

HONITON TOWN COUNCIL

**Minutes of the Meeting of the Town Council held at the Town Council Offices,
The Beehive, Dowell Street, Honiton on Monday 9th April 2018 at 7.00 pm**

Present

St Michael's Ward

Cllr Sheila Edwards
Cllr Jill McNally
Cllr N Macve
Cllr John Zarczynski (Chairman)
Cllr Philip Carrigan

St Paul's Ward

Cllr Henry Brown
Cllr Terry Darrant
Cllr Vera Howard
Cllr Daniel Jefferson
Cllr Mike Jones
Cllr Caroline Kolek
Cllr Duncan Sheridan-Shaw
Cllr Roy Coombs
Cllr M Linsdell

In attendance

Cllr Phil Twiss EDDC/DCC
Mark Tredwin, Honiton Town Clerk
Heloise Marlow, Deputy Town Clerk
Six members of the public

PART A

18/630 The Chairman welcomed Councillors and members of the public.

18/631 To receive apologies for absence

Cllr Dean Barrow (EDDC)
Cllr John Taylor (personal reasons)

18/632 To receive declarations of interest and receipt of requests for new DPI dispensations on items on the agenda

There were no declarations of interest

18/633 To note the grant of dispensations made by the Town Clerk in relation to the business of this meeting.

The meeting went out of session at 7.05pm

18/634 Public question time on items on the agenda

- A member of the public raised queries relating to item 12 on the agenda as follows:
 - i) The Public Interest Report refers to income in the sum of £35,000.00 received in relation to the Judicial Review although there appears to be some confusion as to which year's accounts this will be allocated to. Can the Council confirm the net cost to the Council of the Judicial Review and whether this is linked to the increase in the precept for 2018/19?

Cllr Brown confirmed that the increase in the precept had not been sought to increase the Council's reserves. The cost of the Judicial Review would be stated in the Council's accounts and the Acting Town Clerk had issued a statement drawing a line under the matter in September 2017.

Cllr Kolek queried whether the member of the public was satisfied by this response which prompted a further discussion of the issue with Cllr Zarczynski confirming that the costs of the Judicial Review were set out in the 2015/16 accounts which were on the Council's website. The accounts for 2016/17 would be on the Council's website in due course. The increase in the precept was not in any way linked to the costs of the Judicial Review. The increase was to fund the many projects undertaken by the Council such as the proposed allotments, youth services and grants. All residents were welcome to attend the Annual Town Meeting next Monday.

A further discussion ensued regarding the costs of the PIR and the reasons for the PIR. Cllr Zarczynski advised that the increase in auditor's costs were due to a letter of complaint which had to be investigated. However, no substance to the complaint had been found.

As a result of the complainant being one of the members of the public in attendance, that person Mr David Perkins was given the opportunity to respond. He stated that Honiton Town Council was in his opinion in denial regarding the PIR and underestimated the seriousness of the auditor's report.

Cllr Zarczynski responded by saying that the Council had been transparent when submitting its accounts to the auditor and that it was Mr Perkins' complaint which had led to the wasting of public money. The recommendations in the report had been publicised in the press and on the website and were being acted upon.

Mr Perkins responded by confirming that he had had correspondence with Grant Thornton the auditor who had asked questions of the Council. The answers provided by the Council were incorrect and he had to respond.

Cllr Zarczynski responded by saying that the Council had addressed the issues raised in the report and that this was now the end of the matter.

The meeting went back into session at 7.15 pm

18/635 The Mayor's announcements

The Mayor confirmed that he would be providing an update at the Mayor Making which would include his forthcoming trip with the Twinning Association.

18/636 To confirm the accuracy of the minutes of the Full Council meeting held on 20th March 2018

A copy of the minutes of the meeting had been circulated in advance. The minutes were approved unanimously and signed as a correct record subject to a typing correction at item 18/624 replacing Turner with Taylor.

18/637 Reports from District and County Councillors

Cllr P Twiss provided a verbal report advising as follows:

- In addition to his locality budget of £10,000.00 he also has access to a further £10,000.00 from the Invest in Devon fund.
- This can be used to fund capital projects such as replacing the footbridge over the Gissage. Applications for funds where there is match funding would be looked at more favourably.
- Devon County Council Highways have coped well over the winter months as have the local healthcare services. The minor injuries unit is doing good work and Cllr Twiss has been asked to sit on the Council of Governors at the RD&E.
- Following a query by Cllr Zarczynski regarding potholes, Cllr Twiss confirmed that each project is looked at on its own merits to maximise the funds available. This does sometimes mean a pothole near to an area of road which is patched will not be filled in. However, there is more money going to be available to spend in Devon on highways– an additional £31million.
- Cllr Kolek referred to a recent event at Devon County Hall to commemorate the suffragette movement during which Juanita Maxwell Philips was mentioned. She queried why Cllr Twiss had not attended. He confirmed that he had not been aware of the event. Had he been aware of the event, he would have attended.
- EDDC's planned relocation to Honiton is scheduled for 21st December 2018. The recent bad weather may however delay the timetable.
- Currently there is a clock in the Members area at Knowle which used to belong to Honiton Borough Council. He will ask for this to be returned to Honiton Town Council and was supported in this by Members.
- Cllr Coombs queried the clearance of the drains in the High Street and in New Street. Cllr Twiss confirmed that these were blocked due to a lack of maintenance and he would be discussing this with Mike Brown from Highways.

Cllr P Twiss left the meeting at 7.25pm

18/638 Reports from the Police (recorded crimes and logs)

No report had been received prior to the meeting.

18/637 Reports from Councillors with Special Responsibilities

Cllr Jones presented his report on Open Arms East Devon which was noted. Cllr Jones wished to thank all who have helped with the group which has now been running successfully for 1 year. All Councillors were invited to the Open Arms open day on the 28th April at Dunning Court from 11am to 3pm.

18/638 Update Report

The Town Clerk presented his report which was noted. He confirmed that he was still waiting to receive the result of the application for small business relief on two of the rooms used by the Council.

The Town Clerk also reminded members that the Beehive Community Gardeners would be unveiling their information board at 11am on Thursday 12th April to which all Councillors are invited.

The Neighbourhood Plan steering group urgently needed new members of the public to join the group and the next meeting would be on Wednesday 18th April.

As regards the 100-year commemoration of the First World War and the “fallen” figures, the Town Clerk would bring a report on this to the next meeting.

PART A MATTERS FOR DECISION

Reports

18/639 List of payments

The following schedule of payments was approved:

Honiton Town Council - Payments and receipts Schedule Month 12 March 2018				
Receipt Ref	Name of Payer		Amount	Transaction Detail
500520	Banked:	06/03/2018		
500520	Market Income		£ 213.00	Market stall 27/02/18
500521	Banked:	13/03/2018		
500521	Market Income		£ 284.00	Stalls 06/03/18
500521	Market Income		£ 111.00	Stalls 10/05/18
500438	Banked:	16/03/2018		
500438	LRGC		£ 5,816.00	Interim clerk refund
500522	Banked:	19/03/2018		
500522	Market Income		£ 181.00	Stalls 13/03/18
500522	Market Income		£ 156.00	Stalls 17/03/18
BACS 22077	Banked:	22/03/2018		
BACS 22077	EDDC		£ 1,481.00	SDF Grant -AONB
500523	Banked:	22/03/2018		
500523	Market Income		£ 246.00	Stalls 20/03/18
500524	Banked:	26/03/2018		
500524	Market Income		£ 282.00	Stalls 24/03/18
500524	Market Parking Income		£ 22.00	Parking 24/03/18

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500525	Banked:	28/03/2018		
500525	Market Income		£ 91.50	Stalls 27/03/18
500525	Market Parking Income		£ 12.00	Parking 27/03/18
500526	Banked:	28/03/2018		
500526	Charter Day Fundraising		£ 20.00	4 Stall deps
500527	Banked:	28/03/2018		
500527	Market Income		£ 295.00	Stalls 31/03/18
		Receipts	£ 9,210.50	

Payments					
Date	Payee Name	Ref	Total Amount	Probable net £	Transaction Detail
08/03/2018	BT	DD	£ 346.63	£ 288.86	Telephone and Broadband
09/03/2018	Viridor	BACS	£ 74.40	£ 62.00	Market waste
09/03/2018	Viridor	BACS	£ 36.20	£ 30.17	Market waste
13/03/2018	A Dimond & Co	BACS	£ 143.39	£ 119.49	Outstanding stationary Invoices
22/03/2018	Top to Bottom Cleaning	BACS	£ 129.60	£ 108.00	Office Cleaning
22/03/2018	IAC Audit	BACS	£ 456.00	£ 456.00	Audit services
22/03/2018	Cllr Zarczynski	BACS	£ 129.82	£ 129.82	Twinning Flight
22/03/2018	Core Office	BACS	£ 281.52	£ 234.60	IT Services
22/03/2018	Honiton Community Complex	BACS	£ 50.00	£ 50.00	Room Hire Inv 1868 06/03/18
22/03/2018	Honiton Community Complex	BACS	£ 89.00	£ 89.00	Delicense fee
22/03/2018	Task and Time	BACS	£1,200.00	£ 1,000.00	Tourism web site
22/03/2018	Justin Selway	BACS	£4,560.00	£ 4,560.00	Floral arrangements
22/03/2018	M Tredwin	BACS	£ 201.75	£ 201.75	Certificates and postage
28/03/2018	Lloyds bank	DD	£ 27.09	£ 27.09	Bank charges
29/03/2018	Grant Thornton PLC	BACS	£7,921.20	£ 6,601.00	2017 Annual Audit fee
29/03/2018	East Devon District Council	BACS	£ 8,872.85	£ 8,826.07	March Payroll
Total Payments for March			£24,519.45	£ 22,783.85	

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18/640 Financial Regulations

The report was received and discussed. The Town Clerk confirmed that recommendation b) would need to be amended to include the Nationwide account also. The Financial Regulations need to be updated for the reasons set out in the report and all members of the Council were invited to assist in this.

Cllr Coombs advised that there had been a Financial Regulations working group which had been put on hold whilst the audit was taking place and queried whether this group should now reconvene. Cllr Zarczynski was of the view that the matter had to be resolved at this meeting and the Town Clerk confirmed that he intended to use the NALC regulations as a guideline to be amended as necessary for Honiton Town Council. The Financial Regulations needed to be looked at without delay and the proposed recommendations would lead to a better working practice.

After further discussion Members **RESOLVED** unanimously to:

- a) Instruct officers to update the Financial Regulations and bring them to a Full Council meeting on or before July 2018.

Proposed by Cllr Jones and seconded by Cllr Kolek.

- b) Appoint Mark Tredwin as the RFO and Town Clerk and to be the appointed officer for managing the Town Council's Banking requirements with Unity Bank, Lloyds Bank and Nationwide and Heloise Marlow as Deputy RFO and Deputy Town Clerk to deputise in the Town Clerk's absence.

Proposed by Cllr Brown and seconded by Cllr Sheridan-Shaw.

18/641 External Audit Report

The report was received and discussed. The Town Clerk confirmed that the issues highlighted in the PIR report were being addressed. There was no underestimation as to the seriousness of the report and it was being treated with real importance as the Council must be underpinned by good governance. Whilst good governance of the Council had slipped previously, with the appointment of a new Town Clerk and RFO and Deputy Town Clerk and Deputy RFO, this was now being addressed. In addition, the Council were looking at 3 tiers of staff being involved to ensure that the problems of the past could not occur. It should be noted that there has been no question of any criminal offences or any misappropriation of funds and at appendix 12B Members can see the recommendations and the Council's response. The Council resolved to have an external investigation of accounts which was not requested by the external auditor. The PIR report has now been publicised and is available to view.

The following recommendations from Grant Thornton were examined and discussed noting the comments submitted by the Town Clerk.

	RECOMMENDATIONS	RESPONSE
4.1	The Council should review and update its Financial Regulations urgently and ensure	A report is being considered at the 9 April meeting regarding the Financial Regulations for members to consider. This

	that they are reviewed regularly by full council.	will involve accepting the existing Financial Regulations and then adopting new regulations at a Full Council Meeting in or before July 2018. They will then be brought to full council in July of each subsequent year for consideration.
4.2	The Council should ensure that its internal controls, such as who has access to the accounting system and who can authorise a bank transfers, are recorded within the Financial Regulations and Standing Orders.	This will be incorporated in both Standing Orders and the updated Financial Regulations. There is also a report dealing with ensuring both the Town Clerk and the Deputy Town Clerk are given the requisite authority to keep financial information up to date as well as having access to manage the town council's bank accounts. Signatories will be kept up to date each year at the May Full Council meetings.
4.3	The Council needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have a financial or reputational consequences. The Council then needs to address them, by ensuring that appropriate measures are in place to mitigate and manage risk.	At the Full Council meeting on 20 March 2018 the existing risk register was considered and it was resolved that a fully updated Risk Register will be brought to Full Council at their meeting in September 2018 and each September thereafter. This will allow for any matters needing funding and urgent attention to be incorporated into budget discussion in the following meetings.
4.4	The Council need to prepare and approve a budget in a timely manner before setting a precept and prior to the commencement of the financial year. The Council needs to monitor actual performance against its budget during the year, taking corrective action where necessary.	Regular financial reports are being brought to Finance meetings and Full Council by the new Town Clerk. These figures will include budget comparisons and detailed information where necessary for members to consider. This will happen at least four times a year and in reality more frequently. This will allow members to consider what action is required should there be a need to adjust spending in light of the information provided.
4.5	The Council need to ensure that monthly reconciliation of each bank account is prepared including at the financial year-end and that these bank reconciliations are reviewed by members of the Council.	Monthly reconciliations are being produced and will be brought to members. The Receipts and Payment schedules are produced on a monthly basis and members are being encouraged to arrange a meeting with the Town Clerk if they require any up to date information relating to the accounts.

4.6	<p>The Council should ensure that the status of the Mayors Charity is clearly defined and if the Council concludes that the Mayors Charity is an independent Charity then the Council must ensure that the charity accounts are kept separate from the Council Accounts. The Council must ensure that any charity transactions and any VAT that may have been accounted for incorrectly is appropriately corrected.</p>	<p>The Mayors charity was debated at the Full Council meeting on the 20 March 2018 because of the internal auditor's reconciliation of the Mayors Charity. The identified underspend of the funds had in fact been spent on the restoration of a painting and on Gift Vouchers for Students at the Community College.</p> <p>Further discussions will take place between the Town Clerk and the internal Auditor, the Mayor on the best way to manage the charity going forward.</p> <p>It was clearly identified that the amount of the VAT incorrectly claimed was in fact repaid back into the VAT account and as a result there is no issue regarding the Mayors Charity and VAT.</p>
4.7	<p>The Council should ensure that there are robust arrangements in place to ensure that all financial assets and liabilities are identified and accounted for.</p>	<p>The Council considered this point as detailed in the earlier responses to the various recommendations and agreed that the report should be checked again in 6 months to ensure compliance was taking place.</p>

Members **RESOLVED** unanimously to:

- a) Note the actions outlined in response to the recommendations from Grant Thornton and resolve to delegate authority to officers to ensure that recommendations are followed up where necessary.

Proposed by Cllr McNally and seconded by Cllr Jones.

- b) Review the recommendations in 6 months to ensure that all points have been addressed.

Proposed by Cllr Kolek and seconded by Cllr Howard.

18/642 Nominating Honiton Hospital as a Community Asset

The report was received and discussed. Cllr Coombs queried the need to collate 21 signatures if Honiton Town Council were the applicant. Cllr Edwards advised that the Neighbourhood Plan could assist greatly in safeguarding the site as this would be a legal document.

Members **RESOLVED** unanimously to nominate the current site of Honiton Hospital as an asset of community value. Cllr Jefferson will obtain the 21 signatures needed

to nominate an asset and report back to the Town Clerk to get the site listed as soon as possible.

Proposed by Cllr Brown and seconded by Cllr Jones.

18/643 Appointment of a Honiton Christmas Lights Committee

The report was received and discussed. Cllr Zarczynski advised that previously the Chamber of Commerce was responsible for the Christmas lights with support from the Town Council. Cllr Sheridan-Shaw is the Town Council's representative with the Chamber of Commerce and had agreed to lead the proposal. Cllr McNally did query the need for Honiton Town Council to underwrite the costs of the Christmas lights display in 2018/19. Cllr Sheridan-Shaw confirmed that he had received assurances from members of the Chamber of Commerce that they would actively raise money towards the cost but if they were unsuccessful a safety net was required. Cllr McNally was concerned that with underwriting the cost, there would be little or no incentive to fundraise. The Town Clerk confirmed that if the Committee failed to fundraise sufficient money to cover the cost, the Town Council could withdraw its support for 2019/20 which could lead to no lights or a reduced display. Cllr Sheridan-Shaw confirmed that currently very few businesses in the town contribute financially to the cost of the lights and that is why he wants to involve more members of the community with the lights display. Whilst the Town has a significant number of lights the cost comes from putting them up and taking them down. Several members agreed that Christmas lights were good for the town as it brought people into the town. However, the Council did not want to bear all the responsibility for the costs of the Christmas lights. Cllr Sheridan-Shaw advised that he already had support pledged and assurances that the funds would be raised.

With regards to membership of the Committee, Cllrs Kolek, Jones, Linsdell, Jefferson, Sheridan-Shaw and Zarczynski volunteered their services.

Members **RESOLVED** unanimously:

- a) To create a Christmas lights sub-committee that will confirm its terms of reference, the number of members (ensuring that there are always a majority of council members), delegating authority to the committee to receive nominations and elect its own chairman and vice-chairman for 2018-19.

Proposed by Cllr Kolek and seconded by Cllr McNally.

- b) To delegate authority to council officers to approve the terms of reference for a Christmas Lights Committee.

Proposed by Cllr Howard and seconded by Cllr Darrant.

The meeting went into confidential session at 8.10 p.m.

PART B

18/644 Bailey Partnership

The report was received and discussed. The Town Clerk confirmed that the Bailey Partnership had made no financial offer to settle the claim. As such the

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recommendation was to seek legal advice and details as to the cost of arbitration proceedings. A letter was received from Bailey Partnership's representatives after the formulation of the agenda and members are welcome to view the letter at the Town Council's offices. The letter refutes the claim but does not address many of the issues raised by the Council. The recommendation is to seek advice from Foot Anstey solicitors re the merits of the claim and the legal costs which would be incurred. However, it was not known how much the initial legal advice would cost.

Members **RESOLVED** to instruct officers to seek legal advice and details of the costs for instigating Arbitration proceedings against the Bailey Partnership.

The motion was carried by a majority with one member voting against.

18/645 To close the meeting

The meeting was closed at 8.25pm.