

Minutes of the Extraordinary Meeting of Escrick Parish Council on Wednesday 16th May 2013 at 7.30pm held at Escrick and Deighton Social Club

Present:

Councillor A Bowman
Councillor E Casling (Chair)
Councillor L Coulson
Councillor S Cunningham
Councillor A Lamont
Councillor M Luscombe
Councillor B Forster
Councillor J Goode
Councillor J Reader
Councillor I Reynolds
Councillor S Smowton

Mrs L Reader (Clerk)

1 member of the public

At the start of the meeting, the Clerk requested that 2 additional items be added, these were **The Council's Insurance** and **Freedom of Information Request**. It was proposed, agreed and seconded that these were included.

1. Apologies for Absence
There were no Apologies.

2. Dispensations
The Chairman asked the member of the public if he would like to speak and he asked about the availability of the meeting minutes. It was agreed that the Clerk would email minutes to anyone who requested them.

2.1 Parish Council Insurance

The Clerk reported that the annual Insurance premium for the Parish Council's insurance was due on the 1st June. Came & Company had sent the remittance advice in which they offered a 3-year long agreement with 16 months cover for the price of 12 for the sum of £1,094.05. It was proposed, agreed and seconded that this be taken advantage of.

2.2 Freedom of Information Request

The Clerk reported that a further request for information under the Freedom of Information Act had been received. The Chairman asked the other members of the Council to assist the clerk with answering these. Cllr Smowton declined to assist with answering these questions. As a result of the FOI request, and at the request of the Chairman, Cllr Smowton had removed all references to Escrick Parish Council.

The Chairman had emailed a copy of the FOI questions to Jonathan Lund at Selby District Council for his advice as to whether some of the questions were in the public interest and would report back.

3. Part II Items
As the rest of the items on the agenda were Part II items, it was moved and agreed that the member of the public was thanked for his interest and asked to leave.

4. Reclamation of VAT
The Clerk reported that whilst trying to put together the Parish Council's annual accounts return, some questions had arisen about how to categorise certain items such as VAT reclaims. The Clerk asked advice from another Parish Council Clerk who replied that the Parish Council should not be claiming VAT for any other organisations. The Clerk then sought advice from the Yorkshire Local Clerk's Association on this matter and was sent the following information:

"A parish council has power to reclaim VAT on its non-business supplies under Section 33 of the VAT Act 1994. In general, a non business supply is something which a council

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purchases for its own use and does not sell on competitively. A council can also purchase goods on behalf of other groups, give these away to the group and reclaim VAT - BUT there is a set of strict criteria which applies to this type of transaction:

*In making a lawful VAT the reclaim, a council **must** ensure that it meets **all** six of the requirements below:*

- 1. The council places the order for the supply;*
- 2. It receives the tax invoice for the supply;*
- 3. The invoice must be addressed to the parish council;*
- 4. The parish council must pay from its own funds;*
- 5. It can retain the purchase for its own use or give them away as a gift;*
- 6. The council must not receive any reimbursement whatsoever, whether monetary or in kind from the recipient group, ie a donation from the playing field association whether inclusive of the VAT or with the VAT element deducted*

Only if the council can meet all six of the criteria above may it lawfully reclaim the VAT that it has expended on the project.

Whilst the purchase of the Basket Swing last year was covered by commuted sums from Selby District Council and therefore the VAT could legitimately be reclaimed, the Clerk was concerned about some of the other purchases where VAT had been reclaimed which did not appear to fully meet all of these requirements.

The members of the Council were confident that the purchase of items for the playing fields, namely the Zip Wire purchased earlier this year, were also suitable for legitimately claiming VAT. Escrick Parish Council owns the equipment in the playing fields and these items appear on the Parish Council's Asset Register. The Parish Council holds the lease for the land where the playing field is and the Council appoints representatives to the Escrick Playing Fields Association. It was discussed that EPFA raises the money for the playground equipment but EPC owns the assets and allows the village to use them.

The Chairman was concerned about a clause in the lease for the playing fields land:-

To appoint forthwith a management committee which shall consist of no less than three but not more than five members from time to time and one of whom shall at all times either be the landlord or his successor in title or a person appointed by the Landlord or his successor in title as his or their representative which committee shall manage the Land and Paths in accordance with and implement the terms of this Lease and subject thereto not to assign or underlet or part with the possession of the Land or any part thereof

It was suggested that Cllr Reynolds ask the landlord, on behalf of the Parish Council for a dispensation from the Landlord.

It was also proposed, seconded and approved that the Clerk request that the supplier reissues the invoice for the Zip Wire to the Clerk's address in order to meet condition 3 above.

On the subject of the promotional items purchased for the Escrick 10K Cllr Smowton agreed that these could not realistically meet the requirements outlined earlier and therefore there would be no claim made for the reclaim of VAT on these items.

5. Appointment of Auditor

The Clerk reported that quotes from several auditors had been sought and a few had been received. These were as follows:

Pam Harrison from the South Yorkshire area	£25.00 per hr + NALC travel rate.
Ian Scott	£30 per hr + 45p per mile

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Ken Longhurst £260 for the year, including ongoing advice throughout the year

The Clerk's choice was Pam Harrison based on the fact that she was also a Parish Council Clerk and would have experience of auditing Parish Council accounts. The Clerk felt that it was important to set a bench mark going forwards to ensure that everything is done correctly from now on.

Cllr Reynolds asked why the Parish Council could not use a local accountant. The Clerk felt that a standard accountant may not be aware of the specific technicalities of a Parish Council Audit but agreed that this was a good idea in future years.

It was proposed, seconded and approved by 10 members that Pam Harrison be appointed Internal Auditor for the year 2012/2013 audit. One member did not agree.

As there was no further business to discuss, the Chairman thanked everyone for coming declared the meeting closed.