

5. TOWN CLERK'S REPORT - FINANCE AND GENERAL PURPOSES
COMMITTEE – For Information – Update on Resolutions from 27 July 2016

Item	Update
WRAP	The WRAP grant offer letter has been extended to 31 st October 2016 to allow the project to advise and input into the relevant policies of the Neighbourhood Plan.
Liskeard – Looe Multi Use Trail Project	Project organiser agreed to the Town Council request for two Town Council representatives rather than one. These are confirmed as Councillor Brooks and L Shrubsole. Project has now received its European funding approval offer letter. The feasibility study has now commenced.

7. GRANT APPLICATIONS a). Liskeard Community Radio Ltd.

Background – at the last meeting of the Committee on 27th July 2016, an application for grant was received from the Liskeard Community Radio Ltd. This is attached as an appendix to the agenda. The request was for £500. The Committee was very supportive of the concept behind the project. However, it was noted that the organisation was constituted as a company. Under the recently updated Grants Policy, business organisations such as, the Chamber, the Traders Association, etc. are able to apply for grant support for projects, individual businesses are not eligible to apply.

The applicant was informed of the Town Council's support for the concept and willingness to consider supporting it in other ways such as by advertising. However, there was an issue with eligibility regarding the company nature of the project set up. The applicant has responded in full below. Their basic view is that they are constituted solely for the purposes of the Community Radio and that no profits are taken by shareholders.

Applicant's Response "Thank you for stopping to talk to me today about the grant applications for Liskeard Radio Limited. As I explained I think there has been some confusion as to the organisational arrangements of the Radio Station. These may have had and continue to have an adverse impact on what I'm sure we can all agree is a very beneficial project for the local community.

When setting up the company we considered the possibility of setting up as a CIC however due to the extent of the requirements, the additional costs and most importantly the limit as to how we can raise funds to continue to fund the project it was agreed that the best way forward was to set up as a Company Limited by Guarantee.

There are two ways of setting up as a Limited company. Limited by share or limited by guarantee:

The differences are:

Companies limited by shares:

- Set up with one or more shares
- Owned by people called shareholders.
- Financial liability of shareholders is limited to the value of the shares they take in the company.
- Normally set up by commercial businesses that intend to make a profit.
- Shareholders usually receive the profits.

Companies limited by guarantee:

- No share capital or shareholders.
- Owned by people called guarantors.
- Financial liability of guarantors is limited to what they guarantee to the company.
- Normally set up by non-profit, membership organisations and charities.
- Guarantors do not usually receive profits.
- Profits are used to support the non-profit or charitable mission of the organisation.

The company's specific Memorandum includes the following provisions:

1. The objects of the Company are

- (a) To advance the education of the public, in particular through the provision of educational and informative radio broadcasts and through the provision of training in broadcasting skills and associated disciplines;
- (b) To operate a community broadcasting facility in the area of South East Cornwall and to undertake any associated or ancillary activities calculated to be of benefit to the community in the Liskeard area.

2. The income and property of the Company, however obtained, shall be applied solely towards the promotion of the objects of the Company as set out herein and no portion shall be paid or transferred directly or indirectly to any members of the Company, provided that nothing shall prevent any payment in good faith by the Company:

- (a) of reasonable and proper remuneration to any member, officer or servant of the Company in return for any service actually rendered to the Company;
- (b) of interest on money lent by any member of the Company at a rate per annum not exceeding 2 per cent above the base lending rate of The Co-operative Bank plc for the time being;
- (c) of reasonable and proper rent for premises demised or let by any member of the Company;

(d) as repayment of reasonable out-of-pocket expenses incurred by any member whilst acting on behalf of the Company.

3. In the event of the winding up or dissolution of the Company, after the satisfaction of all its debts and liabilities, any assets remaining shall not be distributed amongst the members but shall be transferred to any organisation(s) having objects similar to or compatible with any of the objects of the Company as may be determined by a General Meeting or, if for any reason such assets are not transferred, they shall be given for charitable purposes within the Area.

I wonder in light of the above whether the applications can be reconsidered or whether fresh applications would need to be submitted?

Should anyone have any questions or would like me to attend a meeting to discuss matters further I would be more than happy to.” **End of applicants’ response.**

Conclusion – The Committee is asked to consider the response of the applicant and consider whether the Committee wishes to approve the recommendation below.

RECOMMENDATION: That the grant request for £500 is approved.

8. DEVOLUTION - LISKEARD LIBRARY - To receive an update on progress with the Cornwall Council decision on the joint Town Council/RIO bid for Local Devolution Fund grant.

8.1 Background – The Town Council has previously resolved:

- To support the retention of the Library Service in the town centre thereby maintaining town centre viability.
- To submit a joint Town Council/RIO bid to Cornwall Council for Local Devolution Fund grant. This to provide architect’s designs for a retained Library service and re-purposed Library building.

8.2 Update on joint Town Council/RIO Local Devolution Fund LDF grant application

The application for a grant of £10,000 towards the architectural designs for a repurposed library was favourably received at the Community Network Panel meeting which recommended approval. The application is currently being processed. It is anticipated that a grant offer letter will be issued before the Finance Committee.

Conclusion – subject to the receipt of the draft grant offer letter to consider and approve.

RECOMMENDATION: To receive and approve the draft grant offer letter.

9. PRECEPT 2016/2017 RECEIPT OF SECOND PAYMENT – to approve the transfer of £200,000 to the Cornwall Council account.

Background – In the first week of September the Town Council received the second payment for the 2016/2017 financial year from Cornwall Council. To earn some interest it is recommended that a sum of £200,000 be transferred to Cornwall Council under the reserve funds account that we are operating with them.

Cornwall Council currently hold £200,000 of our funding.

RECOMMENDATION: That the Committee approves the transfer of £200,000 to the Cornwall Council holding account.

10. FINANCIAL RISK MANAGEMENT - TOWN COUNCIL INVESTMENT STRATEGY 2017/2018 – 2021/2022

10.1 Background – in 2015 the Town Council adopted multi annual aims and objectives and multi annual budgeting. This was intended to provide better focus to the planning of Council activities in the short term. The adoption of the General Power of Competence and other recent developments make beneficial a review of the objectives behind the longer term investment strategy of the Council.

This report will take a brief overview of the basic factors impacting the ongoing financial context of the Council and the opportunities presented by General Power of Competence to shape future activities and investments. The intention is to obtain from Councillors consideration of the best approach to take with the longer term strategy.

10.2 Ongoing Financial Context – factors affecting the Town Council's present and ongoing financial situation are:

10.3 Reducing Council Support Grant – along with other Town and Parish Councils in Cornwall, Liskeard Town Council was informed that the Council Support Grant budget in Cornwall would be reduced each year of the current three-year financial period by -15%, -10% and -10% respectively. Individual Town and Parish Council adjustments mean that there can be significant variances. In the current 2016/2017 financial year the grant is £45,492 with an anticipated 10% cut for the 2017/2018 financial year. The advice from CALC is that it would be prudent to consider this as a reducing sum and not to rely upon it as a core part of Council funding. CALC have pointed out that in some counties the Council Support Grant has been stopped altogether. This has proven to be a point of contention as there is intended to be

provision from central Government to local Government of an element to cover Town and Parish Council activities.

10.4 Town Council Property Investment – The Town Council owns three large buildings and a range of smaller assets all of which require ongoing maintenance. In the approved programme the following is proposed:

- Public Hall – a significant upgrade to meet modern standards and enhance the facilities on offer to the Community.
- Guildhall – a roofing and façade treatment project is required.
- Westbourne Gardens – a revised access project is proposed.

In addition, the Town Council will shortly receive the transfer of the land at the junction of Eastern Avenue and Springfield Road. The Town Council is scheduled to receive a transfer of amenity land at Maudlin Farm. Both might result in infrastructure projects to improve accessibility and public amenity.

The Town Council will endeavour to secure as much grant support as possible for its projects. Some projects will return an income and help cover their cost. However, other schemes will not have a revenue generating outcome.

10.5 Devolution – the significant public sector spending cuts from 2010 are scheduled to continue until 2020. Cornwall Council has indicated that from a position in 2010 when 50% of their annual funding came from Government Rate Support Grant by 2020 Cornwall Council will cease to receive that form of funding support.

Cornwall Council sees Devolution as an option to help in the context of reducing budgets. Under Devolution an appropriate item or package of items would be transferred to the Town or Parish Council level. Liskeard Town Council has:

- taken over responsibility for public toilets.
- pays for annual town centre weed treatment of selected streets.
- Is waiting on the Cornwall Council legal service to progress the Westbourne Gardens joint management agreement.
- Would receive a transfer of amenity land at Maudlin Farm under a Cornwall Council negotiated revised Section 106 agreement.
- Rapsons Multi Use Games Area – will need to consider next steps with this site. See Agenda item 11.

Care needs to be taken when considering any property transfer. The net cost to the Town or Parish Council can often mean that the “asset transfer” could more appropriately be termed or considered a “liability transfer”.

10.6 Consultant's Recommendation - The consultant retained to advise the Town Council on a range of issues did make the following recommendation:

"Recommendation 18: That as the ongoing devolution programme results in the transfer of more services from Cornwall Council it is essential for Liskeard Town Council to take professional advice should issues of TUPE arise, or other staffing issues with potential legal ramifications. It is equally important that the full budgetary implications, including direct and indirect costs, are fully established and approved by Council, including any new staffing, prior to any final agreements being entered into".

10.7 General Power of Competence – Localism Act 2011 – The 5th September 2016 Town Council meeting adopted the General Power of Competence as defined by the Localism Act 2011 Section 1(1) and further defined by the statutory instrument Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012.

The General Power of Competence (G.P.C.) gives eligible Town and Parish Councils "the power to do anything that an individual might generally do" provided it does not break other laws. There are certain other restrictions such as:

- the Council remains subject to existing statutory duties – e.g. Allotments Act.
- if another authority has a statutory duty, it remains their duty to provide the service e.g. Education, Highways.
- The Council is still subject to a range of other legislation e.g. Health & Safety.
- Council must act 'reasonably' when using the power.
- The Council can set up a company or co-operative to trade but must comply with company law.

10.8 Planning Committee – Terms of Reference The 5th September 2016 Town Council adopted revised Terms of Reference for the Council and the Committees. The Planning Committee included the following:

- (e) The facilitation of economic development initiatives for the benefit of the Town and the making of recommendations on all related matters and liaison as appropriate with other agencies;
- (f) To co-ordinate the Council's work in respect of Neighbourhood Planning
- (g) The making of representations to the appropriate Planning Authority in respect of other planning matters not otherwise referred to in Terms of Reference (a) - (f) above.

The Terms of Reference (g) above is being used to continue with the pursuit of Section 106 contributions from developers themselves for the provision of items such as bus shelters, children's play areas etc. There is a case to consider whether the Town Council should not seek to support the delivery of more substantial elements of the infrastructure required under Section 106. These might have been items that originally would have been delivered by the former District Council but where the function no longer exists within the Unitary Council.

10.9 Section 106 – Contributions – attached is a table of the current Section 106 monies approved and relating to projects in Liskeard. As other suitable schemes are consented and the relevant Section 106 elements are negotiated this listing will be revised. Subject to the proposals being relevant to the conditions of the Section 106, there is the opportunity for the Town Council to influence projects to come forward or put forward projects of its own or in conjunction with other suitable partners.

10.10 Public Works Loans Board (PWLB) – attached is a Guidance Note. Council may recall that Launceston Town Council made a significant investment of PWLB to invest in a scheme to their Guildhall which helps to generate an annual income through room and hall bookings. CALC indicate that a small number of Town and Parish Council are considering the progression of PWLB funded projects. The PWLB might serve as a funding sources for some types of schemes.

10.11 Conclusion – The Town Council already has a range of issues and properties which could reasonably be expected to provide the main focus of its limited funding and Staff and Councillor time. However, there are opportunities to do other things that are presented by the adoption of the General Power of Competence combined with the possibility of Section 106 contributions, grants, Public Works Loan Board loans and the projects emerging from the Neighbourhood Plan. Councillors are asked to consider what which approach to take.

RECOMMENDATIONS: To consider the factors impacting on the medium term financial situation of the Town Council and consider proposals to progress issues in the 2017/2018 – 2021/2022 period.

- a). to consider the adoption of a five-year capital programme**
- b). to consider the progression of Section 106 related capital projects**
- c). to consider the progression of Employment and Open Space related projects emerging via the Neighbourhood Plan process.**

11. DEVOLUTION – RAPSONS’ MULTI USE GAMES AREA (MUGA). – To receive an update and consider whether to progress a lease renewal.

Background – The Town Council lease the land upon which the Rapson’s Multi Use Games Area is located from Cornwall Council. The lease has expired. The Town Council had initially expressed a view that the 7 year lease period was not of sufficient length to secure grant support for potential applications in the future. The Town Council had initially considered that the issue of a new lease of greater length was the desired outcome. The following are additional factors which might prompt the Council to review that decision:

- Cost of Vandalism – The site has apparently been subject to vandalism of varying levels since the facilities were first provided. It was reported to the Property Committee that the level of vandalism has recently increased. In addition, the original timber work has now reached an age that in a number of places the timber is rotten and the cost of a comprehensive replacement of the fencing has been estimated at £7,000. The Property Committee has recommended the issue be referred to Finance with a view to either going ahead with the new fencing or handing the site back to Cornwall Council.
- Consultant’s View – The Consultant (Chris Rolley) visited the Town Council owned sites and facilities. His view of the Rapson’s Multi Use Games Area situation was that the Town Council was effectively bearing all the operational costs relating to the Rapson’s MUGA. However, even an extension of the 7 year lease period into a longer lease period would mean ongoing lease renewal work and costs. If the Council were minded to continue with the MUGA he recommended that they should seek to obtain the freehold.
- Cornwall Council – Youth Service Outreach Worker – There has been a very initial discussion with Cornwall Council about the possible handing back of the MUGA due to ongoing vandalism costs. The Community Link Officer has organised a meeting with the Youth Service Outreach Worker to explore ways in which the youths frequenting might be dissuaded from acts of vandalism by the Outreach Worker intervention.
- Cornwall Council – Devolution Package – In discussing further the Rapson’s MUGA with the Community Link Officer, they raised the possibility of the Town Council considering the adoption of a larger Devolution package. Initially, the adjacent Rapsons’ Park and Playing Field was indicated. The possibility of some other sites was included. A meeting at Luxstowe to view relevant plans has been proposed with the Mayor, Chair of Property and Town Clerk.

RECOMMENDATIONS: To consider whether to seek a long lease or preferably freehold ownership of the MUGA or return the site to Cornwall Council. To attend the meeting to obtain further information to assist considering further options.

12. PAYMENTS SCHEDULE – to receive and approve the payments schedule.

RECOMMENDATION: That the Payments Schedule is approved.