

BROUGHTON IN AMOUNDERNESS PARISH COUNCIL Finance Committee

Tuesday 6th December 2022 at 7.30pm

Present: Cllrs. Mrs. P. Hastings, L. Brown, P. Bunting & Cllr. N. Parkinson.

In attendance: Mrs. A. Nicholls – Clerk

Members of the public who wish to raise issues

No public attended the meeting

1. Apologies for absence.

Apologies were received Cllr. S Sargeant, Cllr.M Bell

2. Declarations of Interests-

None.

3. VAT Toll Bar Cottage

Chair Cllr. Hastings and Cllr. Bunting met with Jonathan Main VAT and Indirect Taxes Partner MHA Moore and Smalley. At the meeting Mr. Main apologised for the incorrect advice re VAT he gave Broughton Parish Council prior to Toll Bar Cottage opening 8th April 2021 . He advised the Council if a claim was under £10,000 for the lost revenue due to his mistake Moore and Smalley would settle the claim. If the claim came in over £10,000 Moore and Smalley would claim under there indemnity insurance and the process could take several years.

After the meeting he followed it up with an email. In the first part of the email, he summarised the meeting. He then went to suggest ways the Parish Council could limit the VAT liability.

He then said the Parish had incorrectly used the VA126, against his advice to reclaim VAT on the building works for Toll Bar Cottage. However, Toll Bar Cottage is registered as a Village Hall so the Parish Council can reclaim VAT for the Building Works so the Parish Council had followed the correct procedure.

It was discussed and agreed the Parish Council should immediately register for VAT. The registration is currently being processed by Walling's the new Accountants.

It was discussed and resolved the Chair would acknowledge the email from Johnathan Main and advice, him that Broughton Parish Council is in the process of processing the VAT registration for Toll Bar Cottage. Broughton Parish Council will advise Moore and Smalley of the losses incurred.

It was agreed to raise the item at Full Council 3rd January 2023 to agree a course of action if Moore and Smalley claim they are not liable.

Toll Bar Cottage is setting aside £500 per month from 1st September 2022 to pay the VAT bill. This was the date which the turnover exceeded £85,000 as originally advised by Moore and Smalley.

The Parish Council will ring fence the £20,000 cfwd in a reserve account to ensure funds are available if HMRC requires payment before the claim with Moore and Smalley is settled.

4. Precept for 2023/2024

It was agreed to set the precept at £35,000 which is £2000 more than agreed at the Budget Challenge. The cost of revising the Neighbourhood Plan as now been confirmed at £5000.

It was agreed the Lengths man's wage would be paid from CIL from 2022/2023 and it is likely his hours will increase to two days from January 2023

5. The projected yearend figures for the Parish Council Accounts

A carryforward of approximately £20,000 was confirmed which will be but in the reserve account for the VAT bill and possible Legal Costs

6. Composition of the Finance Committee

It was discussed and agreed to add Cllr. Bunting to the Santander Mandate to with regard to authorising on line payments

7. Lottery Monitoring Officer visit

The Clerk and Chair met the Lottery Monitoring Officer who was very happy with the work being done at Toll Bar Cottage. She approved the next scheduled payment December 2022, followed by two smaller payments next year ending March 2024.

The Chair has made an additional claim for the cost of living rise and the 8.5% allowance on bills. In addition she has made a claim to keep Toll Bar Cottage open an additional two hours per day as part of the scheme to keep people warm during winter. This scheme will operate for four months.

8. Changeover procedure once the Charity is set up

It was discussed and agreed the Charity needs its own independent bank account. To ensure continuity until the Charity is fully up and running it was agreed at the point the Charity is established to remove the Clerk and Parish Councilors from the Santander Toll Bar Cottage Account and add the Secretary to the Charity in an Admin role and the Trustees. From the 1st April 2023 the Charity will set up its own totally independent Bank Account.

9. CIL money in reserve

It was discussed and resolved to put £300,000 in reserve accounts with Nationwide, Unity Bank and Government Bonds. It was agreed the Clerk would bring the details to the Full Council meeting 3rd January 2023

10. Tax on investments

The Clerk has confirmed with Walling's the Accountants the Parish Council will need to pay corporation tax on income earned from the investments. Walling will register the Parish Council for Corporation Tax and complete the first return.

11. Non-ring-fenced money

It was discussed and agreed non-ring-fenced money would be held in a separate reserve account.

Meeting closed at 8.15