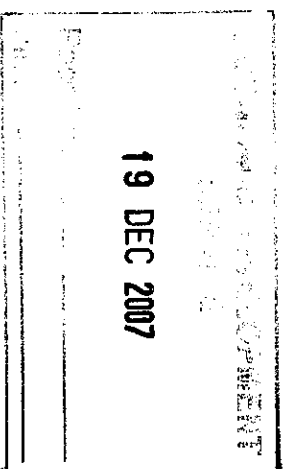


ELLEL PARISH COUNCIL

Clerk to the Council
Lynne Hargreaves
35 Leachfield Road
Galgate
Lancaster
LA2 0NX

Bill Kindon
Economic Development & Tourism Service
Lancaster City Council
Town Hall,
Dalton Square
Lancaster
LA1 1PJ

December 14th 2007



Dear Mr Kindon,

I am writing to request assistance from Lancaster City Council in overcoming an anticipated cash flow problem which The Parish Council (PC) expects to encounter over the months of February and March 2008 whilst engaged in the development of the new Community Rooms in Galgate. Although all of the funding required to undertake this work is in place, the majority of the project will be paid for with a grant from the Pathfinder in Practice Programme (PIP) and this funding will only be able to be claimed on presentation of receipted invoices which has an obvious impact on the project cash flow.

The project is expected to cost £180,145 and it is anticipated that around £110,000 of this cost will be incurred in February with the balance being due in March. I believe that at the end of each month we will be able to claim grant against all expenditure incurred within that month and that it may take up to six weeks from submission of claims until the grant is received. Out of this total, work to the value of £5,800 is being provided by volunteers in kind and will not need paying for, the PC has reserves of approximately £15,000 which can be used towards meeting these costs but this will leave a gap of almost £100,000 which the PC cannot meet from mid February to mid March of £160,000 from mid March to mid April and of £60,000 from mid April to Mid May.

I realise that the City Council may not view it as appropriate that they act alone in meeting our funding gap and for that reason we have also approached the Lancashire Economic Partnership (LEP) for assistance. LEP have indicated that they cannot provide sufficient funding to meet this shortfall however and for that reason I would request that you give consideration to the following possible solution. On presentation of invoices relating to this work LEP and the City Council make payment from their reserves to the PC each to a value of half of the invoice supplied. The Parish Council use the funds thus received to pay the contractors and then use evidence of this defrayment to draw down PIP funding through LEP in their capacity as accountable body for this programme. LEP and the City Council will then be reimbursed through the retention by LEP of an appropriate portion of the funding subsequently paid by the North West Development Agency in relation to this work.

Whilst I realise that this is a somewhat unusual request I am aware that LEP and the City Council have, made similar provision to other community groups in the District over recent years in order to allow these organisations to gain access to Leader+ and SRB funding and I would be most grateful if you could assist us once again in a similar manner.

Please don't hesitate to contact me either at the above address or by Email at lynn.hargreaves@tiscali.co.uk if you require any further information about either this request for support or about the initiative to which it relates.

Kind Regards,

Lynne Hargreaves

Mrs. L. Hargreaves.