

## BUCKLAND NEWTON VILLAGE HALL COMMITTEE

Minutes of the Committee Meeting held at the Village Hall on 5<sup>th</sup> October 2010 at 8.00 pm

### ATTENDANCE

Jeremy Collins [JC], Jan Marpole [JM], Trevor Marpole [TM], Emma Munday [EM], Gill Nell [GN], Fran Parker [FP], Ian Scott [IS] (*in the chair*), Janet Shaw [JS], Sue Sulkin [SS].

1. APOLOGIES

Brian Wells [BW]

2. DECLARATION OF INTEREST

There was no declaration of interest by any member present.

3. ELECTION OF ACTING CHAIR FOR THE MEETING

The meeting agreed without dissent that Ian Scott should act as Chair for the meeting.

4. ELECTION OF A NEW CHAIR

The Committee agreed to hold this over until the next meeting.

5. RESIGNATION OF NICKI BARKER AND FIZZ LEWIS

The Committee noted with considerable regret the resignation of Nicki Barker as Chair and a member of the Committee and also that of Fizz Lewis as a member of the Committee. Individual members of the Committee expressed their dismay at the way in which the resignations had come about. The Acting Chair, Ian Scott, hoped that following discussions later in the meeting it might be appropriate to write to both Nicki Barker and Fizz Lewis asking them to reconsider their positions.

6. APPROVAL OF THE MINUTES OF THE MEETINGS HELD ON 1<sup>ST</sup> SEPTEMBER 2010

The Minutes for 1<sup>st</sup> September 2010 were approved unanimously by those present at that meeting and signed by the Acting Chair.

7. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 1<sup>ST</sup> SEPTEMBER 2010

i. **Premises Licence.** Ian Scott confirmed that the Premises Licence had been issued, effective 30<sup>th</sup> September 2010 until 31<sup>st</sup> December 9999. No queries or objections had been raised. Cost for the first year was £100, with £70 for renewal in subsequent years. (*For charging arrangements for users, see the Minutes for the 22<sup>nd</sup> July 2010 meeting*) Committee Members were asked to take note of the Mandatory Provisions section when arranging events requiring the licence.

ii. **Fire Alarm.** Ian Scott reported no further progress in meeting with the Fire Officer. Emma Munday reported that Stephen White (Parish Councillor) would like to see a copy of the most recent fire safety report. Ian Scott would try to locate this.

### ACTION

IS

iii. **Heating Programmer etc.** No further progress. The programmer had been adjusted to take account of revised Playgroup hours.

8. **FINANCIAL REPORT**

Sue Sulkin reported as follows:

HSBC Account: £667.00

CAF Account: £23,008.00

The £350 drawn from the CAF account to help with the oil bill had been repaid from the HSBC account. The Hall is now on an electricity 'business' tariff for one year and consequently the September electricity bill was considerably lower than the 2009 bill for the same period. The meter has to be read each time a bill is received as the meter reader has no access to the Hall. £341 had been claimed back from HMRC in respect of VAT.

Sue Sulkin had investigated alternative investments for the CAF account money and been advised by HSBC not to take any action until after the Government's Comprehensive Spending Review had been completed and the financial markets had settled down. Advice was that investment should be made with a reliable British institution.

9. **FUTURE OF THE CAPITAL RESERVE**

The explanatory note which had been circulated to all Committee members regarding the origins of the CAF Capital Reserve by Nicki Barker was tabled and the Committee agreed that it should form part of the Minutes for future reference. Jeremy Collins read out the relevant section of an e-mail sent by Brian Wells, which he had asked be give to the meeting as his views. This was:

*"Regarding the Investment Fund, as you term it, my view of the £22k raised by the village is that they raised it for a rebuild project. The reclaim of VAT amounting to £23k is still therefore available for any major repairs and improvements to the hall, as I am sure none of the fundraisers contemplated that the monies they raised would be used to keep rents artificially low. I propose that a working capital of say £5k should be retained for future unforeseen repairs - after Planned Maintenance repairs are deducted from monies currently held."*

The views of those present at this Committee meeting were canvassed and without exception members accepted that the position put forward in Nicki Barker's explanatory note was sensible. Several members asked that this note be circulated to all new Committee Members, as several had not previously been aware of the reasoning behind the retention of the reserve fund. This was agreed. Ian Scott also pointed out that the amount received from HMRC on VAT registration was not monies raised by village fundraising but was a 'bonus' received from the Government after long and considered debate by the Village Hall Committee.

The Committee was concerned by reported views that the Committee Members had not been proactive in running the affairs

of the Village Hall. Members believed that this was quite unjustified bearing in mind the amount of improvements made to the Hall and the efforts put in by Committee Members. It was pointed out in discussion that the Committee was not self-appointed but consisted in the main of User Group representatives who were at liberty to raise concerns if they felt appropriate. No major concerns appeared to have been raised. Lack of community involvement at AGMs would be addressed through additional publicity but the general view was that the community must be prepared to contribute in effort as well as financially.

**It was proposed by Ian Scott, seconded by Jeremy Collins and agreed unanimously by those present at the meeting that the reserve fund should be managed in the way described in Nicki Barker's note.** The hope was also expressed that all Committee members would abide by the principle of collective responsibility for decisions made by the Committee.

It was also agreed that a letter should be sent to Nicki Barker expressing the Committee's appreciation of all the work she had contributed to the Village Hall and asking her to reconsider her position on resignation. A similar letter to be sent to Fizz Lewis. Text of these letters to be agreed by Jeremy Collins and Ian Scott.

JC / IS

An item should be submitted to the Lydden Vale News outlining the history and Committee's views on the reserve fund.

JC

10. **KITCHEN PROJECT**

The Committee expressed its appreciation to Fizz Lewis for her effort in assembling the views of Users on a proposed kitchen refit. Jeremy Collins read further extracts from the note by Brian Wells, which he had asked be presented to the Committee in his absence. As Minutes are not generally a verbatim report, these are summarised as follows:

A Food Safety Inspection should be carried out to identify urgently needed work;  
Since 'decluttering' of the kitchen, the Lunch Club had been able to work more efficiently;  
The general standard of the majority of the building was good but a Planned Maintenance Schedule should be prepared to identify likely future costs – Brian Wells expressed his willingness to look at this in more detail, perhaps with a sub-committee;  
Once such items had been taken into account, the amount of money available for the kitchen refit could be re-assessed;  
The village should be consulted on alternatives;  
Brian Wells believed that major changes would require an EGM;  
More involvement of villagers should be sought.

There was some further discussion on possible options before general agreement was reached that in view of the widespread disagreements caused by proposals and reactions, no decisions

should be made until a 'cooling off' period had elapsed. Deferred to next meeting.

Jeremy Collins reported that the Fete Committee had set aside a sum of £1,000 for the Kitchen Project but would not release the monies until firm proposals had been agreed. Trevor Marpole reported that he had not yet received a reply from the United Charities on funding.

**11. AOB**

Emma Munday reported that a new shed had been acquired for newspaper storage but requested that the existing bin be retained.

An item/advertisement for the Lydden Vale News should be submitted promoting the Village Hall for Christmas events.

**12. DATE OF NEXT MEETING**

Tuesday 2<sup>nd</sup> December 2010 at 8.00 pm.

The meeting closed at 9.35 pm.

**Note by Nicki Barker referred to in Item 9 above.**

## ORIGIN AND HISTORY OF VILLAGE HALL INVESTMENT FUND

When we rebuilt the hall in 2001, we raised £22k from the village and got a grant of the remainder from The Lottery Fund.

The original hall was a 1950's prefab building to which the village had added with much personal effort and fund raising a new front cloakroom section and a rear kitchen, storage and committee room section.

Due to this history we could not justify a complete demolition and rebuild and hence, despite exploring all routes with the VAT office, were forced to pay VAT on the entire works which amounted to something in the order of £23K (all the money we had with great effort raised in the village!)

Following completion VH Committee discussed "voluntarily registering for VAT" retrospectively in order to get this money back. The merits would mean we had a cushion of funds to take us out of the ghastly hand to mouth existence we lived with in the old hall and the constant anxiety of being in debt with repairs. The negatives were the regular VAT returns and the fact that we would have to add VAT to all our users' hire charges and any other services we sold.

On balance we felt that merits outweighed negatives with the critical proviso that we found a way of the hall absorbing the VAT so that users still enjoyed the same hire rates. The way we felt this could be achieved was to use the interest from investing the sum to repay the VAT element. This would mean keeping the main body of the investment intact and only using it carefully, alongside fundraising, for any capital projects.

Re Registration: the DCA Village Hall advisor was discouraging. Not done before in Dorset. The local VAT office in Poole was most discouraging. However I persevered and eventually came up against a VAT officer in the Midlands who clearly had sympathy for the plight of running village hall and keeping

out of debt. When we discussed our hire income, he noted that the IR were unlikely to make any income out of this deal, and it could only be acceptable if we remained registered for a minimum of 20 years.

Committee agreed this was acceptable limitation to get away from hand to mouth existence. Jeremy covered concern over filing VAT returns. The Lottery Board agreed that although their grant included an element of VAT, they were happy not to recoup these funds back. Committee agreed current hire charges would henceforth include the VAT element and it should not be added on top of existing hire fees. They agreed that the interest from the investment would be used to pay the VAT element on the hirer's behalf. They agreed that the investment should only be dipped into for capital projects alongside fundraising.

So we got £23K back. Sue has been heroically doing regular VAT returns ever since. We have so far to my recollection dipped into it for Curtains, Blackout blinds, replacement chairs, always on the basis of matching fundraising. Investment income has always more than covered VAT payment and given us a small profit up until this recent massive drop in interest rates. Right now, this arrangement is not paying its way, hence the urgent need to find an investment medium that pays better rates than the measly current CAF account, or continue to dip into the investment capital to cover VAT.

With luck interest rates will eventually rise and we will be back in balance with income covering VAT payments.

What is a worry at the moment is that this VAT element will rise to 20% in January, which means that for every £10 we charge for use of the hall, £2 has to be immediately deducted to go back to HM Treasury.

The consequences of using up a major share of this £23K investment are:

- We then have nothing to pay back the Treasury with, and we would have no choice but to immediately raise hire fees by 20%
- We would be back to a hand to mouth existence with no cushion to deal with unexpected and regular repairs that constantly arise.

This is why we must be very prudent in considering how much of the investment funds to use on a single project and the effect it will have on our hire charges. Remaining competitive for all our users, and particularly for those who are less affluent or could move somewhere else is a critical consideration.