

MINUTES OF A POLICY AND FINANCE COMMITTEE OF THE BAY OF COLWYN TOWN COUNCIL, HELD REMOTELY (VIA ZOOM) AT 6.30 PM ON WEDNESDAY 10TH FEBRUARY 2021

PRESENT: Chairman: Cllr C Hughes
Cllrs: H Fleet, D Howcroft, M Jones, T Pearson, P Richards

OFFICERS: Mrs C Earley, Town Clerk and RFO
L Austin, Administrative Assistant

246/20 Welcome and Apologies for Absence

The Chair welcomed members to the meeting. Apologies for absence were received from Cllrs A Khan, H Meredith and K Swindon.

247/20 Declarations of Interest:

Members were reminded that they must declare the existence and nature of any personal and/or prejudicial interests. The following interests were declared:

Cllr C Hughes – Item 4(b)(i) Play Equipment – personal (non-prejudicial) interest, as a member of the CCBC Play Task & Finish Group.

248/20 Minutes:

Resolved to approve and sign, as a correct record, the Minutes of:

(a) The last ordinary meeting of the Committee, held on 6th January 2021.

(b) The Special meeting of the Committee, held on 13th January 2021.

249/20 Matters Arising from Previous Meetings:

(a) Min. 144/20 – Town Hall works:

(i) It was noted that the Clerk has recently met with a Conservation Architect to request a quote for providing a detailed maintenance plan for the building (for urgent and non-urgent works); and to request advice about listed building consent (e.g. for gutter replacement) and contractors with experience of working on listed buildings. Another architect has been contacted and a call back is awaited to arrange an appointment to attend the site and provide a quote in due course.

(ii) The Clerk referred to an email circulated on the 9th February, to confirm that three quotations, together with advice from the Local Planning Authority on their preference for the retention of the original cast iron gutters, had been received. As the quotations costs were over £5,000, the contract would need to be considered/ awarded by Full Council.

Members discussed the dilemma between the listed building restrictions and a desire to protect/retain original features and the benefits of using more modern

building materials, such as the aluminium replacement gutters. As a material change (to aluminium) would require Listed Building Consent, members queried if the architect could give an approximate cost to prepare a case for this to go to the planning authority.

Resolved to request the Clerk asks the architect for an estimate of costs for preparing a case.

(b) Min. 188/20 – Play Equipment:

(i) Members noted that an increased grant of £2,000 has provisionally been offered to the Town Council (awaiting written confirmation), towards the play equipment for lower Eirias Playground and that a lower quote has been received/accepted for the works (£47,950).

Cllr C Hughes had attended the Play Task & Finish Group with Cllr M Worth, and noted that a County Councillor had proposed that the Town Council could precept for £47,000 per annum, without realising that the £60,000 in the Town Council's budget had accumulated over 3-4 years. This proposal was not supported.

Resolved to note the information/report.

(ii) ***Resolved to recommend to carry forward the remaining balance for play equipment (via an earmarked reserve) to 2021/22.***

250/20 Finance:

(a) *Resolved to authorise payments made on behalf of the Council for the period 1.1.21 to 31.1.21, as detailed in Schedule 'A' attached.*

(b) *Resolved to authorise the Clerk and Chairman to carry out the checking and authenticating of the bank reconciliations as at 31.12.20.*

(c) *Resolved to note the following correspondence from CCLA:*

(i) Public Sector Deposit Fund Statement

(ii) Local Authorities' Property Fund information.

(d) The Clerk submitted a written VAT report and examples of partial exemption calculations, based on past year actuals and estimated current and future year costs relating to the proposed repairs/maintenance works to the Town Hall site (see Schedule 'B' attached).

A verbal report was also given to explain the potential VAT implications, if no mitigating actions are taken. Members noted that if VAT on the expenditure incurred in relation to any business, VAT exempt activities (e.g. room hire, leases) exceeds £7,500 in a financial year, then all of the VAT incurred on expenditure relating to those activities cannot be reclaimed. This would include all VAT incurred on utility supplies, repairs, maintenance, supplies etc for the whole of the

Rhiw Road site, due to the leases/rental agreements and room hire income being classed by HMRC as business activities.

The Clerk asked members to consider whether, given the risk of exceeding the £7,500 pa average if/when other large repair bills are received during the next 5 years, the Council should consider waiving the small (£10) fee which had been introduced a few years ago for hire of rooms by local non-profit making groups and stop taking bookings from any other groups/businesses, thus making these hire periods, and therefore the whole of the part of the building occupied by the Town Council, 'non-business' use, rather than exempt activity. The net cost of this would be £3,860, based on the actual income levels for 2019/20, but it could result in a potential saving of £7,500+ in VAT, per annum. It was noted that a budget of NIL income from room hire has been included in the budget for 2021/22, partially due to uncertainty over when the Town Hall can safely reopen, but also whilst this is being considered.

Members queried whether other Town Hall tenants, such as CVSC, could rent out meeting rooms [Clerk: no, it is in their lease agreement that they cannot sublet]; whether the Town Council could create a Trust to manage the building [Clerk: theoretically yes, but the Trust wouldn't be able to reclaim any VAT so there would be no benefit in doing this]; whether the site qualified for small business rate relief [Clerk: no, as the Town Hall site is over 12,500 rateable value].

It was proposed and seconded that the Town Council changes its policy and only hires out rooms to local, non-profit making organisations free of charge, and signpost other organisations to other local community venues. This would help to keep the proportion of VAT incurred in relation to exempt activities below the £7,500 p.a. threshold, ensuring that it can all continue to be reclaimed.

There followed a discussion on the need to create a clear room hire policy to clarify the criteria for those organisations able to hire the town hall free of charge, for the benefit of the staff taking the bookings.

Resolved to recommend the Town Council stop all chargeable bookings, with immediate effect, and offer free of charge use only to local, non-profit making organisations. Further resolved to request a policy is drafted/approved, clarifying which organisations would qualify for the free of charge hire.

- (e) **Earmarked reserves:** The Clerk submitted, for consideration, a report regarding the creation/use of earmarked reserves and members were asked to consider a recommendation that several earmarked reserves be created in preparation for the year end accounts for 2020/21 (see Schedule C attached).

Resolved to approve the use of earmarked reserves and agree to the creation of the five EMRs listed in the attached report for the current financial year.

251/20 Welsh Government:

The Clerk submitted the following consultations/correspondence for consideration:

- (a) HM Land Registry Survey:** It was noted that the Clerk had completed, and returned, the survey into Town and Community Councils landholdings (confirming that the Town Council only has one registered landholding, the Rhiw Road site).
- (b) Audit:** It was noted that the dates for the completion and publishing of the annual accounts for 2020/21 had been received, extending them in line with the extensions granted last year.

It was further noted that the external audit for 2019/20 has now been completed and an unqualified (clean) audit opinion had been issued.

- (c) N&MWALC:** The Clerk submitted, for consideration, a consultation and draft response from N&MWALC on the burning of solid fuels. Members were happy with the draft response but commented that there was no differentiation between the burning of fuels in rural and urban areas.

Resolved to submit this comment to N&MWALC and suggest that the policy should differentiate between the burning of solid fuels in rural and urban areas.

252/20 Conwy County Borough Council:

- (a) Playgrounds:** The Clerk submitted correspondence received from Bryn Shiland, Conwy CBC, in response to a request that he attend a future meeting. Members noted the verbal report made earlier in the meeting by Cllr C Hughes following the recent meeting of the CCBC Playground Task & Finish Group.
- (b) Prom Xtra:** The Clerk submitted, for consideration, an update on the 2021 event and a request from CCBC on whether any funding could be offered towards the virtual event (from the events budget of £10,000).

Resolved to recommend supporting the virtual Prom Xtra event with a grant of £1,000, from the budget set aside for the event (£10,000).

253/20 Colwyn Bay Surf Lifesaving Club:

The Clerk submitted, for consideration, a request for a letter of support for Colwyn Bay Lifesaving Club.

Resolved to request the Clerk writes a letter of support for the Lifesaving Club.

Further resolved to request the Clerk contacts the Harbourmaster to check if risk assessments and routine inspections of the Bay of Colwyn seafront lifesaving

equipment are carried out.

254/20 Local Members Ward Allowances:

The Clerk submitted, for consideration, the following project proposals received from members:

- (a) Cllr M Worth - £300 towards two new benches for Queen's Gardens
- (b) Cllr G Campbell – up to £600 for prizes for St David's Day art/story writing competitions.

Resolved to approve proposals (a) and (b) for payment, with the condition that proposal (b) is a one-off activity to replace the postponed St David's Day Parade (due to the Covid-19 pandemic).

255/20 By-election Poll Cards:

The Clerk submitted a request from CCBC for instructions as to whether poll cards are to be issued for the Colwyn and Rhiw by-elections (costs circulated by email on 04.02.21). Members were in favour of poll cards being issued to encourage voter turnout.

Resolved to request the Clerk responds to CCBC to request poll cards for the by-elections in Colwyn and Rhiw wards (at an estimated cost of £135.00 for printing/enveloping, and £1175.00 for Royal Mail 2nd class delivery for Colwyn ward; and £200 for printing/enveloping, and £1750.00 for delivery to Rhiw ward).

256/20 Rear Annexe:

The Clerk informed members that urgent repairs were needed following a partial ceiling collapse in a first floor room in the rear annexe, currently being used for storage (Prom Ally). The Clerk is arranging for contractor(s) to attend the site to provide quotation(s), and will be back to the next available meeting.

Resolved to note the information and request the Clerk presents the quotes to the next meeting.

257/20 Grants:

- (a) **Events Grants:** The Clerk submitted, for consideration, a late application that had been received for the PB Youth Grants and asked if members would consider the application as an Events Grant, should the applicant wish to apply. Members were supportive of the idea due to the work of the applicant and the purpose of the grant.

Resolved to request the Clerk invites the applicant to submit an events grant application and that the application be partially completed with the information

already supplied.

(b) Large Grants 2021/22: The Clerk submitted, for consideration, further information received from large grant applicants:

(i) Bayside Radio: Members appreciated the difficulties in establishing FM radio audience figures but, reluctantly, felt the application should be declined without evidence as to how many local residents would benefit.

Resolved to decline the large grant application on the basis of the licence costs and no firm evidence of listener numbers/feedback.

(ii) Kind Bay Initiative: Members considered a revised application received from KBI; and it was proposed and seconded that a reduced grant of £3,000 is offered.

Resolved to recommend that payment of a reduced grant of £3,000 be approved, as detailed in Schedule 'D' attached.

(iii) W Development Trust: Members noted that a revised application is awaited.

(c) PB Youth Grants: Members received the notes from the first meeting of the youth grants panel, and noted that a second meeting of the panel would take place on the 11th February.

(d) Members noted that reports/letters of thanks have been received from:

(i) Uke a Bay – event grant (evaluation report)

(ii) Benefits Advice Shop (large grant 21/22)

(iii) Happy Faces / Bryn Elian (large grant 21/22)

(iv) Citizens Advice Bureau (large grant 21/22)

(e) Small Grants: Members noted that the PCRT had recommended that Conwy Connect be invited to apply for a grant from the Small Grant/Covid Grant pot for 2021/21 due to a cut in their funding from CCBC which is forcing them to consider an early termination of the lease of the rear annexe.

Resolved to recommend the Clerk invites Conwy Connect to apply for a grant towards their rent costs.

Members noted that any final small grants for 2020/21 will be considered at the next meeting of this Committee in March.

The meeting closed at 8.30pm.

..... Chairman

List of Payments made between 01/01/2021 and 31/01/2021

<u>Date Paid</u>	<u>Payee Name</u>	<u>Reference</u>	<u>Amount Paid</u>	<u>Authorized Ref</u>	<u>Transaction Detail</u>
01/01/2021	Canda Copying Ltd	SO	114.00	I 038	Lease Q4
04/01/2021	Barclaycard	DD	40.00	I 038	Flowers (Mayor's Allowance)
08/01/2021	Conwy County Borough Council	FP	736.00	I 039	NNDR
08/01/2021	Hamilton Security Systems LTD	FP	72.00	I 039	CCTV Service
08/01/2021	Canda Copying Ltd	FP	9.37	I 039	Copies Q3
08/01/2021	Fletchers Engineering	FP	571.03	I 039	Gas Service
08/01/2021	Microshade Business Consultant	FP	142.18	I 039	IT Services
08/01/2021	Livotech	FP	396.00	I 039	Website Hosting
08/01/2021	Society Local Council Clerks	FP	401.00	I 039	Membership Fees
15/01/2021	Employees	FP	5,263.68	I 040	Salaries January
18/01/2021	British Gas	DD	660.93	I 038	Elec Rhiw Road
20/01/2021	British Gas	DD	550.95	I 038	Gas Rhiw Road
20/01/2021	British Gas	DD	38.89	I 038	Gas Rear Annexe
20/01/2021	British Gas	DD	283.44	I 038	Gas Town Hall
22/01/2021	Gwynedd Council	FP	1,624.25	I 40	Pensions Conts
22/01/2021	Clerical Medical	FP	50.00	I 040	Clerks AVCS January
22/01/2021	HMRC	FP	1,678.13	I 040	PAYE & NI
22/01/2021	Rialtas	FP	111.00	I 041	Finance Software Training
22/01/2021	Cambrian Woodland Services	FP	2,475.60	I 041	Trees Xmas
22/01/2021	Min y Don Bowling Club	FP	500.00	I 041	Small Grant
22/01/2021	Planning Aid Wales	FP	108.00	I 041	Network/Training
22/01/2021	Conwy County Borough Council	FP	736.00	I 041	NNDR
22/01/2021	Conwy County Borough Council	FP	500.00	I 041	Tree Planting CIB
22/01/2021	Conwy County Borough Council	FP	300.00	I 041	Benches (WA - cllr MW)
22/01/2021	OCRA	FP	600.00	I 041	Defrib WA Cllr BB
29/01/2021	OneCom	DD	66.30	I 038	Phones/Broadband
Total Payments			18,028.75		

Partial Exemption VAT Calculations October 2020

Budget lines relating to any exempt activity (room hire / leases etc):

Exp Code	Detail	Year:	2018'19 actual	2019'20 actual	2020'21 (projected)	2021'22 budget	2022'23 budget	2023'24 budget
All Exp codes which relate to exempt business activities (Town Hall)								
4150	NNDR (non vatable)		n/a	n/a	n/a	n/a	n/a	n/a
4155	Utilites		£14,238	£15,219	£15,500	£18,975	£15,900	£16,800
4160	Repairs & Maintenance		£4,213	£10,066	£36,000	£35,900	£10,000	£10,000
4166	Fire alarm servicing/maintenance		£1,283	£371	£1,000	£1,200	£1,200	£1,200
Total Exp relating to exempt activities =			£19,734	£25,656	£52,500	£56,075	£27,100	£28,000
Total VAT @ 20% =			£3,947	£5,131	£10,500	£11,215	£5,420	£5,600

7 yr avge
£5,973.29

Less:	Adjusted based on percentage of costs (by floor space) relating to non-business activities, i.e. the total Town Hall floor space							
	IF REQUIRED - assumes no chargeable bookings from 1/4/2020							
	Town Hall 352.1m2 / Whole site 1061.8m2 =	33.16%	-£6,544		-£17,409	-£18,594	-£8,986	-£9,285
	Total adjusted expenses relating to exempt activities =		£17,137	£25,656	£35,091	£37,481	£18,114	£18,715
	Total adjusted VAT @ 20% =		£3,427	£5,131	£7,018	£7,496	£3,623	£3,743

Extract of VAT notice 749:

Step 3 - percentage of exempt relate

Add up the standard-rated expenditure identified in step 2 and calculate the VAT by multiplying the total by 20%.

If it does not exceed the insignificance test then no further calculations are required. But the total VAT recovered should take account of any error correction or changes to estimation of input tax.

If the insignificance test is exceeded, it becomes necessary to make a progressively more detailed analysis of the amount of expenditure that's put to exempt use.

A section 33 body cannot be required to repay VAT relating to exempt supplies without more detailed calculations. If, at any stage, a result below the insignificance test is achieved then no further action is needed.

There is no set method of allocation or apportionment. A different method may be adopted for each particular area or activity based on the information available such as:

- number of staff
- amount of income
- floor area used
- number of sessions
- time

But it's necessary to demonstrate that any method is fair and reasonable.

If, despite a more detailed analysis the insignificance test is still breached, then none of the VAT relating to exempt supplies is recoverable.

Note: HMRC is willing to make an exception where the average over seven years (current plus three previous and three projected) is under £7,500 (from article in SLCC Clerk magazine March 2014)



CYNGOR TREF BAE COLWYN BAY OF COLWYN TOWN COUNCIL

Report to: Policy & Finance Committee

Date: February 2021

Written by: Tina Earley, Clerk and RFO

Subject: Reclaiming VAT relating to Business Activities

1. BACKGROUND:

1.1. As the Town Council has recently undertaken a boiler renewal project at the Town Hall and is now expecting additional costs relating to repairs/refurbished gutters, downpipes and external decoration during the current and next financial years, it is likely that in 2020/21 and 2021/22 input tax attributable to exempt activities could exceed the £7,500 limit for the year. If this is the case, the Council may not be able to reclaim any of the VAT attributable to exempt activities (all expenditure related to the running costs of the Town Hall).

2. SUMMARY:

2.1. A partial exemption calculation has not been carried out in recent years, as the VAT incurred in relation to exempt activities (the running costs of the Rhiw Road site) has been insignificant (<£7,500). The Clerk therefore advised that the Council should consider seeking VAT advice from the Society of Local Council Clerks (SLCC) (appendix B).

2.2. There is a special VAT regime for local authorities, including town, community and parish councils, set out in VAT Notice 749. Private sector businesses cannot recover VAT ('input tax') attributable to 'exempt' supplies. However local authorities can do so provided that the amount of input tax attributable to exempt supplies does not exceed £7,500 in any one year. If attributable input tax exceeds £7,500, none of the input tax attributable to exempt supplies can be recovered. 'Exempt' supplies for local authorities are the letting or hiring out of buildings or rooms in buildings (unless an 'option to tax' has been made).

2.3. This does not affect the recovery of input tax attributable to 'non-business activities' such as the normal administration of the council, or the provision of services and facilities free of charge (or, by a special rule for local authorities, the provision of allotments and cemeteries (but not crematoria).

2.4. Section 8 of VAT Notice 749 sets out a 'model' method which will be acceptable to HMRC. It is a step-by-step process that can be undertaken by the Responsible Financial Officer (RFO).

3. OPTIONS:

3.1. The partial exemption calculation summary detailed in appendix 1 has been undertaken by the RFO. and it summarises the 'business activities' that have attracted VAT in this financial year and excludes all expenditure codes relating to non-business activities.

3.2. If there is any uncertainty around the partial exemption calculation, or it shows that the Council may still exceed the £7,500 limit, then the Council is advised to pay for advice from a specialist VAT advisor. However, it must be noted that:

a) SLCC is not allowed to recommend a VAT advisor

b) Many VAT advisors are unfamiliar with the special rules for local authorities

c) Unfortunately, the internal audit rules do not permit use of the internal auditor, or one of their associates for this purpose and,

d) A councillor or an associate of the council should not be used.

4. RISKS:

If the partial exemption calculation is incorrect and is later challenged by HMRC, the Council may have to repay VAT it has reclaimed on all expenditure headings relating to its business activities, i.e. the running costs of the Town Hall (as the renting out of rooms /leasing of other parts of the site is a business activity). It may be possible to recover some of this from other site occupiers, but this could cause the various charitable organisations financial difficulties.

5. RECOMMENDATIONS:

5.1. It is recommended that the Town Council carefully considers/approves the partial exemption calculation and notes that the average input tax on the expenditure attributable to exempt supplies does not exceed £7,500, (if taken as an average over a seven year period based on the last three actuals, current year projections and next three years budget, in accordance with guidance from the SLCC – see advice note in Appendix C).

CYNGOR TREF BÆ COLWYN BAY OF COLWYN TOWN COUNCIL



Report to: Policy & Finance Committee
Date: 10th February 2021
Written by: Tina Earley, Town Clerk and RFO
Subject: Earmarked Reserves

BACKGROUND:

This report has been written to explain the purpose of, and need for, earmarked reserves, as a means of setting aside funds not used in the current financial year which the Council would like to retain for that same purpose in a future financial year, and/or to earmark funds received from grants to assist with monitoring/allocating spend against the grant.

SUMMARY:

The Clerk attended a recent training session run by Rialtas (the Council's finance software provider) to explain the purpose of earmarked reserves (EMRs) and how to create/use them.

By creating EMRs, the Council can set aside funds which it becomes apparent will not be spent during the current financial year, thus avoiding the balances going back into general reserves and then having to be added to the budgets for the following financial year. They are also used for managing spend against grant income.

This is recognised as being good accounting practice and avoids the false inflation of budgets for the following year(s), assisting in the forward planning of budgets and showing a 'balanced budget' position each year. The Rialtas finance package now supports the creation and use of EMRs and recommends the use of these.

OPTIONS:

The Policy & Finance Committee is requested to consider the creation of new EMRs for the following budget headings, which are projected to be underspent in the current year, but where expenditure is anticipated in 2021/22, and/or relate to grant funds received for specific projects.

1. Civic Regalia – £500 p.a. to be used for repairs and/or for the purchase of a stock of Past Mayor's medals (every five years).

2. Election Expenses – to set aside £5,000 p.a. over a 5 year term to provide a budget of £25,000 towards the possible election costs for six wards every fifth year.
3. Repairs & Maintenance – to allocate up to £25,000 for planned works/repairs to the Town Hall buildings (if not able to be committed in the current financial year).
4. Gwynt y Mor grant received for art installations (£9,856) – expenditure not anticipated until 2021/22.
5. Play Equipment – anticipated spend of £45,950 in current year, leaving £20,550 to be carried forward to 2021/22.

RISKS:

If the Council does not use earmarked reserves, residents may ask for explanations, where the approved Annual Estimates appear to show a significant excess of expenditure over income (as can be seen in the budget for 2021/22).

RECOMMENDATIONS:

To approve the use of EMRs and agree to the creation of the EMRs listed above, during the current financial year.

Summary of Large Grant Applications for 2021/22,

REF:	Applicant:	Amount Requested:	Purpose:	chedule	Amount of Grant paid 2020/21	Grant Approved 2021/22	Notes:	
							Provisional Budget = £35,000	
A	Autonomy Dancers	£ 1,000.00	Towards costumes, travel, and entry fees to the British Dance Festival in December 2021		n/a	YOUTH	Refer to youth grants (PB) pot	
B	Bayside Radio	£ 5,760.00	To extend the broadcasting licence for 3-months; to offer support to local businesses and regeneration of the area		£1,000 (COVID small grants)	£0.00	REC: Decline, due to lack of available evidence to show it is providing a needed service to local residents who are isolated or digitally excluded (cannot listen online).	
C	Benefit Advice Shop	£ 6,391.20	To continue to assist local residents with advice and advocacy		£4,000	£4,000	Plus free/low cost use of back room for one day per week.	
D	Conwy District CAB	£ 17,373.02	To part fund a dedicated generalist advisor post for Bay of Colwyn residents for 3 days a week		£2,500	£5,800	Offer funding for one day per week dedicated support for Bay of Colwyn residents, plus offer free/low cost use of back room to deliver one day a week drop-in sessions at Town Hall.	
E	CRUSE	£ 2,500.00	For room rental of a support/counselling room at the Town Hall		£0 - missed deadline	£2,500		
F	Happy Faces	£ 3,000.00	To convert a room at Ysgol Bryn Elian into a sensory room		£0	£3,000	Offer funds directly to the school (via PTA/Friends group, if they have one)	
G	Home Start Conwy	£ 4,000.00	To continue to provide volunteers to support families by encouraging good parenting and family values and help parents to interact well with their children		£2,500	£2,500		
H	Llandudno & Colwyn Bay Tramway Society	£ 2,000.00	Maintenance of tram no.7, work on narrow gauge tram and IT equipment		£0 - declined	£0	Advise them to apply for a small grant (£500), as in previous years.	
I	NW Development Trust	£ 5,000.00	Support officer(s) - full application to follow		£0	£5,000	REC: Minded to support the work of the Trust, but custom and practice of this council is not to fund a 'post'. Request resubmit with focus on other revenue or capital costs, plus updated business plan to explain refocus, if not successful in obtaining the lease for 7 Abergele Road.	
J	The Kind Bay Initiative	£ 4,160.00	Original application for part-time co-ordinator post declined. Re-purposed application received/considered 10.2.21 for equipment for new premises and a small contribution towards rent (small grant of £500 previously approved towards rent)		£0	£3,000	REC: Commend the work being done by KBI to support the local community during the pandemic, but offer lower grant of £3,000 towards purchase of equipment for new premises	
K	Y Pentan	£ 1,000.00	Towards printing costs of Y Pentan		£1,000	£1,000		
		£ 52,184.22					£26,800.00	If the deferred applications highlighted are subsequently approved