolved to delegate the responsibility of the Charity to the Town Hall Committee. Since which, it appears that no meetings have occurred and that there has been no further appointments or annual ratification of responsibility for the Foundation.
6. The National Association of Local Councils offers advice on Town Council responsibilities where it is a Trustee (normally Sole Trustee) of a charity (Legal Topic Note 28). In addition, the Local Government Association in combination with the Charity Commission have produced a 'Councillors Guide to a council's role as a charity trustee. Both documents are attached.

DISCUSSION/ COMMENT

7. When acting as a sole trustee the Council should transact that business of the Charity separately from Council business. It is not therefore considered appropriate



to delegate the responsibilities to a committee of the Town Council e.g. the Town Hall committee.

8. It is often the case that Town Council's will set up a management committee, independent of the Council, to oversee good governance and contribute to the aims of the charity as well as reporting back to the Town Council (in its capacity as Sole Trustee) at regular intervals. Management committee's can and often do comprise solely councillors.
9. The management committee might need to be provided with some administrative support and in the first instance the Council might consider it beneficial to delegate to an officer (the CEO is best placed) to attend the initial management meetings to provide advice and support. Thereafter, the management committee might seek the services of a volunteer, recruit an employee on some form of honorarium or ask the Town Council to continue providing the administrative support for a suitable payment.
10. The apparent lack of any formal meetings or any documented reports since October 2020 should be of concern to the Town Council. Steps should be taken to formalise responsibilities and clarify roles and activity.

#### RECOMMENDATION(s)

11. It is recommended that the Town Council RESOLVES:

To appoint (a number i.e. 3 -5) named councillors to the management committee of the Kidderminster Educational Foundation for the purpose of carrying out and overseeing the day to day management of the Charity (on behalf of the Town Council) in line with the charities aims (including the awarding of grants) and providing regular (at least annually) reports to the Full Town Council.



Lee Jakeman  
Chief Exec

28 FEBRUARY 2022

## **LTN 28 | BASIC CHARITY LAW**

### **Principal roles played by local councils in the trusteeship of charities**

1. A local council can act as:
  - sole trustee: the council as a corporate body holds the property and oversees its application as charity trustee (see paragraph 6 below);
  - joint trustee together with individual trustees;
  - custodian trustee: the council holds the property but takes no decisions on its use (see paragraph 10 below).
2. Local councils can also:
  - appoint their nominees as trustees in certain circumstances (see paragraph 15);
  - give financial assistance to a charity e.g. through grants.
3. The responsibilities of the local council as trustee will be set out in the charity's governing document. The governing document sets out the charity's purposes and, usually, how it is to be administered. It may take the form of a trust deed, constitution, conveyance, will, Royal Charter or Scheme of the Charity Commission.
4. A local council could be involved in more than one capacity, for example acting both as custodian trustee and appointing one or more of the managing trustees. Managing trustees are responsible under the governing document for controlling the charity's management and administration.

### **Restrictions on local councils**

5. Under s.139(1)(b) of the Local Government Act 1972 ('the 1972 Act'), a local council can be appointed as a sole or custodian trustee of a charity for the benefit of all or some of the people living in its area. Most frequently, the charities will be for recreational purposes.

### **Local councils acting as sole trustee**

6. If a council is the sole trustee, it should set up a committee. The individual committee members are not charity trustees. The committee will be governed in accordance with charity law and decisions made in the best interests of the charity, not the council. The charity's governing document will set out if non-councillors can be members of the committee. If not, all members of the committee must be councillors. The [Charity Commission](http://www.charitycommission.gov.uk) website contains several short guides for charity trustees.
7. Pursuant to s.2 of the Charities Act 2011('the 2011 Act'), a charitable body must be established for a charitable purpose and for the public benefit. It cannot be established to further the purposes of some non-charitable body such as the council itself. Local councils and charities often have close interests in local matters. But the charity needs to be independent of the council. Decisions about the administration and operation of the charity must be taken solely with a view to furthering its charitable purposes and for no other purpose. In short, the council must realise it has a dual role, first, as a local authority and secondly as a charity trustee and the two roles must be kept entirely separate. All discussions and decisions relating to the charity should be taken at a meeting specifically called for that purpose, not at a council meeting.
8. There are advantages to having a local council as trustee, but there may also be disadvantages. Conflicts of interest between the council and the charity can often occur as well as a failure by the council to appreciate that it must deal with the charitable property in accordance with the charitable trusts. For instance, where the property is a recreation ground, there have been occasions where a lease has been granted on preferential terms to a (non-charitable) sports club. The Charity Commission is aware of local authorities that have disposed of property that they thought was their own but was in fact charitable property. The Commission will generally try to make some other trustee arrangement when it exercises its power to appoint charity trustees e.g. the council is appointed as custodian trustee with separate managing trustees having day-to-day responsibility for the administration and operation of the charity.

## **The Public Contracts Regulations 2015**

9. In some circumstances, a charity may be subject to the requirements of the Public Contracts Regulations 2015 ("the 2015 Regulations"), for example, the requirement to use the contracts finder website when putting contracts of £25,000 or more out to tender.

## **Local councils acting as custodian trustee**

10. The role of a custodian trustee is very limited. The legal title to the charity's property is vested in the local council and it has custody of all documents relating to the property. The managing trustees must have free access to the title deeds. The charity property should be listed in the council's assets register but with nil value. Responsibility for insurance of the charity property falls on the managing trustees. The custodian trustee has no power to manage the property and no role in the administration of the charity. The custodian trustee duty is to perform all lawful acts necessary to enable the managing trustees to administer the charity efficiently. The custodian trustee should not act if the matter is a breach of trust or involves liability for the custodian trustee.
11. Many charities find it convenient to appoint the local council as custodian trustee because the council has a perpetual legal status and identity and thus is capable of holding charity property forever. The situation may be contrasted with other trustees who die or retire and, consequently, new trustees are required and the charity property has to be transferred into the name of the new trustees.
12. Based on the provisions of s.4(2) of the Public Trustee Act 1906 ("the 1906 Act"), the Charity Commission has given the following guidance in respect of the role of custodian trustees:

"The watchword here is "assistance". The custodian trustee can only assist the managing trustees - it cannot have any management responsibilities itself, no matter how convinced individual members of the corporate body may be that it does... All sums payable to or out of the income or capital of the trust property should be paid to or by the custodian trustee. It may, however, allow the dividends and other income derived from the trust property to be paid to the managing trustees (or to such person, directly or by credit to their bank account, as they may direct). If this is allowed, then the responsibility for ensuring the proper application of those funds falls to

the managing trustees, and the custodian trustee is not answerable for any loss or misapplication of them.

The custodian trustee, if it acts in good faith, is not liable for accepting as correct, and acting upon, any written statement by the managing trustees relating to any matter of fact upon which the title to any or all of the trust property may depend. It is also not liable for acting upon any legal advice obtained by the managing trustees independently of it."

13. Pursuant to s.4(3) of the 1906 Act, custodian trustees are able to charge for their services. However, a custodian trustee:

- cannot act for the managing trustees even if there are none; and
- must carry out the managing trustees' instructions unless that would involve the custodian trustee in a breach of trust or some personal liability.

14. A custodian trustee can be appointed in any of the following ways:

- the governing document of the charity when it is first established;
- the person or persons having power to appoint new trustees;
- an Order or Scheme of the Court; and
- an Order or Scheme of the Charity Commission.

### **Appointment of trustees**

15. In some cases, the governing document of a charity may give a local council power to appoint some or all of the trustees of the charity.
16. S.300 of the 2011 Act gives some local councils powers to appoint trustees of certain types of charities for public recreation or allotments.
17. Trustees appointed by a local council under s.300 of the 2011 Act have exactly the same duties and responsibilities as other trustees. They must act independently of the council which appointed them and act only in the best interests of the charity.

### **Non-functioning managing trustees**

18. Charities can lose all of their managing trustees or have insufficient trustees to be quorate. The custodian trustee would still have no power to manage



the charitable property and no role in the administration of the charity. What options are there to re-activate the charity? The Charity Commission has powers to appoint trustees (including appointing the council as sole trustee). And under section 36 of the Trustee Act 1925 the remaining trustee(s) may have the power to appoint other trustees.

### **Different types of charity**

#### **(i) ecclesiastical charity**

19. An ecclesiastical charity (as defined by s.75 of the Local Government Act 1894) has one or more of the following purposes:

- for any lawful spiritual purpose;
- for the benefit of any spiritual person or ecclesiastical officer;
- for use, if a building, as a church, chapel, mission room or Sunday school or otherwise by any particular church or denomination;
- for the maintenance, repair or improvement of such a building or for the maintenance of religious service in it;
- otherwise for the benefit of a particular church or denomination or their members

A local council cannot be a sole or custodian trustee of an ecclesiastical charity or a charity for the relief of poverty (s.139 (3) of the 1972 Act).

#### **(ii) parochial church council**

20. A parochial church council ('PCC') is the elected body dealing with the finance and organisation of the church in a parish or ecclesiastical district. The powers of a PCC are laid down in the Parochial Church Council (Powers) Measure 1956. A measure is the equivalent of an act of parliament. The General Synod has powers to pass measures which relate to any matter concerning the Church of England.

### **Conflicts of interest**

21. Sometimes council officers or members are appointed as trustees of charities and trustees of charities become members or employees of councils. Such dual roles can give rise to potential conflicts of interest. Charity trustees must not let their other interests' conflict with their duty to act in the interests of the charity.

22. In England, a member has obligations under the Localism Act 2011 ('the Localism Act') concerning disclosable pecuniary interests as defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. The definitions of disclosable pecuniary interests are given in NALC Legal Briefing L10-12. If a councillor is also a charity trustee for profit or gain, or a director of a charitable company and a council meeting is making a decision about a contract for goods and services between the parties or a tenancy in which the council is the landlord and the charitable company is the tenant (or vice versa), the councillor cannot, without a dispensation from the parish council, participate or vote on the issue. In England, the code of conduct adopted by a council under s. 27(2) of the Localism Act may prevent a councillor from participating in a discussion and voting at a council meeting in respect of any decision about an unincorporated charity of which he/she is a charity trustee without profit or gain (even if appointed or nominated by the council). If a council has adopted the NALC template code of conduct (set out in Legal Briefing L09-12), a councillor in the situations described would be able to speak on the issue only if the public have rights to speak at the council meeting. If a councillor wants to participate in the council's discussion and vote on the matter, he/she would first need to obtain a dispensation from his/her council.
23. In Wales, by virtue of s.50 (4) of the Local Government Act 2000 and the provisions of the Local Authorities (Model Code of Conduct) (Wales) Order 2008 No.778, a member cannot, without a dispensation from his/her principal authority's standards committee, participate or vote on a matter at a council meeting if he/she has a prejudicial interest in a matter arising from his office as a charity trustee (even if his/her council appointed or nominated him/her).
24. Council officers and employees have a duty to ensure that they act in the best interests of tax payers and trustees have a duty to act in the best interests of the charity and its beneficiaries. These duties can, and frequently do, conflict. A conflict can arise in a number of situations and a classic example is the sale or lease of land by one body to the other.
25. For example, trustees leasing or selling land to a council are under a duty to obtain the best price or rent. At the same time, council officers or employees are under a duty to ensure that tax payers' money is spent prudently. Another example is where contracts are agreed by one body to the other. Clearly, it is extremely difficult to comply with both duties at the

same time.

26. If the council believes that there may be a conflict of interest, it should seek advice from the Charity Commission, who have produced guidance. It can be accessed at: [www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29](http://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29).
27. In some situations, it may be possible for individuals simply to refrain from taking part in meetings or to refrain from taking part in the decision-making process. In more difficult cases, the Charity Commission might invite trustees to resign voluntarily. It could, after conducting an investigation, also require a trustee to step down.

#### **Duties and liabilities of trustees**

28. The duties of trustees can be quite onerous. They must act in the best interests of the beneficiaries at all times. The position is one of personal confidence towards the beneficiaries. The duties owed to the beneficiaries must not in any circumstances be permitted to come into conflict with their personal interests. A trustee acting in breach of trust is usually liable for any losses personally.
29. The courts have been keen to ensure that the trustee's strict duties towards the beneficiaries do not conflict with any of the trustee's other personal interests. Consequently, a sale or lease of trust property to a trustee or to people or companies closely related to him should be approached cautiously. A number of rules have developed which may be summarised as follows:
- a trustee should not place himself in a position where trafficking in the trust property may prove to be an irresistible temptation;
  - a trustee is not allowed to become the owner or lessee of trust property;
  - a trustee may not sell or lease property to a nominee;
  - the sale of trust property to a trustee's relative will be looked upon with suspicion, as will a sale of trust property to a company in which the trustee has a substantial interest.

## **The Charity Commission**

30. The Charity Commission, established by the Charities Act 2006, is one of the main sources of detailed advice and information about charities. It has the following main roles:

- registering eligible organisations in England and Wales which are established only for charitable purposes;
- taking enforcement action when there is malpractice or misconduct;
- ensuring charities meet their legal requirements, including providing information on their activities each year;
- making information widely available about each charity;
- providing guidance to charities.

31. The contact details of the Charity Commission are as follows:

- general enquiries — contact centre 03000 66 9197;
- website — [www.gov.uk/government/organisations/charity-commission](http://www.gov.uk/government/organisations/charity-commission);
- useful publications —
  - The Essential Trustee:  
[www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3](http://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3)
  - Local Authorities as Charity Trustees:  
[www.gov.uk/government/publications/local-authorities-as-charity-trustees](http://www.gov.uk/government/publications/local-authorities-as-charity-trustees)
  - Charities and Meetings:  
[www.gov.uk/government/publications/charities-and-meetings-cc48](http://www.gov.uk/government/publications/charities-and-meetings-cc48)
  - Charities and Insurance:  
[www.gov.uk/government/publications/charities-and-insurance-cc49](http://www.gov.uk/government/publications/charities-and-insurance-cc49)

**Other Legal Topic Notes (LTNs) relevant to this subject:**

LTN	Title	Relevance
21	Local council help for village halls	Sets out the powers of councils to assist the running of village halls.
40	Local councils' documents and records	Sets out local councils' duties to record ownership of land and keep title documentation.
45	Disposal and appropriation of land by local councils	Sets out restrictions relating to disposals of land subject to charitable trusts.
45A	Disposal of charity land by local councils acting as sole or managing trustee	Explains the rules and procedures for the disposal of charitable land by a local council which is sole or managing trustee.
80	Members' conduct and the registration and disclosure of their interests (England)	Explains councillors' obligations under the Localism Act 2011.
87	Procurement	Explains the arrangements that councils must follow when the Public Contracts Regulations 2015 apply.



# Councillors' guide: to a council's role as charity trustee

## Introduction

This guide has been jointly produced by the Local Government Association and the Charity Commission. It specifically addresses the situation where a local authority is itself the sole trustee of a charity. Many local authorities hold assets that are subject to charitable trusts. Often this is because a donor has left land or property to a council on condition it is used for a public purpose - such as a museum, art gallery or recreation ground. In such a situation the local authority has the status of charity trustee.

This brief introductory guide is intended to help councils and council members fulfil this role responsibly in accordance with charity law and to avoid some of the financial and reputational pitfalls that can occur when things go wrong. This guide does not address the wider set of issues relating to council staff or members being trustees of other charities or the relationship between local authorities and external charitable bodies more generally.

## What is a charity?

A charity is an organisation or entity established **exclusively** for purposes which are capable of being **charitable** and which are for the **public benefit**. In England and Wales, charitable purposes are defined in the Charities Act 2006. Public benefit is explained in Commission guidance.

The people who serve on the governing body of a charity are called **charity trustees**. The **beneficiaries** might be the population of a local area, or a particular type of person, such as those suffering from a medical condition. Trustees have and must accept ultimate responsibility for directing the affairs of a charity, and ensuring that it is solvent, well-run, and delivering the charitable outcomes for the public benefit for which it has been set up. Trustees have a duty to act solely in the interests of the charity and its beneficiaries.

A corporate body such as a local authority can also be a charity trustee. Where a local authority is trustee, the property in question is often land or buildings intended for a particular purpose; but councils as trustees can also hold financial investments or other funds, often for the purpose of awarding grants to the community. In either case, it is essential to ensure that the assets are held and applied in accordance with the charity's particular purpose.

## Charity law and the Charity Commission

There are about 180,000 registered charities in England and Wales with a collective income of around £50 billion a year. All charities must comply with charity law which defines charities and how they are run.

The Charity Commission is the independent regulator of charities in England and Wales. Its aim is to provide the best possible regulation of charities in order to increase charities' effectiveness and public trust and confidence in the work they do. Most charities with an income above £5,000 per year must register with the Commission.

## The council's role as charity trustee

Local authorities are empowered by Section 139 of the Local Government Act 1972 to receive and hold gifts on charitable trusts. This may include money or assets left by donors, or charitable trusts created by ancient royal charters or Acts of Parliament.

Local authorities are well suited to being charity trustees; in particular councils are:

- rooted in the local community;
- open and transparent in their dealings;
- highly accountable for their actions; and
- have the high standards of public conduct embedded in the way they work.



There are similarities between the rules and regulations that apply in discharging the functions of a local authority and those of a charity. While many of those underlying principles of prudence and transparency will apply equally to managing charitable trusts, there are also differences. An understanding of these differences is essential if local authority trustees are to perform this role effectively and with the minimum of risk. A number of councils have encountered problems in this area, most notably because:

- councils, used to exercising wide discretion in the way they manage their assets, may not have fully recognised and complied with the restrictions on the use of charitable assets;
- conflicts can arise between things that would be popular with the electorate and the obligations of the trustee, imposed by the terms of the charity;
- where assets were left to the council many years ago, the precise terms of the charity, or even the fact that it is a charity, may have been forgotten or overlooked.

#### **Fictional Case Study A – Southbeach Borough Council**

**Scenario:** Southbeach Borough Council plans a major refurbishment of the sea-front Pavilion Rooms, to include a new art gallery, public meeting rooms and tourist information centre. The Council's solicitor has checked and the building was left to the Council in 1948 on charitable trusts to be used for "public gatherings, artistic or cultural or other activities for the benefit of the people of Southbeach."

**Issues and solutions:** The promotion of tourism is not a legally charitable purpose. The Council has a conflict of interests between its desire as a public authority to promote tourism and its duty to act in the charity's interests.

As trustee, the Council must ensure that the purposes of the charity are fulfilled. Depending on the terms of the trust, perhaps a proportion of the charitable use could be accommodated within council premises elsewhere to allow a Tourist Information Centre to be incorporated in the refurbished Pavilion. Alternatively, if there is genuinely spare capacity within the Pavilion, perhaps a Tourist Information Centre could be accommodated through a commercial lease from the charity to the Council. In either case, Charity Commission advice and authorisation are likely to be needed.

#### **Fictional Case Study B – Touchline District Council**

Touchline District Council is trustee of a recreation ground in an out-of-town location which is little used. It was bequeathed in 1967 by a local citizen as a public recreation ground within the meaning of the Recreational Charities Act 1958. Last year the Council leased the site to the Touchline Football Club to facilitate their expansion plans and the Club has now laid out pitches, spectator areas and has built a substantial Clubhouse.

**Issues and solutions:** Under the Recreational Charities Act the facilities must be available to members of the public at large. Accordingly, permitting the exclusive use of the grounds by one club would not meet this requirement. In granting the lease, the Council has acted outside its powers and in breach of the charitable trusts. This situation may be complicated to resolve and local feelings are likely to run high, but open public access must be restored as soon as possible on this site or a suitable replacement provided by the Council. Charity Commission advice and authorisation may be required, particularly if the Council is considering an exchange of charity land for land it holds in a corporate capacity.

### **Managing charitable trusts safely**

Local authorities have the skills, public knowledge and professionalism to manage charitable trusts very effectively but care needs to be taken to ensure that unnecessary problems do not arise. Councils and council members should be aware of the following principles:

- For a body to be a charity, it must be independent, i.e. it must exist and operate solely for charitable purposes, not as a means of carrying out the policies or directions of the local authority.
- Where a local authority is a trustee of a charity, it is the corporate body, acting in accordance with its usual procedures, which is "the trustee." While ongoing management may be delegated to officers, responsibility for decision-making and oversight rests with the councillors.
- The terms of the charity must be clearly understood. Nearly all problems that occur stem from a lack of clarity regarding these terms, or indeed failing to recognise that a charity exists in the first place. If there is any doubt about the terms of a charity or how they should be interpreted, appropriate advice should be sought, for example from legal advisors or from the Commission.

- The management of the charity should be kept separate, as far as possible, from the business of the local authority. Depending on the size and circumstances of the charity, it may make sense for a committee of councillors to be allocated this task. It must not be forgotten, however, that responsibility continues to rest with the whole council.
- Equally the finances of the trust must be kept separate from those of the council. The assets must be accounted for separately and income and expenditure should be channelled through discrete cost centres. The local authority may top up the finances of the trust but no funds should pass from the trust into the council's own accounts – although the council may, depending on the circumstances, recover the costs of administration.
- If the original terms of the charity can no longer be realistically followed, because circumstances have changed, the local authority should approach the Commission to see if the charity's governing document can be amended or updated. The Commission can advise on the most appropriate way of doing this.
- The Commission's registration and reporting requirements must be observed. For example, all charities must produce annual statements of accounts under charity law. Depending on the financial size of the charity, it may have to register with the Commission, or be subject to higher levels of accounting scrutiny.
- If any issues arise about whether the terms of the trust have been properly followed, the local authority should contact the Commission and work with them in finding a solution.

### **Fictional Case Study C – Heritage City Council**

**Scenario:** Heritage City Council is trustee of a charity whose investments include a number of properties, with the income applicable for charitable purposes that benefit the inhabitants of the City. One large building has become semi-derelict and a developer has offered the Council £3 million for the site which it wishes to convert to a night club and casino. The Council feels obliged to accept the windfall but local residents are outraged.

**Issues and solutions:** As trustee the Council must act exclusively in the best interests of the charity. It must make its decision based on consideration of the charity's interests alone. The trustee must manage its conflict of interests and not take account of factors that are irrelevant to the charity (such as the Council's political interests). It must adequately inform itself before making a decision.

Taking appropriate independent professional advice, the trustee should consider whether the offer of £3 million represents the best sale price that the building is likely to achieve. The property should be marketed unless the charity's professional advisor advises otherwise. The trustee could consider whether it should take account of any risk to the charity's reputation. There may be a range of issues on which the trustee might require the Commission's advice, depending on the particular trusts on which the building is held.

In this case, however, the conflict of interest may be unmanageable because of the rules against self-dealing; the Council would have to act as both charity trustee and planning authority. The Council might need legal authority from the Charity Commission either to act notwithstanding the conflict of interest, or to bring in an independent "trustee" to act for the charity for this transaction (which might be preferable in the circumstances).

The trustee might have found it helpful to have a pro-active asset management plan in place. This might have increased the range of potential options for maximising the return on the charity's assets.

### **Useful Guidance**

Available from the Charity Commission website [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

- *The Essential Trustee* (CC3)
- *Sales, leases, transfers or mortgages: What trustees need to know about disposing of charity land* (CC28)
- *Charities Act 2006: What Trustees Need to Know* - a plain English guide published jointly by the Charity Commission and the Office of the Third Sector
- *Public benefit guidance*
- *Local Government Charity Toolkit*



## **Ten tips for councils in their roles as charity trustee**

1. Ensure that any charitable assets, for which the local authority is the trustee, are clearly identified.
2. Make sure you are clear about the objects of the charity set out in its governing document as these dictate how any such asset may be used, in accordance with charity law.
3. Make sure that any charitable assets, for which the council is the trustee, are managed independently in accordance with their charitable purpose and any restrictions in the governing document.
4. Recognise that charity trustees have a duty to be prudent and to act solely in the best interests of the charity.
5. Ensure there is a clear line of responsibility for the management of all charities for which the local authority is the trustee.
6. Ensure that there are clear guidelines for officers and councillors about roles, responsibilities and decision making in the administration of charities.
7. Ensure you have a clear process for identifying and managing any conflicts of interest that arise where the local authority is the trustee of a charity.
8. Actively manage any charity for which the council is the trustee – keeping records up to date, submitting the necessary returns to the Charity Commission and reviewing investments, risks and opportunities on a regular basis.
9. Periodically review whether it continues to be in the best interests of the charity for the local authority to remain as trustee.
10. Follow Charity Commission guidance (and obtain appropriate advice) if you are planning to dispose of charity land, alter the charitable purpose or other terms of the governing document, or take action where trusts have become dormant.