

At a Extraordinary Meeting of Pembroke Dock
Town Council held at the Pater Hall, Pembroke
Dock on Thursday 1st December 2011

PRESENT:

Councillors A McNaughton (Mayor), P E George
M Murton, P Kraus, D Earl, K Becton, S Perkins
J Phillips, T Wilcox, P Gwyther & C Gwyther

IN ATTENDANCE:

Moira Saunders- Town Clerk
Sarah Scourfield – Assistant Town Clerk
Mr Laurence Harding – Monitoring Officer of the County
Council

98. APOLOGIES FOR ABSENCE

Apologies were received from Councillors K Higgs, M Colgan & A Lee.

99. DECLARATIONS OF INTEREST

Councillor T Wilcox declared an interest.

Councillor P E George, P Gwyther, J Phillips & P Kraus declared an interest.

100. QUESTION AND ANSWER SESSION WITH MEMBERS OF THE PUBLIC

Mr Don Esmond Chairman of the Pater approached members to give a brief description on the history and update members on the proposed refurbishments for the Pater Hall. He went on to say that the Pater Hall Trust were set up to gain grants to enable refurbishments of the building to be undertaken, he stated that the Trust applied for charitable status which they were granted which enabled them to apply for more grants. Mr Esmond informed members that it was agreed that the Town Council should contribute an amount towards refurbishments for the building which a figure of £90,000 was agreed. He commented that £150,000 in grants were gained by the Trust which was used to make the structure of the building safe.

Mr Don Esmond informed members that the Pater Hall Community Trust was approached by the County Council regarding funding from the Welsh European Funding Office, which could be available for refurbishments for the Pater Hall, the refurbishments included new toilets, and upgrades for the front end of the building. He commented that the Trust had £15,000 in for match funding which was 10% of the total bid which the Trust had been granted but stated unfortunately this didn't include the refurbishments for the stage. Mr Esmond stated that the refurbishments for the front of the building were due to start in June 2012 as this is the quietest time in the Pater Hall.

Mr Don Esmond stated that lettings for the hall were currently up from what they originally were when the Trust first took over the building, he commented that there are more events taking place in the hall with the trustees trying to run one event a month which is manned by trustees so there is then no staff to pay. He informed members that a marketing plan is being formulated with the County Council which will help give the hall different uses.

It was questioned how long the refurbishments would take at the front of the building. Mr Esmond informed members that it is expected to take 6-8 weeks with the works to be coming to an end in late August early September. It was questioned if the grant would be paid after the bills were paid, Mr Don Esmond stated that the grant would be claimed in stages, he commented that the Trust had enough in the reserves account to cover the staged payments needed. Councillor P Gwyther commented that bank statements would be required from the Trust for the payments to be claimed, and a great deal of liaison with the County Council would be needed during this time. Mr Don Esmond commented that he wanted to pay compliments to members of the County Council who have helped them with gaining the recent grant.

Mr Esmond informed members that the Trust have looked at joining the Big Night Out which will bring a range of events to the Pater Hall including comedy nights etc, but stated that the events which are presently organised are fundraising events to cover any extra costs which could be incurred on the proposed refurbishment in 2012.

101. REPORT FROM TOWN CLERK -FUNDING FOR PATER HALL COMMUNITY TRUST

The Town Clerk informed members that the Pater Hall Community Trust was initially set up to attract funding to repair and update the building. As part of becoming a charity the Trust had to become a clearly separate organisation from the Town Council, this was insisted upon by the charity commission. She stated the Commission were concerned that the Town Council should not benefit from the operation of the Trust; the Town Council could not influence the operation of the Hall or the Trust in any way. This separation had increased year on year under the requirements of the charity commission. The Trust is legally a separate organisation and as long as the Trustees act within the conditions of the lease they have from the Town Council, they will continue to be separate until approximately 2030. During these years the Town Council will have no control over what happens to the Hall or in the Hall or the activities of the Trustees.

The Town Clerk stated that only if the Trust falters, for whatever reason, will the Town Council be in a position to decide what will be the future of the building.

The Town Clerk informed members that the grants that have been obtained for the work that has been done in the Hall and for the proposed work will not be repayable by the Town Council. Any funding that has been sought and won by the Trust is the responsibility of the Trustees. Any contract entered into by the Trustees is their responsibility legally there is no comeback on the Town Council.

The Town Clerk informed members that she understood that if the work that is to be undertaken with the latest grant offer from the Welsh European Funding Office fund falters then the grant money is to be repaid to the fund, this is not the responsibility of the Town Council.

Rent – total £7000 paid to the Pater Hall Community Trust

The Town Clerk explained to members how the figure of £7,000 was reached with regards to the rent paid to the Pater Hall Community Trust. She informed members that In August 2006 the following was agreed between the Trust, the Charity commission and the Town Council.

Guy Thomas & Co assessed the office for rental value £1040 per annum. Casual use of the Chamber would be in the region of £2000, a total of £ 3040 per annum.

A figure of £10866.75 was reached as the total running costs per annum for the trust.

30% of this amount was considered to be a reasonable rate to pay towards the running costs which was £3260.02. Added to the £3040 for rental this came to a figure of £6300, but was increased to £7000. This is the figure the Town Council pay the Trust for rental and associated costs now.

Building Costs – Town Council to Trust

The Town Council over the years since 2004/5 has paid to the Trust a total of £180,000 towards building costs.

In the report of the Town Clerk it was stated that the Trust had been granted £397,693 and has spent that to improve the building. (This includes the WEFO grant of £144,162 that is to be received and spent in 2012)

The Town Clerk commented that in the papers it stated that the Town Council has therefore paid **45%** of the building costs between the years 2004 until 2012, but she stated that Councillor P Gwyther had kindly pointed out the figure should have been 31%, the Town Clerk stated that she was aware that there was a concern to trustees that the money would have to be paid out before it could be claimed from the grant pot.

In the early days of the Trust when the expected spend from grants was to be £1.5 million the Charity Commission stated that the Town Council should pay more towards the building and improvement works. A figure of 10% was agreed. This was when £90,000 was paid on top of the £75,000 to the Trust for building costs.

Grant towards Salary costs of the Cleaner and Caretaker

This has been a variable amount over the years. In the early years the Town Council agreed to pay 100% of the salary costs to help the Trust get underway.

Then there was a report from the then Company Secretary/Town Clerk that stated that unless the Town Council reduced the level of salary costs each year the Trustees would not have any incentive to increase their income , so he proposed that the level of grant paid to the trust was reduced year on year. The Company Secretary also suggested ways that the Trustees could help reduce the caretaking hours, by allowing some users in the building by themselves after a risk assessment or by the Trustees doing the caretaking themselves.

The amount that is currently granted to the Trust is 70% of the combined salary costs of the cleaner and the caretaker, during the last financial year this amounted to approximately £18,000.

This has been an annual agreement made by the Town Council. This agreement expires on 31st March 2012 and another needs to be put in place.

Forward planning

The Town Clerk stated currently it seems that there is a view in Council that the Trustees will come back to the Town Council for different amounts of funding for different projects. If these grants are agreed by Council it is very difficult to budget successfully as there is little or no advance warning of these requests.

She commented that it would be useful to ask the Trustees to project their grant needs to cover more than one year. The Town Council could ask the Trustees to put together a plan of such requests along with the reason for the grant but accompanying the requests should be a plan of how the Trustees intend to increase their income. The Town Clerk commented that she believed that members needed to understand how the Trust plans to ensure that the Pater Hall becomes a more viable concern and less dependent on the Town Council funding.

Future Financial Requests

The Town Clerk commented that as the Trust can be seen as an outside body which is independent of the Town Council in its operation, and there has to be a public perception that all organisations in the town are treated equally by the Town Council it would be wisest to ask the Trust to formally request financial assistance from Council.

This will of course apply to other bodies that have financial help for their organisation.

Current situation of the Pater Hall Trust

The Town Clerk stated that the following are extracts from the paper that Councillor Phil Gwyther circulated to Councillors:-

"The Pater Hall Trust is a company limited by guarantee and is registered with The Charity Commissioners."

"Over and above this, the Trust is subject to full company law, sends a return every year to Companies house and also reports to the Charity Commissioners".

"The Trust is run by the Trustees and in legal terms all the Trustees are directors of the Company. Personal liability is limited to £1 per trustee/director."

The Town Clerk stated that the following was advice that had been sought from Mr Laurence Harding, Monitoring Officer to Pembrokeshire County Council:-

"The £1 is the personal liability as a trustee should the trust be wound up. However, if the trust is mismanaged, and non-refund of a government grant in the event it does not do what it is required to do would qualify, would lead to the trustees being liable for failing to properly manage the affairs of the trust – in essence "trading" when they were insolvent – and their liability would be unlimited either jointly or severally. The council should be aware that any indemnity given to councillors may not cover them for deliberate acts or recklessness, so the liability would not be passed on to the council"

The Pater Hall Trust has been granted some £144,162 from the WEFO fund to enable them to make improvements and changes to the front end of the Pater Hall. The Town Council have agreed to pay £10,000 in 2011/12 towards the match funding needed and with a previous amount of £5000 granted from the Town Council in 2010/11 this provides the Trust with the necessary match funding for this grant. The Town Clerk understood the intention was to start this work during the summer of 2012 when the bookings usually are lower than at other times. am not sure how long the work will take. Clearly during this time the income from the lettings in the Hall will be reduced.

There is another issue which I believe has caused the Trustees some concern. The Trustees will have to pay for the work to be done before receiving the grant money to cover that payment; this could challenge the cash flow of the company as they have to remain solvent at all times. The Trustees have to prove to the funders that the money has been paid out before the grant is paid to the Trust. I assume the money for the work will be paid in stages.

In the Town Council meeting held on 29th September 2011 Councillor Phil Gwyther asked that £5000 is granted in 2012/13 to the Trust for building costs to help with the cash flow issue.

In the email sent to Councillors, Councillor Phil Gwyther stated that £5000 is required by the Trust to help with the proposed works to the stage and ceiling in the Main Hall. Councillor Gwyther suggests that this grant of £5000 is conditional and only paid following a successful CFAP grant from the Welsh Government. The Trust had applied for a CFAP grant of £62,700 to update the stage facilities and the ceiling of the main hall.

Councillor S Perkins commented that she had previously found it difficult to understand the relationship of who pays for what with the Town Council and the Pater Hall Community Trust, she stated that it was nice to see the separation come in as funding requests have been adhoc from the Pater Hall Community Trust. Councillor S Perkins raised concerns about when the Trust would be in a position to have reduced financial support from the Town Council she questioned if there would be a sliding scale over a number of years with requests from the Pater Hall decreasing.

Councillor P Gwyther commented that if the Town Council took on the Pater Hall then they would pay more as they would have to pay business rates, waste charges and 100% of the wages, and the Pater Hall would also lose the ability to gain grants, he

stated that it is wrong to think the money will go down. Councillor S Perkins commented that it was agreed by the last Town Clerk that the payments to the Pater Hall Trust should reduce.

Members questioned how much it would cost in the future and stated that some sort of timescale needed to be set in place. Councillor T Wilcox commented that he felt 95 percent of Pembroke Dock residents don't use the Pater Hall, he stated that members needed to be realistic, as there are other things which could be done within the town.

Councillor C Gwyther commented that all Community Halls receive help from somewhere and she stated that the Pater Hall is a Community Hall.

Extract of the Clerk's report to the meeting of 27th October 2011

Grants paid to the Pater Hall Community Trust from the Town Council.

The Town Clerk stated that Councillor Sue Perkins had asked her to produce figures showing the grants given to the Trust and she had also included the amounts paid to the Town Council from the Trust.

	31.3.07	31.3.08	31.3.09	31.3.10	31.3.11	31.3.12
Total to PHCT	£37,000	£53,845.88	£63,771.17	£30,804	30,151.71	£17,000 (without salary costs)
Total from PHCT	Not available	£10,627.66	£42,129.44	£25072	£25937.00	
Net Amount	£37,000	£43,218.22	£21,641.73	£5732.00	£4214.00	

There was an initial amount of £75,000 paid to the Trust at the beginning of the lease. The grand Total granted to the Pater Hall Community Trust since 2006/7 is £128,805.95.

Councillor P Gwyther commented that with regard to the finances, it ends up becoming a nil outcome, he stated that £18,000 which is for the wages cannot be considered as a grant.

It was stated that £18,000 for the wages had to be included which meant for this financial year the Pater Hall Trust would have received approximately £35,000 from the Town Council. This was broken down as £18,000 for wages, 10,000 grant for building costs and £7,000 for rent. It was stated that the Pater Hall Trust paid the Town Council £25,000 for the wages which meant the Pater Hall Trust had only received £10,000 in total from the Town Council.

It was

**PROPOSED BY Councillor S Perkins
SECONDED BY Councillor M Murton**

RESOLVED: That the Trustees of the Pater Hall Community Trust look and come back with a proposal of reducing funding over time.

Members voted on this proposal with four members in favour and five members against, so the proposal fell.

Councillor C Gwyther commented that the Trust have some major improvements on the go

and felt this was not the time to put this burden on them.

Councillor P Gwyther stated that he had a statement from the treasurer with projected income, but commented that the treasurer did not want the figures to be released to the public as it is guess work at present. He stated that the Trust had made a lot of savings on utilities and insurances but commented that they would still lose money for this financial year.

Proposals from the Finance group to the Town Council

The Town Clerk stated that the minutes of the last meeting of the Finance group needed consideration

The Town Clerk stated that the First proposal from the finance group to the Town Council was :-

**PROPOSED BY Councillor D Earl
SECONDED BY Councillor K Becton**

RESOLVED: The Finance group recommend that Town Council should seek a formal written request from the Pater Hall Community Trust for financial grants. As stated in the Grant Application form copies of accounts should accompany the request.

It was commented that this proposal should still stand, a vote was taken with nine members in favour of the proposal and one member abstained from the vote.

The second proposal from the Finance group to the Town Council was:-

**PROPOSED BY Councillor D Earl
SECONDED BY Councillor K Becton**

RESOLVED That the Finance group recommend £2,000 is removed from Legal fees and £1,000 is removed from office equipment. Giving £3,000 for allocation to Pater Hall Community Trust once a formal grant request is received.

"Councillor Phil Gwyther has stated:-

Amendment to the motion proposed by Finance Committee at their Oct 11 meeting, (Proposed By Councillor D Earl and seconded by Councillor K Becton.)

Amendment proposed by Cllr Phil Gwyther

That the original suggestion from the full council meeting on 29th September of a grant of £5000 towards building improvements (stage work and ceiling) be approved. Also that this grant payment be conditional and only paid following upon the successful approval of the current application for a Welsh Office CFAP grant.

The proposal from the Finance group and the amendment from Cllr Phil Gwyther need to be considered by members. The Town Clerk commented that the Amendment proposed needed to be seconded by another member before a decision could be made.

**It was
PROPOSED BY Councillor P Gwyther
SECONDED BY Councillor C Gwyther**

RESOLVED That the original suggestion from the full council meeting on 29th September of a grant of £5000 towards building improvements (stage work and ceiling) be approved. Also that this grant payment be conditional and only paid following upon the successful approval of the current application for a Welsh Office CFAP grant.

Councillor K Becton commented that the Finance Group felt the £5,000 couldn't be found

within the budget. Councillor S Perkins commented that she would have voted for the trust to receive £5,000 from the Town council but stated as trustees were not prepared to look at a future reduction she is voting for £3,000.

A Vote was taken with five members voting in favour of the amendment proposed by Councillor P Gwyther and five members voted against, the Mayor Councillor A McNaughton had the casting vote and he voted in favour of the amendment which totaled 6 in favour of the amendment.

It was suggested that the budget went back to the finance committee to find the extra £2,000 required.

The third proposal from the Finance group to the Town Council is:-

**PROPOSED BY Councillor K Becton
SECONDED BY Councillor D Earl**

RESOLVED: The Finance Group recommend that the Town Council keep the percentage of salary costs to 70% for the year 2012/2013

Members voted on the above proposal nine members voted for the proposal and one member voted against.

Councillor S Perkins commented that she voted against due to trustees not being prepared to look at a future reduction.