

**BRIDGNORTH TOWN COUNCIL
TOWN COUNCIL MEETING
TUESDAY 21ST JANUARY 2020**

LJ/2020

7 January 2020

REPORT TO TOWN COUNCIL

AGENDA ITEM 9 iv) – BRIDGNORTH COMMUNITY HALL

AIMS

1. To receive the minutes of the recent AGM and business meeting of the Bridgnorth Community Hall Management Committee and consider any recommendation to the Town Council acting in its capacity as Sole Trustee.

BACKGROUND

2. The Town Council is the Sole Trustee for the Bridgnorth Community Hall and appoints members to the management committee who are in turn responsible for managing the affairs of the charity.
3. The minutes of meetings of the Charity are copied to the Town Council in order that it may oversee its responsibilities. On 6th January the Charity held its AGM and a routine business meeting. The minutes of both are attached.

DISCUSSION/ COMMENT

4. The AGM minutes are to be noted.
5. The minutes of the business meeting are also to be noted. However there are some decisions and recommendations that the Town Council (as Sole Trustee) need to consider and agree:
 - a. That the Charity transfers to becoming a Charitable Incorporated Organisation (CIO).
 - b. That the financial year end for the Charity changes from being 31 July to match that of the Town Council (i.e. 31 Mar).
 - c. That the Town Council agrees that £6,000 is an appropriate amount to receive for services rendered to the Charity in the current financial year.
 - d. That the Town Council agrees that £20,400 is an agreeable amount to accept from the Charity for services in 2020/21.

6. The benefits of becoming a CIO were identified at the training session held on 30th September 2019 and include providing:
 - a. Limited liability to trustees.
 - b. An opportunity to update old or dated constitutions to a standard form produced by the Charity Commission.
7. Becoming a CIO would involve the closing of the current charity and transferring the assets to a new charity (of the same name). The process would best be managed through a professional advisor/ solicitor who is familiar with such matters (Wellers Hedleys who conducted the recent training would appear to be suitable) and quotes would need to be obtained before committing.
8. Aligning the 2 financial years (of the Town Council and the Charity) has some advantages in that similar processes for the 2 organisations can be carried out in similar time scales – setting of fees, confirming end of year balances, managing budgets. It will result in a little more intensity in March / April but would lessen the Load in August.
9. The Charity has drawn up a draft agreement for consideration by the Town Council for use from 1 Apr 2020 and is proposing that £20,400 is a reasonable amount. In addition it has identified the need to provide some funds (£6,000) for the current FY due to a lack of a formal agreement being in place at the beginning of the current FY.
10. The Town Council will need to formally acknowledge any agreement.
11. The draft agreement provides an indicative breakdown of services to be provided by the Council and costs. It is not intended to be overly prescriptive.

FINANCIALS

12. The proposed level of payment set out in the draft agreement is considered to be at the lower end of what might be considered reasonable costs incurred by the Town Council. The draft agreement provides a suitable basis for a Service Level Agreement, one that can be refined over time when real costs are more readily understood. Furthermore, £20,400 is towards the top end of the scale that the Charity can likely afford if it is to maintain or increase its levels of reserves.
13. Should the Charity fall into financial difficulty then it is likely that the first port of call for funds will be the Town Council (as Sole Trustee); it is highly probable that any council would seek to provide some form of grant funding to keep afloat a valued community asset.

14. Service provision to the Community Hall will need to be monitored closely in-year to ensure that value for money is obtained by the Town Council. The agreement does not mean the Town Council will do anything that is required.
15. The £6,000 proposed for the current year is considered reasonable bearing in mind that the caretaker salary and associated costs are already accounted for.

RECOMMENDATION(s)

16. It is recommended that the Town Council:

- Notes receipt of the minutes of the AGM of the Bridgnorth Community Hall held on 6th January 2020.
- Notes the minutes of the business meeting of the Bridgnorth Community Hall held on 6th January 2020.
- Notes the intention to align the end of year accounting date for the Bridgnorth Community Hall to that of the Town Council, namely 31 March.

RESOLVES:

- To accept the proposed arrangement for the Bridgnorth Community Hall to pay the Town Council £6,000 for services provided up to 31 Mar 20.
- To agree the proposed draft management arrangement (*whereby the Bridgnorth Community Hall will pay the Town Council £20,400 per annum*) from 1 Apr 2020.
- *To agree in principle that the Town Council is content that the management committee take steps for the Bridgnorth Community Hall becoming a Charitable Incorporated Organisation.*



Lee Jakeman
Town Clerk

Enclosures:

1. Community Hall AGM 6th January 2020 – Minutes (attached in previous item)
2. Community Hall Business Meeting 6th January 2020 – Minutes (attached in previous item)
3. Management Agreement between Bridgnorth Community Hall (charity No:1040804) and Bridgnorth Town Council

Management Agreement between Bridgnorth Community Hall

(charity No:1040804)

And

Bridgnorth Town Council

In line with S105 Order approved by the Charities commission on 11 September 2019 the Management Committee of the Bridgnorth Community Hall has: authority to enter into agreement and to retain payments, being satisfied that it is expedient in the interests of the charity to do so, the Commission authorises, subject to certain clauses

- (1) the management trustees to enter into an agreement with the trustee; and
- (2) the Town Council to receive and retain payments under the agreement.

The Bridgnorth Community Hall agrees to pay Bridgnorth Town Council with effect from 1 April 2020 an annual fee of £20,400 per annum to provide routine administrative support, first line maintenance and management.

The annual fee is to be payable quarterly in advance on 1 Apr, 1 Jul, 1 Oct and 1 Jan and is subject to an annual review (or other period that might be suitable to both parties).

The services provided as part of this management agreement are identified in appendix 1, attached.

Where work is identified above and beyond those items identified in Appendix 1, the Community Hall will engage an external contractor or, on request, the Town Council which will provide a quote for each piece of work and invoice the Bridgnorth Community Hall separately.

The review of the management agreement fee will be based on evidence of direct costs and a considered view of indirect costs.

Interim Agreement (up to 31 Mar 2020)

It is acknowledged by the Community Hall Management Committee that the Town Council had deferred invoicing Bridgnorth Community Hall for services supplied (other than the caretaker wages) since 1 Apr 2019 until a formal agreement could be reached. Now that an agreement has been drafted the Management Committee have proposed that an appropriate management fee for the period 1 Apr 2019 to 31 Mar 2020 be £6,000.

Service Level Agreement Summary of Tasks and Indicative costs as at 5th January 2020

Nature of cost	Task	£ P/A	Comments
Staff Time	Produce agenda	99.00	assumes 4 meeting per year
Staff Time	Produce minutes	99.00	assumes 4 meeting per year
Staff Time	Attendance at meeting	198.00	assumes 4 meeting per year
Admin support	postage	65.00	assumes 100 letters out per year
Admin support	printing	45.00	assumes - 5000 sheets per annum
Admin support	Accounts package	75.00	small percentage contribution to council
Staff Time	Telephone calls	20.00	small percentage contribution to council
Staff Time	Booking enquiries	576.00	3 hours per month
Staff Time	Raise invoices	195.00	1 ¼ hours per month
Staff Time	End of month bank rec	195.00	1 ¼ hours per month
Staff Time	Raise cheques	117.00	45 mins per month
Staff Time	Input financial transactions	117.00	45 mins per month
Staff Time	Payroll	60.00	15 minutes per month – RFO
Admin support	Payroll contract	65.00	Contribution to contract costs
Staff Time	End of year reconciliation	120.00	assumes a 6 hour task once per annum
Staff Time	Legionnaires checks	120.60	Monthly inspections and testing
Staff Time	Fire checks	53.06	Weekly inspections and testing
Staff Time	Caretaking	16,329.60	25 hours per week
Staff Time	Emergency maintenance/ inspections	1,152.00	Hourly rate based on small contribution to tools/ transport/training/insurance etc. Work includes identifying cause of faults (repair only when it involves use of tools readily available) and meeting with contractors to effect repair
Admin support	work wear	50.00	
Staff time	Grounds maintenance	184.92	hourly rate based on small contribution to tools/ transport/training/insurance etc assumes 2 x 2 hour visits by 2 people to cut grass /trim shrubbery per annum
Staff Time	Health & Safety management	120.00	Maintenance of records and reporting of incidents
Admin support	Health & Safety contract	75.00	Contribution to contract costs
Admin support	IT - Pc and internet	200.00	includes contribution to cost of PC and MS office packages/ licences
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