

## Parish Council of Balsall

Minutes of the Extraordinary Meeting of Balsall Finance Committee held on Monday 11<sup>th</sup> May 2015 at 7.30pm at the Westlake Room, Village Hall, Station Road, Balsall Common

### **Present**

Cllr Raymond Ritchie (Chair), Cllr Richard Lloyd, Cllr Liz Macdonald, Cllr Judy Lea, Cllr Will Heard, Cllr Sheila Cooper and 8 members of the public to include Cllr Andrew Burrow (Berkswell Parish Council) and Cllr Kay Howles (Berkswell Parish Council) and Mr Mike Longfield

Headings are those set out on the Agenda

A point of order was dealt with at the meeting. Chair advised that a written request was received from Cllr Will Heard and Cllr Liz Macdonald to call an extraordinary meeting of the Finance Committee

### **1. Apologies**

Cllr Marie-Louise Marsden

### **2. Declarations of Interest**

Cllr Richard Lloyd declared an interest as a trustee of the Jubilee Committee. Cllr Judy Lea and Cllr Raymond Ritchie declared an interest in the Jubilee Centre as representatives on the Committee for Balsall Parish Council

### **3. To approve as a correct record Minutes of the Meeting held on 8<sup>th</sup> April 2015.**

Cllr Richard Lloyd requested amendments to the Minutes as he felt that the declaration of interest made by him was not clear. This was amended and initialled by the Chair. Cllr Richard Lloyd also requested an amendment to item 11. This was amended and initialled by the Chair

Clerk confirmed that Cllr Richard Lloyd did not declare an interest as Trustee at the meeting on 8<sup>th</sup> April 2015 as he was not sure if he was a trustee.

### **RESOLVED**

The Minutes as amended are approved and Chair signed these as a true record

### **4. Matters arising from the Minutes**

None

### **5. Grant Application – Jubilee Centre – To further consider and discuss in a public forum the grant application**

Chair provided a background to the matter.

- 5.1. Following its internal audit last year, it was highlighted to the Parish Council that payments to bodies in the form of grants/donations do not appear to have any paperwork, process or scrutiny

- 5.2. Having taken advice, a grant application form and policy was produced and approved by the Parish Council in March 2014
- 5.3. It was agreed and intended that any funding given by the Parish Council will be subject to the grant process to ensure, transparency, audit trail and fairness
- 5.4. No funding has been given without the grant application process being followed
- 5.5. The process is not limited to applications for grant funding pursuant to Section 137 Local Government Act but any type of grant request
- 5.6. When considering the application due consideration needs to be given as to the powers under which the funding may be granted

#### **Jubilee Centre**

- 5.7. The application form was sent by the Clerk to the Jubilee Centre on 7<sup>th</sup> October 2014, following a written request for payment
- 5.8. The completed application was received on 12<sup>th</sup> January 2015 (after the agenda for the Parish Meeting had been issued)
- 5.9. At the Parish Meeting on 14<sup>th</sup> January 2015, the Minutes record:-

*“...Cllr Ritchie advised that there was an expectation of a high level of transparency and accountability but he has reservations as to whether this is being achieved. There appears to be a lack of clarity of what the responsibility of the Committee is. Cllr Ritchie advised that he has made it clear to the Committee that the information provided is not clear.*

*It was agreed that this was not an acceptable situation.”*

- 5.10. The application was considered at the next Parish Council meeting held on 4<sup>th</sup> March 2015. A resolution was passed

“RESOLVED – That the application is referred to the Finance Committee for detailed review and consideration and recommendation to the parish council”

- i. Cllr Richard Lloyd referred to 19 Local Government (Miscellaneous Provisions) Act 1976.
- ii. Clerk read out section 19 of the Act. It was clarified that even under this Act the funding that could be made pursuant to section 19 (3) would be by way of a grant or loan.
- iii. Chair also confirmed that the accounts for the Jubilee Committee also stated the income received from the Parish Council as grant income.

- iv. A discussion took place regarding the relationship between the Parish Council and the Jubilee Committee. It was confirmed that the Parish Council appoints representatives pursuant to the constitution but that is not uncommon as the Parish Council appoints representatives on a number of Charities. This does not create any financial obligations upon the Parish Council.
- v. Clerk confirmed that the Jubilee Committee is a registered Charity. It is an autonomous body and stands alone. It is governed by Charities Law.
- vi. Discussion took place around the role of the representatives. Chair confirmed that the Parish Council was taking professional advice but it would appear that the role is one of trustee. Cllr Judy Lea and Cllr Raymond Ritchie advised that they were unaware of this and had not received any information or training relating to the role.
- vii. Chair advised that the Parish Council must be satisfied that it has dealt with the matter properly and regularly. We are dealing with payment of public funds. The meeting has been called to discuss the draft letter produced following the last Finance meeting. A number of concerns were raised that are addressed in this letter. .
- viii. Cllr Liz Macdonald advised that additional issues had also been set out in the letter. Some modifications were made by Cllr Liz Macdonald.
- ix. Cllr Liz Macdonald advised that the Parish Council has paid over £105,000 to the Jubilee Committee since 2002. The Committee have not shown that they are making themselves sustainable. Usage of the building is approx. 10% which is really not good enough. The question has to be asked whether this is value for money.
- x. Cllr Sheila Cooper asked if the Charity would pass a Charity Commission Health Check.
- xi. Cllr Will Heard asked representatives of the Jubilee Committee in the audience if a record of attendance is kept. Mr Mark Johnson confirmed that this was kept.
- xii. Cllr Will Heard asked if a payment was received from the users of the facility of say £1. Mr Mark Johnson confirmed that this was the case.
- xiii. Cllr Will Heard advised that he had been supplied with copies of minutes by Cllr Richard Lloyd. These mention sales from "tuck" of around £300 but this is not recorded in the accounts. Mr Mark Johnson advised that the youth workers were allowed to retain these monies to cover small outgoings.

Chair set out the concerns of the representatives on the Committees as follows:-

- a) There is a general concern over the management of the committee and the need for a new chair has been expressed. This was formally verbalized to the committee by Cllr Lea at the last JC meeting.
- b) There is a lack of attention to detail when discussing and implementing activities. This was highlighted during the recent kitchen installation and the lack of provision of suitable supplied in the toilets.
- c) Committee meetings lack focus and are run in a disorganised manner. The agenda is often strayed from with members being distracted by other issues that arise during discussions.
- d) Lack of documentation and clarity regarding the status of committee members. No clear roles are defined
- e) Obligations of members

- f) Liabilities of individuals and representatives
- g) There are no clear procedures or processes or relevant supporting documentation especially in regards to governance.
- h) Lack of clarity around health and safety such as fire regulations, checking and materials in the building. This came to light recently with the discovery of asbestos in the boiler/storage area.
- i) Risk assessment not evident.
- j) Minutes do not always accurately reflect the content of meetings.
- k) No metrics regarding usage and activity are formally presented or recorded.
- l) Avenues of income are limited and there is lack of engagement with resolving and expanding potential revenue.
- m) Little of no advertising or PR. There is no website.
- n) Attendance by committee members to meetings can be patchy. The AGM was poorly attended.
- o) Financial information is not always presented at every meeting.

A member of the public asked if having Councillors on the Committee is an issue as there appears to be a conflict. It would be better if the two bodies were distinct.

Members of the Jubilee Committee advised that the project would fold if the Parish Council did not provide funding.

Chair advised that if the Committee were to fold, this was due to poor management and not due to funding. The Parish Council has provided over £105,000 funding.

A member of the public stated that the Parish Council could not underwrite the Jubilee Committee. It was just not sensible and reasonable.

It was pointed out that the Jubilee Committee did not appear to engage in any fundraising activities or seek to increase letting income. The building was being kept but remained empty for most of the time.

It was also pointed out that the Parish Council under the grant process cannot provide grants to cover running costs. It is for specific projects.

CLlr Lionel King stated that in his view the Parish Council was strongly in favour of Youth facilities but we have to see the proper procedures are followed.

**RESOLVED** – That the letter is sent as amended to the Jubilee Committee treasurer

Unanimously voted in favour

6. **Date for next meeting** – The next Finance Committee Meeting shall be on 10<sup>th</sup> June 2015 at 6.00pm at the Village Hall, Station Road, Balsall Common

There being no further business the Chair thanked everyone for attending and closed the meeting at 21.00pm

Signed..... Dated.....  
 CLlr Raymond Ritchie  
 Chair  
 Balsall Parish Council Finance Committee

Christine Lee  
Honorary Secretary  
Balsall and Berkswell Jubilee Project Committee

12<sup>th</sup> May 2015

Dear Christine,

### **Grant Request**

I have been asked by the Balsall Parish Council Finance Committee to write to you as they have a number of issues on your grant request.

As background, the Parish Council has undertaken a governance review in 2014/15 resulting in updating its Standing Orders, Financial Regulations and introducing a Grant Policy and Grant application form. The auditors to the Parish Council have pointed out financial weakness in the previous operation of grant making by the council which these changes have addressed.

It is important for all grant applicants to understand and comply with parish council's grant policy. In particular that:

- grants are given for specific projects;
- grant recipients should not expect to receive an annual grant
- grant are not provided to cover an applicant body's normal running/operating costs;
- any unused grant shall be returned to the parish council at the end of the financial year; grant recipients shall not put unused funds into their reserves;
- grant recipient bodies need to be able to demonstrate how their project will be sustainable following the grant;
- approval for a public sector grant is not normally given after the expenditure has been incurred;
- if approved grants are normally given following the submission of a receipt for the relevant costs:
- grants over £2,000 there must be a report at the end of the year explaining how the grant was used.

The Balsall and Berkswell Jubilee Project (BBJP) and Jubilee Youth and Community Centre (JYCC) have been operational for over 12 years. By now the Parish Council believes that there

should be a management plan for its sustainable operation. However, based on the information provided the Parish Council has concerns about whether it is sustainable.

The Parish Council understands that

- BBJP Management Committee has received total grant funding from Balsall Parish Council of over £105,000 since its inception;
- the purpose of the grant was to enable the Management Committee to employ a youth worker to provide a youth club for the youth of Balsall and Berkswell parishes. From the information provided in support of the present grant application it appears that there has been a consistent underspend of the grant for this purpose.

Therefore the Balsall Parish Finance Committee has asked for the following information:

## 1. FINANCE

- a. Explain what has happened to the underspend against the Balsall Parish Council grant of £10,000 for youth workers of:
  - i. £2,800 in 2012/13 and
  - ii. £7,930 in 2013/14.
- b. Why was the grant underspend not returned to the parish council?
- c. Is the BBJP committee responsible for the full costs of the youth workers and all their work in Balsall Common? If not who else provides funding and how much of the costs do they meet?
- d. Why has the letting income for the JYCC fallen from £5,110 in 2012/13 to £3,200 in 2013/14 and forecast to reduce again in 2014/15? What is the management committee doing to increase its rental income in future years to enable the charity to become self-financing? What is its target income from rental income in 3 years' time?
- e. The returns to the Charity Commission show that the charity had an income of £32,606 in 2009/10, £47,587 in 2010/11 falling to £20,428 in 2011/12 and £20,710 in 2012/13 and £17,200 in 2013/14. Why has the income almost halved from the earlier years?
- f. From the returns to the Charity Commission and your balance sheets (Annex A1) there was a cumulative surplus of £41,446 of Income over Expenditure from and including the 2008/09 to 2013/14 returns. Yet the amount held in assets/reserves only amounts to £21,351 at the end of this period. Explain the difference of £20,095 in the reserves as it does not appear to be accounted for in the expenditure?
- g. In the 2009/10 accounts there were assets/reserves of £35,251 which had reduced to £7,215 assets/£10,466 by 2011/12 i.e a change of £28,036/£24,785 with no indication in the expenditure of how these reserves have been used. Could you explain what has happened to the reserves.
- h. No fundraising activity took place in 2012 to 2014 or is planned for 2014/15. Why has there been no fund raising activity, particularly given the loss of rental income? What plans does the management committee have going forward for fundraising?
- i. What organisations, other than Balsall and Berkswell parish councils, have the BBJP management committee approached for grant funding? If no other organisations have been approached explain why the management committee does

not consider this necessary? Note that The NCVO<sup>1</sup> has useful information on grants and grant funders

- j. Annex A2 indicates an increase in your running costs between 2012/13 and 2013/14 of £1277 with a forecast further increase of £3,455 to 2014/15 how does the management committee intend to cover these costs?
- k. As the management committee has been running the BBJP since 2002 the parish council is surprised that it is not yet operating on a sustainable basis. What is the management committee's forward plan to put the charity onto a sustainable basis without the need for continuing grant funding from the parish council? If there are no plans explain why the management committee have none?

## 2. USAGE

Given the grant application the Parish Council has looked at the known regular usage of the JYCC and has set out the information it has gleaned in Annex B. From this assessment it appears that the centre is used for just about 10% of the possible times. This suggests that the centre is grossly underused and partially explains the low rental income.

- a. Would the management committee confirm whether the assessment is correct? If it is not please provide updated information using the same format.
- b. What is the length of the lease on the centre?
- c. As the parish council grant is for the employment of a youth worker what hours are the 2 employed for? What proportion of their time is at the youth club and what on outreach activities?
- d. How many volunteers are there on average over the last 12 months?
- e. What is the maximum number that can attend a youth club session and what is the average weekly attendance at each of the sessions?
- f. For each session what are the age groups? How many at each session are from Balsall parish, how many from Berkswell parish and how many are from elsewhere?
- g. Other than those shown on Annex B what other youth groups used the centre during 2014/115? Provide a list with the times and number of occasions each group has used the centre.
- h. During 2014/15, other than those shown on Annex B, what other community groups use the centre? What daytime activities are on offer to older people? Provide a list with the times and number of occasions each group has used the centre.
- i. What other organisations used the centre during 2014/115? Provide a list with the times and number of occasions each has used the centre.
- j. How does the usage of the centre compare to the Village Hall and the other venues it was set up to supplement?
- k. What plans does the management committee have for increasing the usage of the centre? What is your target usage figure for the centre and target date to achieve it? If none provide an explanation.

## 3. COMMUNICATIONS

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<sup>1</sup><http://www.fundingcentral.org.uk/Page.aspx?SP=6299>

- a. The grant application refers to the Balsall and Berkswell Jubilee Project (BBJP) as the formal name of the charity. However, a project by definition has a start and completion date. What was the start and forecast completion date of this project? If there is no completion date why is it called a project?
- b. Explain the process for someone to make a booking given the lack of information - neither the BBJP or the JYCC have a website, active facebook page nor is there any information on the noticeboard about who to contact ?
- c. How does the BBJP committee publicise its activities and events that are happening at the centre?

#### **4. GRANT APPLICATION**

- a. The grant application objective is really an aim with no outcomes or objectives and neither is it SMART (specific, measurable, achievable, realistic and timely). How are the management committee monitoring and evaluating the achievement of the stated objectives/outcomes?
- b. The grant application does not make clear what the funding is being requested for. It appears from the last sentence of section 6b Fund raising that you are requesting a grant for your day to day operating costs – is that correct?

#### **5. HEALTH& SAFETY**

- a. Confirm that permission was obtained from the owner or allowed by the lease for internal changes i.e to the kitchen.
- b. Confirm that the kitchen complies with all necessary building (including disabled access/use), environmental health and food safety regulations.

If the grant application is for your operating costs the Parish Council would not be able to fund these costs.

I attach a copy of our grant application form should you wish to modify your previous application or seek emergency funding, as discussed at our Extra-ordinary Meeting on 11 May. If the latter the application should be specific about what activities you are asking the parish council to support.

I look forward to receiving your early response to the above points.

Yours sincerely

**ShafimKauser**

**Clerk to Balsall Parish Council**

Cc: Berkswell Parish Council

## ANNEX A BBJP FINANCIAL SUMMARY

1.

### Balsall- Berkswell Jubilee Project: Financial Summary

Source: Returns to Charity Commissioner and BBJP Balance Sheets

Financial Year	Income (I)	Expenditure (E)	Surplus (I-E)		BBJP I&E Ct Assets/Reserves (R)	Variance (C-R)
			Annual	Cumulative (C)		
05/04/2015(F)					£16,650	
05/04/2014	£17,200	£10,075	£7,125	<b>£41,446</b>	£21,351	£20,095
05/04/2013	£20,710	£13,928	£6,782	£34,321	£14,311	£20,010
05/04/2012	£20,428	£15,686	£4,742	£27,539	£7,215 /£10,466	£17,691/£14,440
05/04/2011	£47,587	£46,697	£890	£22,797		
05/04/2010	£32,606	£13,332	£19,274	£21,907	£35,251	
05.04/2009	£17,663	£15,030	£2,633	£2,633	£15,645	
<b>Cumulative surplus</b>			<b>£41,446</b>			

2.

Expenditure	Spend		Forecast
	2012/13	2013/14	2014/15
<b>Running Costs</b>			
Rent	300	300	300
Rates	678	697	750
Utilities	906	1,089	1,500
Fire equip	1,253	600	600
Cleaning	1,090	1,320	1,300
Insurance	887	955	1,000
Equipment	875	1,666	2,000
Computers			2,000
Internet	728	789	
Establishment inc repairs	11	589	2,000
<b>Sub-Total</b>	<b>6,728</b>	<b>8,005</b>	<b>11,450</b>
<b>Youth Worker</b>	7,200	2,070	10,000
<b>Underspend</b>	<b>2,800</b>	<b>7,930</b>	
	<b>10,730</b>		

## Annex B Jubilee Youth and Community Centre

### Maximum Potential Hours: Actual Usage

Day/ Times	8.00 - 10.00	10.00 - 12.00	12.00 - 2.00	2.00 - 4.00	4.00 - 6.00	6.00 - 8.00	8.00 - 10.00
Mon							
Tue					Rock Youth Club 5.00-7.00		
Wed						Rock Youth Club 7.00-9.00	
Thu							
Fri		Peppercorn					
		FIRS 12 weeks					
Sat		Coffee Together 10.30- 12.30 12 weeks					
Sun							

### Assumptions

The maximum total hours available: = 98 hours/week and for a 50 week year is 4900 hours

	Hours
Daily	14
Weekly	98
Annual (50 weeks)	4900

### The actual regular usage appears to be:

Youth club 4hrsx40 weeks	160
FIS/C Tog 4hrsx12wks	48
Peppercorn 6hrsx 38wks	228

### Allowance for ad hoc bookings:

4 hours/mth	48
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**Total Usage 484**

Usage as % of Total Available Hours: 9.88

