

## **CHARITIES COMMITTEE**

**Meeting held in the Committee Room, Council Offices, Urban Road, Kirkby-in-Ashfield,**

**on Wednesday, 16th March, 2016 at 6.30 pm**

**Present:** Councillor David Griffiths, in the Chair;

Councillors Jackie James and Cheryl Butler (as substitute for Chris Baron).

**Apologies for Absence:** Councillors Chris Baron, Tony Brewer and Philip Rostance.

**Officers Present:** Lynn Cain, Ruth Dennis and David Greenwood.

**In Attendance:** Councillor Helen Hollis and Councillor Paul Roberts.

### **CC.09 Declarations of Disclosable Pecuniary and Non Disclosable Pecuniary/Other Interests.**

There were no declarations of interest made.

### **CC.10 Minutes**

RESOLVED

that the minutes of the meeting of the Committee held on 19<sup>th</sup> November, 2015, as now submitted, be received and approved.

### **CC.11 Teversal Community Centre and Recreation Ground (Charity Number 522310) - Update**

The Assistant Chief Executive (Governance) and Monitoring Officer presented the report and took the opportunity to briefly summarise the content of the recommendations that arose from the previous Charities Committee meeting held on 19<sup>th</sup> November, 2015.

Since the meeting, negotiations had continued with the Clubs and the Visitors' Centre regarding the leases and the current position was presented as follows:-

#### **Football Club**

The Football Club had confirmed that it was committed to working towards the signing of the lease but had requested a 5 year sliding scale discount with regard to rental payments to give them time to obtain the required funding. They also asked for the guarantor clause to be removed and requested that the Council undertake some repairs to their kitchen facilities prior to entering into the lease.

### Bowls Club

The Bowls Club were still considering entering into the lease but had raised concerns regarding their ability to pay the agreed rent levels. They has requested that they might accept a 30 year lease if it contained a rolling 12 months break clause, if the guarantor clause was removed from the lease and if the Council continued to pay for the Legionella testing and buildings insurance. Should the Council not agree to the above changes then the Club would be unable to afford to enter into the lease.

### Cricket Club

The Cricket Club advised that they preferred a shorter term than 30 years but they would accept a 30 year term if there is a rolling 12 months break clause. They requested that the guarantor clause be removed from the lease and that the Council took responsibility for the buildings insurance. Concerns were raised as to why the Legionella testing was needed and the cost of undertaking the process.

### Visitors' Centre

The Visitors' Centre confirmed that they were agreeable to entering into a lease but requested that the guarantor clause be removed from the lease and the lease term be shortened to a 7 year term with a rolling 12 months break clause to negate the need to register the lease with the Land Registry. They also wanted to obtain the buildings insurance themselves and questioned why the Legionella testing was needed for the centre. Additionally clarification was sought as to the removal of the car park lighting from the Visitors' Centre supply and the extent of their liability for ongoing maintenance.

At this point in the proceedings the Chairman gave a summary of the discussions and concerns raised during the meeting of the Teversal Grange Advisory Committee held on Monday, 24<sup>th</sup> March, 2016.

- The Football Club raised concerns in relation to their ability to raise funding for development of the site in the short term, the poor state of the kitchen facilities and the future responsibility for rates charges. They also requested the names of all persons present at the Advisory Committee meeting.
- The Visitors' Centre stated they had not received some promised guidance notes but confirmation was given that a link to the document had been duly sent in early February 2016. Confirmation was given that the car park lighting supply would be split from the Centre's electricity supply and the Visitors' Centre confirmed they would be requesting reimbursement from the Council for the payment of these costs over the last five years. They queried the need for Legionella testing and stated that they wished to continue to source their own buildings insurance. They queried why they were only allowed one representative on the Advisory Committee.
- The Bowls Club stated that they would not be able to afford the rent and they have no means of making income. The Club had dwindling numbers, they have a new building on the site worth £60k and they currently maintain the green. A request was made for information regarding how much profit the Council makes on its bowling greens.

- The Cricket Club made a suggestion that the Visitors' Centre and the Bowls Club could join together but did not confirm if this was a possibility. They raised concerns in relation to their ability to pay the rent (and requested a discount), asked for clarity in relation to buildings insurance and gave an update on their CASC/Charitable status application. A water bill received by them for £127 was also queried as they had not used any during that period.

The Committee Members then duly considered the outstanding issues as raised by the Clubs and Visitors' Centre:-

#### Rent Levels

In relation to rent levels, the Committee were advised that the levels had been externally validated by an independent surveyor in accordance with Section 117 of the Charities Act 2011. Members agreed that following this validation, they were comfortable with the rental levels that had been set.

#### Rental Discount – Football Club

Having considered the request from the Football Club for a five year sliding scale discount, it was agreed that in the current climate of local authority cuts and the potential impact upon the Trust income and any future deficit reductions, the previous offer of a one year discount was deemed to be appropriate.

#### Kitchen Upgrade – Football Club

After consideration of the request for the Council to undertake repairs and an upgrade to the kitchen area, the Committee were of the opinion that in the current climate of austerity and government cuts it would not be prudent to waste scarce resources at this present time. However, a suggestion was made that the Club could investigate the possibility of sourcing funding for the repairs through their local Ward and County Councillors and their individual grant allocations. The Club representative was asked if he could ascertain an estimate for the costs of the works as a starting point for discussion.

#### 30 year term with a 12 months break clause – Bowls Club and Cricket Club

After considering the request, the Committee acknowledged that the introduction of a 12 months break clause could mean that external grant funders would not give funding for capital improvements (resulting in a long term negative impact). This course of action would not negatively impact the Council although a note of caution was raised in relation to the Cricket Club as they currently held a licence with the Council for the provision of temporary changing facilities and if funding was not available there would be no prospect of more permanent facilities being built.

#### 7 year term with a 12 months break clause – Visitors Centre

After considering the request, the Committee again acknowledged the position that notwithstanding the fact that the introduction of a 12 months break clause could mean that external grant funders would not give funding for capital improvements (resulting in a long term negative impact), it was ultimately the responsibility of the Visitors' Centre to choose which terms best suited the objectives and long term aims of the Centre. However, the suggested lease term of 7 years was not deemed to be acceptable; the Committee considered there should be a consistent approach across all leases.

### Guarantor Issue

Following advice from the Assistant Chief Executive (Governance) and Monitoring Officer that removal of the guarantor clause would be of limited risk to the Council, the Committee agreed to this request.

### Legionella Testing

Committee were advised that the heads of terms required the Clubs and Visitors' Centre to carry out (and be responsible for the costs of) their own legionella testing. It is a legal requirement to carry out such testing and so Members agreed that the heads of terms would not be changed and that the Clubs and Visitors' Centre would remain responsible for the day to day operation and management of the buildings. It was noted that the Visitors' Centre could arrange for a risk assessment to be carried out to ascertain if legionella testing was necessary for their facility.

### Buildings Insurance

Members were advised that the Council was currently undertaking a retendering exercise for the provision of building insurances across the Authority and once the cost of the recharge amounts to the Clubs and Visitors' Centre had been established the Estates Manager would advise them accordingly.

It was a requirement that the Council insured the buildings, to provide certainty that the buildings were fully insured and, should a building be damaged or destroyed, that there would be adequate cover to rebuild the facility. With the Cricket Club and Visitors' Centre asking to insure their own buildings, it would be imperative that documentary evidence was provided to ensure that the buildings were adequately insured, whilst being liable for any shortfall in a subsequent claim, if this request was to be agreed.

### Car Park Lighting – Visitors' Centre

Members were advised that the Council would carry out the works to remove the car park lighting from the Visitors Centre supply. A Visitors' Centre representative, present at the meeting, asked if the Council would reimburse the Centre for the car park lighting element of previously paid electricity bills. It was agreed that the Council would consider this request once a comparison of past and future bills could be undertaken to establish the true cost of the car park lighting element of the electricity supply. The Visitors' Centre is to supply past bills to the Council.

### Liability for Maintenance – Visitors' Centre

Committee acknowledged that the Visitors' Centre currently undertook their own maintenance and would continue to do so under the new lease.

### Forthcoming Events

Members considered the request to hold the Notts. AAA's Summer League Race and the Booth Decorators Summer League Race in April 2016 and August 2016 respectively.

### Additional Information

Members were informed that all further negotiations with the Clubs and Visitors' Centre in relation to finalising the leases would be undertaken by the

Council's Estates Manager prior to submission to Council on the 14<sup>th</sup> April, 2016. Following approval by Council, the Clubs and Visitors' Centre would then be requested to submit any final comments/responses by the 13<sup>th</sup> May, 2016 prior to confirming their acceptance of the final heads of terms.

To complete the process, the Council would then be required to receive approval for each lease from CISWO and then obtain final approval for the new arrangements from the Charities Commission.

#### RESOLVED

that Council be recommended to approve the following:-

- a) the rental levels be deemed as reasonable having been externally validated;
- b) the request by the Football Club for the Council to offer a rental discount over 5 years, as outlined in the report, be declined;
- c) the request by the Football Club for the Council to upgrade the kitchen facilities be declined but in an effort to enable the kitchen repair works to be undertaken, the Club be signposted to the local Ward and County Councillors to ascertain if any funding can be obtained through their individual grant allocations;
- d) the requests from the Bowls Club and Cricket Club for a 30 year term with a 12 months break clause, be approved in principle subject to the Deputy Chief Executive being requested to firstly consider the cost implications for the Council regarding the provision of the temporary changing facilities to the Cricket Club should the option for a break clause be accepted and grant funding for a permanent facility being unavailable as a result;
- e) the request from the Visitors' Centre for a 7 year term with a 12 months break clause be declined in relation to the length of the lease term with the break clause remaining a viable option should the 30 year term be agreed;
- f) the guarantor clauses in all the leases be removed;
- g) it be confirmed that all the Clubs be responsible for legionella testing;
- h) it be confirmed that the preferred option is for the Council to be responsible for sourcing the Buildings Insurance and recharging the costs to the Clubs and the Visitors' Centre but the Estates Manager explore further the risks associated with the Clubs and Visitors' Centre providing their own insurance in which case it would be mandatory that documentary evidence is provided by the Clubs and Visitors' Centre to ensure that the buildings are adequately insured, with the Clubs and Visitors' Centre being liable for any shortfall in a subsequent claim.
- i) the works to remove the car park lighting from the supply to the Visitors' Centre be approved with the cost being met by the Council;
- j) it be confirmed that the Clubs and the Visitors' Centre are responsible for all the maintenance of the area and buildings leased to them;

- k) approval be given for the following two events to take place on the site:-
- i. Nottinghamshire AAA's Summer League Race on Tuesday, 12<sup>th</sup> April, 2016;
  - ii. Booth Decorators Summer League Race on Wednesday, 3<sup>rd</sup> August, 2016;
- l) all further negotiations with the Clubs and Visitors' Centre in relation to finalising the leases be undertaken by the Council's Estates Manager with delegated authority being granted to the Assistant Chief Executive (Governance) and Monitoring Officer, in conjunction with the Chairman of this Committee, to approve any final amendments to the heads of terms prior to submission to Council on 14<sup>th</sup> April, 2016;
- m) following approval at the Council meeting on 14<sup>th</sup> April, 2016, the Clubs and Visitors' Centre be required to confirm their acceptance of the agreed heads of terms by 13<sup>th</sup> May, 2016.

Reasons:

To comply with the Scheme (Constitution) of the Teversal Community Centre and Recreation Ground, the Council's Constitution and charities legislation overall. The Trustee must also act in the best interests of the long term future of the Trust and seek to generate income to sustain the charity.

## **CC.12 Trust Funds**

The Chairman presented the report and gave an update on the transfer of the four trust funds which had remained unused for several years due to various reasons. The funds were in the process of being transferred to charitable organisations with a similar purpose that would ensure that they continued to be of benefit to the residents of Ashfield.

RESOLVED that

- a) the update regarding the transferral of funds from the Wansley Hall Trust Fund, Charles Beastall Beecroft Trust Fund and William and Mary Barratt Swimming Prize Fund Charity to suitable charitable organisations with a similar purpose, be received and noted;
- b) Council be recommended to approve that the funds from the William Booth Charity for the Poor continue to be held by the Authority until they can be transferred to the Community Food Bank once their application for charitable status has been finalised.

Reason:

The decision made previously was to transfer the funds from the William Booth Charity for the Poor once they were awarded charitable status however the Food Bank does not yet have charitable status. The Food Bank has a similar purpose to the William Booth Charity for the Poor which is why it is recommended that the Authority continues to hold these funds until the Food Bank receive charitable status.

The meeting closed at 7.56 pm

Chairman.