

**Committee: Resources**

**Date: 5 September 2023**

**Title: Friend's of Ilminster Library (FOIL) Donation**

**Purpose of Report**

To be notified of a donation and a request from the Friend's of Ilminster Library.

**Recommendation:**

1. Members to **note** the report accepting the donation from the Friend's of Ilminster Library.
2. Members **resolve**, in accordance with its powers under Section 137 of the Local Government Act 1972, to incur the expenditure to purchase the sofa and footstool for Ilminster Library, which in the opinion of the council, is in the interests of the inhabitants of the area who will benefit in a manner commensurate with the expenditure.

**Background**

1. Local Government Act 1972 S.137 allows Town Council to spend up to a prescribed limit within each financial year for any purpose which in its opinion is in the interests of or will directly benefit the area or its inhabitants. S.137 also allows Town Council to be able to contribute to the expenses of another local authority, and to the funds of any body which provides a public service in the United Kingdom otherwise than for gain.
2. The prescribed limit for S.137 expenditure by Ilminster Town Council for financial year 2023/2024 is £9.93 x 4,599 electors (February 2022) = **£45,668.07**.
3. The Town Council can not purchase physical items on behalf of another organisation and reclaim the VAT as this would constitute VAT fraud. If the purchase of these items were made on behalf of the Library, the quarterly VAT Return would need to be adjusted to take this particular purchase into account. However, the Town Council may purchase the items and then give them to the Library as a donation.
4. In the Financial Regulations that were adopted by the Town Council at the May 2023 meeting, regulation 14.2 states;

*No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £250.*

**Report**

5. A member of Friend's of Ilminster Library (FOIL) spoke to officers about the disbanding of the group and the possibility of the Town Council taking control of their residue fundraising money of £2,022.65.
6. The FOIL member explained that the library had requested the purchase of a sofa and stool from FG Library & Learning at a cost of £1,075 (excl. VAT) which FOIL had agreed to. The rest of the funds could be used for other items that the Library may request in the future.
7. On 18 July 2023, the FOIL member returned to the council office with a letter and a cheque written out to Ilminster Town Council, which is at **Appendix 7A**. The cheque was banked into the Town Council's account and has been moved to an Earmarked Reserve on behalf of FOIL.
8. An email from the Library Supervisor of Somerset Council has confirmed the request for the sofa and footstool and asked if the Town Council can go ahead and purchase these items for the Library. This can be done and then the VAT will not be reclaimed, thus ensuring that the council is acting in a lawful manner.
9. Members to note the report and accept the donation from the Friend's of Ilminster Library.
10. Members resolve, in accordance with its powers under Section 137 of the Local Government Act 1972, to incur the expenditure to purchase the sofa and footstool for Ilminster Library.

**Julie Earp**  
**Deputy Town Clerk**  
**August 2023**