

TOWN CLERK'S REPORTS – 29TH MARCH 2022 – SPECIAL COUNCIL

7. GRANTS APPLICATIONS – A). LISKEARD BRIDGE CLUB (SEE ATTACHED GRANT APPLICATION FORM INCLUDING ACCOUNTS 7.A.) B). ICOMOS-UK – (INTERNATIONAL NGO ADVISING UNESCO) (SEE ATTACHED GRANT APPLICATION 7.B. AND ACCOUNTS 7.B.I)– a). Liskeard Bridge Club - To consider the request for a grant of £2,000 to purchase as Air Purifier. b). ICOMOS-UK – To provide a grant of £311 to support the holding of an event in the Public Hall, to promote UNESCO's aspirations for the Intangible Cultural Heritage (ICH) sector amongst local cultural and heritage groups.

Background - The table below sets out the grants which have been approved from the grants budget in the current financial year 2021/2022. The table also includes the amount of grant budget currently available and the amount that would be left should the grant applications be approved.

Grants Budget 2021/2022	£10,000
Baby Basics – Set up of a local outlet of the initiative to support mothers with baby products.	£400
Early Learning Centre – additional performances	£2,500
Cornwall Pride Bus - event	£500
St Martin's Church – Inter Churches Christmas Carol event	£500
Liskeard Lions - Panto	£1,200
Liskeard Gleaning Project – To make use of crops that would otherwise be wasted by collecting them and distributing them to the Liskeard Foodbank.	£500
Liskeard Foodbank – To support the setting up of an advice service for those using the Foodbank.	£1,050
Cornwall International Male Choral Festival – Regional Concert in Liskeard – 30 th April 2022 - To support the visiting Youth Choir	£250
Liskeard Traders Association – To support some of the costs associated with the 26 th March 2022 – Cakey Tea Event.	£1,000
Approved Amount	£7,900
Left to allocate until 31 st March 2022	£2,100
Liskeard Bridge Club – to purchase an air purifier as an anti-Covid measure	£2,000
ICOMOS-UK – to hold a cultural event in the public hall.	£311
If both approved at the full amount	£10,211
Shortfall (recommendation that any overspend be taken from the general reserve)	-£211

RECOMMENDATIONS: A. That the Council considers the grant application from the Liskeard Bridge Club for £2,000. B. That the Council considers the grant application from ICOMOS-UK for £311.

8. CLERKS REPORT - COMMUNITY LEAD LOCAL DEVELOPMENT (CLLD) – CATTLE MARKET MAKERS (CMM) PROJECT

BACKGROUND – At the 10th March 2022 Special Council meeting, the results of the tendering exercise were reported to the Town Council. The consultants' evaluation of the tenders was reported and considered. The Town Council made the following resolution.

MINUTE:425 / 21 CATTLE MARKET MAKERS PROJECT (CMM) – Community Lead Local Development (CLLD) a). Tender A b). Consultants Recommendations (5bi spreadsheet):

Councillor Dorling proposed, Councillor Lee-Julian seconded and the Council **RESOLVED** to approve Tender A as the 'preferred tender' based upon the recommendations of the consultants, but not at this stage appoint to contract, which will be subject to clarifications which will be achieved at the pre-contract inception meeting, in order to ensure that project costs remain within the limits of funded budgets. Feedback for the inception meeting would then be brought to a Special Council meeting on 24th March 2022 (post meeting note 29th March 2022) to be considered by the Town Council for final approval.

c. Notification of the variation to the existing Community lead Local Development (CLLD) ERDF grant offer letter – Noted.

d. Financial Summary – Noted would need to be completed with data as available.

e. The Advice of the Specialist VAT Advisors and their recommendation that the Town Council opt to tax the Cattle Market Makers Facility – Noted

f. The finalised cost of the services being provided by the former Cornwall Council contractors transferred to the Town Council under the Access Agreement. Noted

g. Income and Expenditure Update – Noted and update needed.

h. Risk Assessment – Noted. An update would be needed.

i. License Agreement – Following confirmation that a 10 year lease with a peppercorn rent and a 5 year break clause was basis of the agreement and being pursued and that the license was needed as a means of gaining access to the site - Councillor Craker proposed, Councillor Dorling seconded and the Council **RESOLVED** to approve the principle of seeking a license for the access of the Cornwall Council land

There were a number of points raised by Councillors and attached to the agenda for consideration (see attached Q and A 10th March 2022) along with the feedback from inception meeting with the 'preferred supplier'.

UPDATE - Feedback from the inception meeting is included as attached with further recommendations

The key issues for consideration from the agenda sheet are 8b, 8.e. 8f. and 8i needing support:

8. CATTLE MARKET MAKERS PROJECT (CMM) – COMMUNITY LEAD LOCAL DEVELOPMENT (CLLD) TOWN CLERKS UPDATE -

a). the Tender A (Preferred Supplier) (PARTII report) – the tender document received at the 10th March 2022 Special Council meeting.

b). our consultants' recommendations and 8.b.i. EXCEL spreadsheet (PARTII report) – The Inception meeting was held between the Town Council's consultants and Preferred Supplier A. Our consultants' reported results were reported to a meeting with the Town Council, our consultants' and officers from Cornwall Development Company. The number of 'clarifications' have been reduced from 14 with a combined value of £44,000 to just one with a value of £10,000. (see attached 8.b.i. Revised Risk Allowance).

The remaining item is services (water and electricity). The ERDF approval already includes an element of £3,709 towards utilities which can cover part of the cost. The remainder can be more than covered by the items within the original approval which have not been drawn down within the timescale on the original offer letter.

Also attached is the draft contract the NEC4, between the Town Council and the 'Preferred Supplier'. This would be the contractual basis on which the Town Council would proceed to let the contract and should be approved.

The preferred supplier have confirmed that they are happy to amend the start date from the 28th March to the 31st March 2022.

Our consultants have undertaken Credit Reference Checks on the preferred supplier which indicates no items of concern at this time. This is available as a PARTII (as it includes the name of the preferred supplier). The document is 13 pages long.

RECOMMENDATION: That following the recommendation of our consultants that the contract to provide the units is placed with the preferred supplier.

c). Notification of the variation to the existing Community Lead Local Development (CLLD) ERDF grant offer letter) – Noted at the last meeting.

We have received the letter of variance to the grant offer letter. It formally offers the additional £240,549.43 of grant at the increased 62.86% rate of grant.

d). Financial Summary (as attached) – To Note the updated financial position.

e). VAT - to RESOLVE to OPT to Tax on the Cattle Market Makers facility (as attached i,ii,iii).

it is recommended that we follow the advice of our specialist VAT advisers Buzzacott and opt to tax on the Cattle Market Makers project facility to ensure we can reclaim the input VAT related to the capital costs of the project.

On the basis that Yvette has confirmed that LTC is not supplying the structures to CC (and it needs to be clear that is the case) and there will be an obligation on LTC in the lease to remove them at the end of the term then we can advise that LTC can deduct VAT on their installation. That means that if the units have any value at the end of the term, if LTC disposes of them it will be required to account for VAT on their value at that point, even if they are not sold.

I can confirm the reference to capital assets does not now need to be considered. If LTC opts to tax on the site there ought to be no reason for HMRC to query deduction of the VAT

Opting to tax will also protect the Council's global position. The Council currently have two properties (Public Hall and Guildhall) where it makes VAT exempt supplies of land and property. Under VAT legislation, there is a maximum limit to the amount of input VAT that can be reclaimed on related expenditure, and if this limit is exceeded, no VAT is reclaimable (not just the amount that exceeds the limit). This happened when the Town Council undertook the Public Hall refurbishment, although following lengthy communication with HMRC an agreement was reached on partial reclaim. Opting to tax on this facility would remove it from the Council's exempt supply of land and property and therefore not have an adverse impact on its ability to reclaim input VAT on its existing properties.

You do not need to own the land in order to opt to tax. The option to tax would only affect supplies made by the Town Council and would not affect supplies made by anyone else. Cornwall Council have also confirmed the decision would not impact on them as landowners and their permission is not required.

The decision to opt to tax must be made by a resolution of the Council, and the written record/minute must clearly state details of the land/buildings on which the option to tax is being made. This decision must be notified to HMRC in writing within 30 days and signed by the Town Clerk or RFO. The option to tax will have effect

from the date of the decision, or any later date specified, as long as HMRC are notified in writing within the relevant time limits.

RECOMMENDATION: That the Town Council resolves to opt to tax on the Cattle Market Makers project facility on part of Liskeard Cattle Market (Landlord's title number CL222566)

f) Finalised cost of the services being provided by the former Cornwall Council contractors transferred to the Town Council under the Access Agreement (see attached) – To note and accept the final 3 items not approved at the 22nd February 2022 Finance, Economic Development & General Purposes Committee. (Principal Designer, review of CPP, updated drawings and Health and Safety file - Management of Construction Contract - Management of Defects period). Should the Town Council agree to proceed with the letting of the contract these additional items should be approved as they relate to the consultants management of the contract.

RECOMMENDATION: That the Town Council approves the last 3 items from the consultants services quote as the consultants will manage the contract.

g). Income and Expenditure Update (as attached). – To Note

h). The revised Risk Assessment (as attached). – To Note

i). To approve the heads of terms for seeking a license for the contractor to access Cornwall Council land. – Cornwall Council has already agreed to the granting of lease to the Town Council at a peppercorn amount on this part of the former Cattle Market site. We have been informed, that in order to facilitate early access to the site whilst a revised lease is prepared, that a license will be used in the meantime. The Heads of Terms have been received from Cornwall Council and passed to out solicitor for comment.

The Town Council's solicitor has reviewed the Heads of Terms which are effectively the same 10 year term with a 5 year break clause and a peppercorn rent as the Town Council has previously accepted albeit previously for a more complicated lease arrangement. He has suggested asking for 6 months' notice of the exercising of the break clause. At moment the notice is 3 months. We have sent this reasonable suggestion to Cornwall Council. They have indicated that they are trying for the supply of the draft license for this evening's meeting. They had previously noted the need to reflect the Town Council's VAT status in the license / lease and the current wording satisfies this requirement. The Heads of Terms does still refer to the Cattle Market Working Party which Cornwall Council has since evolved into the Liskeard Redevelopment Working Group.

RECOMMENDATION: That the Town Council approves the Heads of Terms for the license (pending the approval of a lease) as suggested by Cornwall Council to more quickly gain access to their land for our contractor.

RECOMMENDATIONS: That following the recommendation of our consultants that the contract to provide the units is placed with the preferred supplier.

That the Town Council approves the last 3 items from the consultants services quote as the consultants will manage the contract

That the Town Council resolves to opt to tax on the Cattle Market Makers project (Landlord's title number CL222566).

That the Town Council approves the Heads of Terms for the license (pending the approval of a lease) as suggested by Cornwall Council to more quickly, gain access to their land for our contractor.