

**LANGTREE PARISH COUNCIL**  
**MINUTES OF EXTRAORDINARY MEETING**  
**18<sup>th</sup> DECEMBER 2020**

**Note – This meeting was held remotely using video conference facilities**

<b>Present</b>	Councillors: Geoff Bond James French Mark Glover (Chairman) Peter Haselhurst
<b>In attendance</b>	Leigh Pollinger – Parish Clerk
<b>304</b>	<b>WELCOME AND APOLOGIES FOR ABSENCE</b>  The Chairman welcomed everyone to this meeting. There were apologies received from David Ley, Pat Mitchell, Franklin Tucker
<b>305</b>	<b>REASON FOR MEETING</b>
305.1	This meeting was called to discuss <ol style="list-style-type: none"> <li>1. Overview of current position regarding applying for an overdraft with Lloyds Bank</li> <li>2. To receive approval to pay TK Play and Abacus Lighting for works on MUGA</li> <li>3. To consider transferring the MUGA to the Parish Hall</li> </ol>
<b>306</b>	<b>Overview of current position regarding applying for an overdraft with Lloyds Bank</b> <ol style="list-style-type: none"> <li>1. The Parish Council is in the position that it can reclaim from HMRC the VAT paid to contractors for the MUGA and other supplies.</li> <li>2. The Parish Council does not have the cash available to fund the VAT for the period between paying out to suppliers and receiving monies back from HMRC.</li> <li>3. Discussions with Lloyds Bank on 3<sup>rd</sup> August 2020 regarding obtaining a short term overdraft were positive and they did not see any issues with granting the Parish Council access to an overdraft for approx. £15k- £20k for a period of 3 months. They confirmed that we should apply closer to the time when we needed the money.</li> <li>4. Discussions with Lloyds Bank during w/c 7<sup>th</sup> December and 14<sup>th</sup> December were difficult with Lloyds Bank seeming unwilling to confirm the discussions that were held in August.</li> <li>5. DALC were contacted for help and advice which raised other issues (see below), however they advised that the Parish Council can</li> </ol>

borrow on a short term basis monies from anybody (assuming that they are not loan sharks or terrorists).

6. Contact was made with Sue Lee and Sylvie Smith of the Parish Hall committee to see if they could support the council by providing a short term loan. They confirmed that they had the cash available if needed and would be able to lend the monies if approved by the Parish Council and by the Parish Hall committee.
7. Does the Parish Council agree to borrow £15,000 to cover the VAT outlay and repayment for a period up to but not later than 31<sup>st</sup> March 2021, full sum to be paid back by this time?
8. A general discussion regarding clarification of elements of the above took place.
9. A vote was taken and unanimously supported that the Parish Clerk should formally approach the Parish Hall committee to request a loan for £15,000 for the period to 31<sup>st</sup> March 2021.

**307** **To receive approval to pay TK Play and Abacus Lighting for works on MUGA**

Permission is requested to pay the MUGA suppliers, details below.

Bank balances at 18<sup>th</sup> December

Lloyds Bank balance	£53304.58
Lloyds Number 2 account	£14505.21
<b>Total</b>	<b>£67809.79</b>

Grant of £45600 has been received from Sport England. Grant of £19859 from Coastal Recycling is due 22<sup>nd</sup> December. If we receive £15000 from the Parish Hall then total bank balance will be £102,668.79.

Note we are expecting a further £2400 from Sport England in January.

Approval of payments as follows are requested once all funding is in place.

Supplier	Description	Nett	VAT	Total
Abacus	Delivery of materials for MUGA lighting	£6,690.91	£1,338.18	£8,029.09
Abacus	Erection and fitting of lighting columns	£4,034.56	£806.91	£4,841.47
Abacus	Completing fitting of lighting columns	£3,043.02	£608.60	£3,651.62
TK Play	Construction of MUGA	£66,000.00	£13,200.00	£79,200.00
TK Play	Construction of MUGA Pathway and extras	£4,586.00	£917.20	£5,503.20
		£84,354.49	£16,870.89	£101,225.38
	<b>Totals</b>			

	<p>Note: the highlighted Abacus invoice is in dispute regarding trenching at a cost of £704. I do not believe that this should be paid as armoured cable was pinned to the top of the outer boards rather than buried in trenches. Invoice will be paid after agreement is reached.</p> <p>Payments approved.</p>
<b>308</b>	<p><b>To consider transferring the MUGA to the Parish Hall</b></p> <ol style="list-style-type: none"> <li>1. We have always understood that Parish Council activities regarding for VAT are covered by HMRC VAT notice 749. This basically says that a Parish Council does not need to register for VAT if income is less than £5000 and that it can recover VAT on all expenditure.</li> <li>2. Discussions with DALC's financial advisor pointed out that we should also consider HMRC VAT Notice 742 which considers Councils investing in land with the intention of charging for use of facilities built on this land. In this instance the Parish Council will need to become VAT registered, charge users VAT (although not for bulk bookings) and there are likely to be delays in reclaiming any VAT paid out.</li> <li>3. This creates a number of issues for Langtree from delays to repayments to additional administration required to manage the VAT element, to additional auditor costs.</li> <li>4. We have been advised that a way around this is to lease the MUGA to a third party which takes on responsibility for managing all incomings and outgoings. It is therefore proposed that we agree a long term lease of the MUGA to the Parish Hall.</li> <li>5. Discussions amongst the councillors resulted in them agreeing that the Parish Council should approach the Parish Hall Committee with the aim of transferring the MUGA to them. The Parish Clerk will meet with the Parish Hall committee as soon as possible.</li> </ol>
<b>309</b>	<p>The meeting closed at 8.30pm</p>