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Chief Executive: Dennis Taylor

Mrs Lynne Hargreaves
Clerk to Ellel Parish Council
35 Leachfield Road
Galgate
Lancaster
LA2 0NX

21st December 2007

Dear Mrs Hargreaves,

Galgate Community Rooms

*Stelvio, please copy to
P. Smallwood & W. Underwood. (M)*

Thank you for your letter of 14th December 2007 regarding funding for the above Pathfinder in Practice project. I appreciate the difficulties faced by the Parish Council in funding a project of such a significant size. Whilst LEP may have made similar provision to other community groups in the past, I would like to point out that this should not be seen as having set a precedent as each case is considered on its individual merits.

I have, however, considered the merits of this case, and the risk involved to LEP in front-funding a project of this nature and am prepared to fund 50% of the cash flow shortfall. This is on the understanding that Lancaster City Council is prepared to match LEP's offer and fund the remaining 50%. It is inappropriate for LEP to fund 100% of the Parish Council's cash flow requirements for this project, as I would prefer that our risk is shared and it is my feeling that Lancaster City Council are best placed to do this. This of course remains the decision of Lancaster City Council.

The Parish Council must also use its best endeavours to resolve any project delays or irregularities such that PIP funding is not withheld.

Please be aware that in order to claim via the PIP project, your expenditure must be defrayed (i.e. cleared through your bank). You must therefore make your request for cash flow funding from LEP in good time for it to clear through your bank so that it is available to pay your contractors *and be defrayed* in time for the claim to be submitted.

Your request for cash flow funding should be made directly to me, in writing and be accompanied by a copy of the contractor's invoice. You should specify the amount of funding required at each time. I will then forward a cheque to Ellel Parish Council for the required amount.

I would also be grateful if you will forward evidence to me that Lancaster City Council have also agreed to fund the other 50% of the cash flow requirements.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Sue Thom".

Sue Thom
Director of Finance & Administration

✓ cc. Mr Mark Cullinan, Chief Executive, Lancaster City Council