

**Public questions from Phil Carrigan, Jill McNally, John Zarczynski & John Taylor and read out to the Council at the meeting by the Town Clerk.
The Town Council's responses are shown in red.**

Item 19

(a) Why is this matter in exempt business? It is effectively a grant which historically have been discussed as public agenda items.

The matter relates to particular persons (ie Directors of HCC, including two Town Council Directors) as required by LGA 1972, Schedule 12A.

(b) Why is no information provided to Honiton council tax payers on 'the revised financial safety net underwriting agreement' or the 'HCC Reserves Policy'? The public are not being provided with any information to understand what is being proposed. There cannot be a guarantee that HCC will be awarded a new lease as all local authority contracts have to be competitive and unbiased by previous financial engineering that seem to ensure substantial reserves held by a potential tenderer?

The matter relates to a particular person (ie Directors of HCC, including two Town Council Directors) as required by LGA 1972, Schedule 12A. The financial safety net underwriting agreement 23/24 was previously considered by Council February and March 2023 under exempt business. Full Council 14.8.23 Agenda item 20 relates to Tender of the Beehive operation from September 2025.

(i) HTC have no financial exposure to HCC. Why are HTC even discussing these issues, particularly in private? We note that the grant/funding provided by HTC to HCC, both past and proposed, is several times the total amount provided to ALL of Honiton's other charities.

HTC can provide Grant to HCC as permitted by specific powers in the Local Government Act, S145 and Local Government (Miscellaneous Provisions) Act 1974, S19 (3) and with the General Power of Competence. The Grants to other organisations 22/23 was £24.1k and Grant to HCC 22/23 £40.3k (exc New Service Charge and room hire).

(ii) Relating to item b on Agenda Item 19:

What is the 'principle' that you are asking Councillors to approve?

Accept the principle that circa £40k pa should be included in the HTC budget 23/24 as underwriting HCC's net costs.

Why is HTC proposing that £40k per annum be included in the Council's 2023/24 budget since HCC reserves are stated as £62k in the last reported accounts as of 31 December 2022?

HTC understands that HCC requires designated reserves.

HCC's lease on The Beehive building expires shortly. There is no justification for the £40k annual subsidy, rent free premises and car park, published by HTC to support this Agenda item? The concern re the HCC lease would seem to conflict with the level playing field required of all local authority public tenders? HTC boosting HCC Reserves will require extensive declarations by Councillors given relationships, including historical relationships, between HCC Trustees, HCC employees and Councillors, and HCC's historical involvement in influencing local elections?

Full Council 14.8.23 Agenda item 20 relates to Tender of the Beehive operation from September 2025. Declarations of Interest and Dispensations will be decided at Full Council and Committees.

Will the proposed tender documentation be circulated to interested possible lessees and be published on HTC's website as well as in news media?

Full Council 14.8.23 will decide on progressing to Tender Expressions of Interest stage, which will be public.

Will the equipment gifted to HCC but bought with HTC section 33 VAT exemption be returned to HTC for the benefit of the successful tenderer or has HTC included in future budgets a liability to pay that VAT?

HTC has agreed that HCC will return this equipment to HTC at no cost: see Full Council Agenda 15.5.23 [160593-Agenda Annual Full Council 15.05.23 Final.pdf \(honiton.gov.uk\)](#)

What is the basis of this Agenda Item, given that HCC have never been subject to any audit or independent financial review of their financial records?

HCC provides its accounts to the Charity Commission. [charity-search \(charitycommission.gov.uk\)](#)

Item 20:

HCC's lease on The Beehive expires in 2 years. Is the £40k proposed annual subsidy in addition to rent free premises included in the draft tender scoping report documentation to be noted and the draft Terms of Reference to be resolved?

Full Council is asked to NOTE the Beehive Tender Scoping Report and RESOLVE all of the Beehive Working Group Terms of Reference, progressing to Expressions of Interest Stage and to prepare a contingency plan.

Further to items 19 and 20 a private question was submitted to HTC clerk as to whether HTC Councillors, or the Council are acting as "Shadow Directors" of HCC relating to several of the actions itemised above. We now reissue the subject as a Public Question and request the legal advice the Clerk obtained.

This question was asked 22.2.23 and 13.3.23: the question and answers are available at [156355-Questions asked by Phil Carrigan and responses made by Honiton Town Council.pdf](#) [156356-Questions asked by Mr Phil Carrigan and responses made by Honiton Town Council.pdf](#)

Public Question asked by John Zarczynski relating to Agenda items 19/20 and read out to the Council at the meeting by the Town Clerk:-

How much Honiton taxpayers money has the Council spent on underwriting the running costs including Grant funding of HCC and Beehive Hospitality HCC's subsidiary trading company both private limited Company's who run/manage the Beehive for financial 1 years: 2000/21 - 21/22- 22/23

Town Council's Response

20/21 (these accounts need further investigation to enable a proper comparison):

Annual budget report 20/21 Beehive Underwriting zero

New Service Charge full year £19,353

Room hire -£5

[Q4 20-21 nual Budget - By Centre Actual YTD Month 12.pdf \(honiton.gov.uk\)](#)

21/22:

Annual budget report 21/22 Beehive Underwriting zero

New Service Charge full year £10,000

Room hire £2,655

[Annual Budget - By Centre-Actual YTD Month 12 Q4.PDF \(honiton.gov.uk\)](#)

22/23:

Annual budget report 22/23 Beehive Underwriting £28,137

New Service Charge full year £10,000

Room hire £5,700

[Annual Budget - By Centre Actual YTD Month 12 2023-24.PDF \(honiton.gov.uk\)](#)

23/24 to date:

January 2023 £11,421

March 2023 £3,804

New Service charge Q1 £2,500

Room hire £2,500

[09.03.23 - 31.03.23 final copy 2.pdf \(honiton.gov.uk\)](#)

[06.07.23 to 09.08.23 ver3.pdf \(honiton.gov.uk\)](#)

Public question from Jill McNally and read out to the Council at the meeting by the Town Clerk, the Town Council's response is shown in red:-

"This question is for all councillors, particularly the newer ones, and is written out of concern for your rights, in the interests of transparency and so that you can be seen to have protected yourself if the vote is on a particularly contentious item. Are you aware that you can request a recorded vote so that it can be clearly seen how you have voted? There are occasions when this could be so important, possibly even legally. This applies to any and all items on your agenda. I urge you to use that right for a recorded vote if you are at all worried. I know your Standing Orders give you that voting right. Thank you."

Yes, the Council is aware.