

**HONITON TOWN COUNCIL
Finance Committee**

Minutes of the meeting of the Finance Committee held on 30th January 2017 at 7.00pm
at the Beehive, Dowell Street, Honiton

Members Present

St Michael's Ward

Cllr Ashley Delasalle
Cllr Luke Harvey-Ingram
Cllr David Perkins
Cllr J Zarczynski

St Paul's Ward

Cllr Henry Brown (Chairman)
Cllr Caroline Kolek
Cllr Graham Smith

In Attendance

Cllr Roy Coombs
Cllr P Halse
Cllr J McNally
Members of the press Mr P Hodges (Pulmans)
Sarah Jenkins Deputy Town Clerk

17/73 Apologies for Absence

Apologies were received from Cllr V Howard (P); Cllr Jackie Wadsworth (P); Cllr John Taylor (P)

17/74 Declarations of Interest

Cllr G Smith – maintenance work at Beehive (P)
Cllr D Perkins – Director of Beehive Companies (P)
Cllr A Delasalle – Market trader (P)
Cllr L Harvey-Ingram – Chairman of Honiton Youth Club (P)

The Chairman declared the meeting out of session

17/75 Public questions

A question had been received from a member of the public regarding the setting up of an internal working group to investigate the build costs of the Beehive. The question was noted and it was agreed that as the investigation will be conducted by members of the Town Council, there will be no cost to the Council.

The Chairman declared the meeting back in session

It was agreed to re-order the agenda and to consider item 7 prior to the other items.

17/76 To discuss the setting up of an internal working group to consider the build costs for the Beehive and to agree to make a recommendation to the Town Council

Cllr Kolek noted that there have been numerous calls for the build costs of the Beehive to be scrutinised. Any potential problems which may come to light will be dealt with, but the purpose of the review will be to provide assurances to members of the public and to lay the matter to rest once and for all.

Cllr Kolek proposed that a working group be set up to review the following:

- The last five years' accounts
- The loan applications and resolutions
- The Beehive build costs and resolutions
- The Beehive finance project reports and
- The state of the Town Council's reserves over the past five years

and that the members of the working group should be Cllr Brown, Cllr Perkins and Cllr Zarczynski. This was seconded by Cllr Delasalle.

In debating the proposal, the following points were made:

- Certain items relating to the Beehive build costs were removed from the final version of the SWAP report which was presented to the Town Council
- Members of the Council who were elected in 2015 are in a difficult position as they do not have sufficient background knowledge of past events to make informed decisions. Such Members have a duty to catch up with information
- An external investigation would be too costly so the review will be undertaken internally
- The investigation should be external as too many Members are conflicted
- The Town Council should have confidence in its previous decisions which were taken with legal advice
- An internal review will reveal any problems and if the Town Council is not satisfied then the matter can be handed over to a higher authority
- Proposing a review does not imply that there has been any wrong doing, however, the Town Council has a moral duty to investigate the build costs and *if* a problem emerges then it will be dealt with
- It is irrelevant whether the Beehive is a success or not, the problem is with the funding and how it came about
- Concern was expressed that the proposed review may have a negative impact on the many volunteers at the Beehive
- The success of the Beehive is central to the whole issue
- The main issue came about when the charity option for managing the Beehive was proposed and on what authority build costs were exceeded
- The Town Council has been vindicated in the Judicial Review Judgment regarding costs and reserves need to be re-instated to benefit the community
- The first duty of the Town Council is to protect public money

The Chairman moved to a vote. The motion, as proposed and seconded, **WAS AGREED** unanimously.

Recommendation:

That a working group be set up to review the following:

- **The last five years' accounts**
- **The loan applications and resolutions**
- **The Beehive finance project reports and**
- **The state of the Town Council's reserves over the past five years**

and that the members of the working group should be Cllr Brown, Cllr Perkins and Cllr Zarczynski

17/77 It was unanimously agreed that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, relating to an employment matter, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B)

The member of the press left the meeting. Cllrs who are not members of the Committee were invited to remain

The Chairman advised that no financial reports had been produced due to staff absence.

Cllr Harvey-Ingram proposed that, during the Town Clerk's absence, Cllr Edwards undertakes inputting of financial data into the Rialtas system and Cllr Perkins assists with the production of financial reports, subject to confirmation from DALC that there is no potential conflict of interest. This was seconded by Cllr Delasalle and **WAS AGREED** by all members who voted. Cllr Perkins did not vote.

Recommendation:

That, during the Town Clerk's absence, Cllr Edwards undertakes inputting of financial data into the Rialtas system and Cllr Perkins assists with the production of financial reports, subject to confirmation from DALC that there is no potential conflict of interest.

17/78 Close of Meeting

The Chairman closed the meeting at 8.00pm.