

## 2019-20 ANNUAL RETURN

### BATTLE TOWN COUNCIL

In ticking all the boxes in Section 1 (Annual Governance Statement) of the 2019-20 Annual Return, Battle Town Council has effectively stated and confirmed that it adopted good financial management and practice. In terms of day to day procedures and control this may be true and the Internal Auditor has confirmed general compliance. **However, there is a matter of wider concern to which we wish to draw attention as a matter of public interest. We confirm that it can be related directly to items in the accounting records.** It focuses on the Council's failure to adopt fundamental aspects of project management which has led to significant waste in the form of at least £20,000 in abortive costs, including fees and associated overheads, particularly staff time. For such a potentially high spend project there was also failure to properly consult and communicate with residents. The project relates to the repair and development of the building which houses the Council's offices – the Almonry.

For the purpose of this submission the facts are reported in outline only. This is particularly true of events in the several years period prior to the matter becoming public knowledge in early 2019.

The fundamental failing in terms of basic project management has been the lack of a clear purpose and well defined objectives. Throughout the evolution of the project these have been revised as evidenced by the various titles attributed to it from time to time. The fact that the Council resorted to justification based on such vague words as vision and aspiration underlines the lack of a precise project definition at the outset.

It now appears that towards the end of 2014 the Council had established a plan to not only carry out necessary repairs to the building but also the concept of creating a Civic Centre. So far as residents are concerned little is known about how this idea evolved until January 2019 when the Council announced that it had applied to the Lottery Fund for a substantial grant towards the cost. It is understood that the supporting case for the application relied heavily on educational and heritage benefits.

The application was rejected. The Council therefore resolved to take out a 50 year loan from the PWLB of £600,000 to meet the cost of what was then described as a project to repair, refurbish and develop the building. It was a report in the local press which brought this to public attention. The prospect of such a loan alarmed a number of residents who began to query the project and its objectives, issues which were first raised publicly at the 2019 Parish Assembly. At no point did residents question the need to carry out basic repairs to such an important historic building. It was the justification for significant "development" costs which became the subject of ongoing query and challenge by residents, particularly

during September and October 2019 when straightforward requests to see a financial appraisal/business plan and the supporting facts were simply ignored. Despite these concerns, the Council ploughed ahead and it was during 2019-20 that further, ultimately abortive, survey fees were incurred totalling about £7,000 in respect of these questionable elements of the project. Having failed to engage with the Council, and as a last resort, residents demanded a Parish Meeting which took place on 22<sup>nd</sup> January 2020 and was attended by 220 people. Once again, at that meeting, the Council resorted to the same ill defined visions and aspirations so it was not surprising that an unconvinced audience simply rejected the costly development plans in favour of a straightforward project to repair the building. It is worth noting at this point that the Council itself had been saying since 2015 that the building was in need of urgent repair yet it had allowed it to deteriorate further whilst it pursued its development plans against strong public opinion.

Despite the ongoing concern the Council resolved to invite tenders based on a specification which would deliver its full development project. These were assessed and the preferred tenderer was advised accordingly.

Whatever plans the Council may have had for further public consultation they were disrupted by the Coronavirus pandemic. A decision was therefore taken to consult about options via a questionnaire circulated in April 2020 with the Council's Annual Report. The options included the grand plan now estimated to cost £850,000 but, strangely, not the repair only proposal requested by residents at the Parish Meeting. The number of returned questionnaires was insignificant which clearly showed little appetite for the grand plan. Moreover, a number of residents who did bother to reply again reiterated the demand for a repair only option.

Against this background, and failure to convince residents of the business case and value for money of its development plans, the Council finally shrank back to a project to meet what it called its "statutory and moral responsibilities", another vague phrase but which, at least, appeared to focus on the need to repair the building and make it a safe, pleasant and accessible place in which to work. This removed from the project some of the elements which had been in dispute.

In total, the Council has agreed that in excess of £50,000 has been spent on fees and that much of this relates to work undertaken in preparation for the Lottery bid. This will have included Architects fees related to estimated build costs. The reduction in the scope of the project has rendered a significant part of this work redundant and the fees therefore abortive. Whilst the Council has not been able to identify them separately, it would not be unreasonable to add them to the £7,000 mentioned above and assume that cumulative expenditure of at least £20,000 in time and money has been abortive.

One final point to record is that, in the expectation that residents would not challenge the initial plan to borrow £600,000, the precept for 2019-20 was increased to cover annual loan

repayments then estimated at £21,000. Despite the matter remaining unresolved, this has carried forward into the precept for 2020-21.

In summary, the Council :

- \* failed at the outset and throughout the evolution of the project to define clear and specific objectives.
- \* incurred substantial abortive expenditure as a direct result of not adopting standard project management practice
- \* failed to produce facts and a financial appraisal/business plan to support the need for the optional development, despite claiming that such a plan was in preparation – a clear lack of financial due diligence
- \* invited tenders before a finally agreed scheme and specification had been determined
- \* failed to engage with residents not only in the initial stages but also to acknowledge or respond positively to genuine concerns and questions raised subsequently or to keep residents informed through accurate and easily accessible information via the website.
- \* has increased the precept prematurely to cover expenditure still under discussion

These represent serious public interest concerns about how the Council is managed and, in light of these facts, it is difficult to understand how it can respond so positively to all parts of the Annual Governance Statement in the Annual Return.

Were this the performance of a Government Department it would likely justify reference to the Public Accounts Committee. Local Councils similarly need to be called to account for such failures and the consequent waste of public money.

Peter Mills

Bernard Brown

Bev Marks