

## BATTLE TOWN COUNCIL'S RESPONSE TO LETTER TO THE EXTERNAL AUDITOR

The response addresses the six main points raised by the group of three residents in their letter to the external auditor.

### **1. That the Council failed at the outset and throughout the evolution of the project to define clear and specific objectives.**

#### *Documents*

*1a. F & GP Minutes, 10 December 2014*

*1b. Council Minutes, 18 December 2018*

*1c. Battle Town Council Plan 2019 – 23*

*1d. Information leaflet available at Parish meeting January 2020*

As there are references in the letter to the Heritage Lottery Fund application made in 2018, the term 'the project' is taken to cover both this and subsequent proposals put forward by the current Council, which was elected in May 2019. In response to this point, the Council wishes to affirm that it had at the outset and throughout the evolution of the project, the clear and specific objective of **preserving the heritage of the Almonry building for the benefit of the people of Battle, restoring the original architectural features and bringing it up to modern health and safety standards to make it accessible to all.**

Any response to the statement above needs to set the evolution of the project in context. The Almonry was purchased by the town council in 1987 with the objective of saving the building from demolition and preserving it for future generations. The Council's efforts from that date illustrate the complexities involved in the upkeep of a Grade 2\* listed building on a limited budget and attest to the ways in which it has sought, through discussions with heritage experts, Rother District Council and various grant giving bodies to mitigate the cost and maximise the benefit to Council-Tax payers of continuing to undertake its stewardship of the Almonry.

The Almonry is the responsibility of the Council's Finance and General Purposes Committee (F & GP). Since 1987 there have been various uses made of the building but none that have made it truly accessible to residents and visitors. Routine maintenance has been carried out but no major repairs and no modernisation of facilities – a situation that could not be allowed to continue. With the adoption of the Council's new committee structure and introduction of Action Plans in 2015, F & GP initiated an Action Plan for the refurbishment and redevelopment of the Almonry. In recognition that the Almonry is an asset belonging to the town as a whole and not only the Town Council, a joint working group on the future of the Almonry was set up, with representatives from local community groups and external experts, to discuss ideas for improving the Almonry building, making it and the Museum a more attractive visitor experience, encouraging revenue and tourism, and attracting people to the north end of the High Street (*F & GP, 10 December 2014*).

The subsequent proposal for the setting up of an Almonry Heritage Education Centre, which was part of a much wider and more ambitious heritage initiative for the town, had the clearly articulated objectives of **preserving the heritage of the building and benefiting the people of Battle and visitors to the town.** The proposal was publicly consulted on, letters of support were obtained from Huw Merriman MP, Battle Museum, Battle Historical

Society, English Heritage, Battle Chamber of Commerce, the Dean of Battle and others, and an application for funding was made to the Heritage Lottery Fund.

The HLF bid was unsuccessful, it was therefore necessary for the Council to explore other means of meeting its objectives, redefining, and modifying the project with consideration for time, cost, and the quality of the scheme as necessary. At a meeting on 18 December 2018,

Members were reminded of the recent unsuccessful application to the Heritage Lottery Fund. The state of the Almonry building was discussed: the extensive repairs and maintenance required; the proposals to improve accessibility and usability; and the extensive costs involved. Members agreed, by a majority, that an application be made to the Public Works Loan Board for £600,000 to carry out the work in line with planning approval. *(Council Minutes, 18 December 2018)*

Provision for loan interest payments was made in the precept for 2018/2019 but no further action was taken pending the election of a new Council in May 2019. The decision to proceed with the project was confirmed by the new Council and the *Council Plan, 2019 – 23* set out the Council's objectives for the Almonry as being to restore and reinstate the Almonry to include a Tourist information Centre and space for exhibitions (both part of the original HLF bid ), to develop the Almonry to include a one stop shop for Town Council and District Council enquiries (already part of the F & GP and External Relations Committees' Action Plans), to improve facilities for use by local groups/charities and to provide space for meetings and consultations and for our MP's surgery. These objectives were further elaborated in a presentation to the Parish meeting called by a group of residents in January 2020 and set out in a leaflet distributed at that meeting. *(Document 1d)*

## **2. That the Council incurred substantial abortive expenditure as a direct result of not adopting standard project management practice**

*Documents:*

*2a. Analysis of professional fees for the Almonry project*

*2b. HLF Application Guidance Notes*

*2c. Almonry project decision making process and flow charts*

*2d. Project Management Commentary*

The Council contests this statement and maintains that it has followed accepted project management procedures throughout. *(See Document 2d)* Expenditure on the project, as listed in *Document 2a*, was legitimately incurred and justified and the decision not to proceed with certain elements of the project was taken in the light of changed economic circumstances and following extensive public consultation.

The project began with the aim of securing grant funding from the Heritage Lottery Fund for a full scheme to include the re-build of a south wing and the refurbishment and reconfiguration of the ground floor to create a flexible space to accommodate a heritage education centre, Tourist Information Point, Council Chamber and community meeting rooms. The application procedure required full costing and the obtaining of planning

permission before submission, with the cost of professional fees to be covered by the grant if the application was successful. (See *Document 2c HLF Application Guidance Notes*) Council carefully considered the risks and the costs before agreeing to proceed and appropriate surveys and planning permissions were obtained prior to full Quantity Surveyor's costings.

As the HLF bid was unsuccessful, in order to fulfil its statutory and moral obligations to preserve the heritage building, ensure safe and efficient use by staff, tenants and visitors, and provide services to residents, Council agreed to apply for a PWLB loan, based on the planning permissions, surveyor's reports and QS costings already obtained and paid for. At each stage thereafter, a project plan to monitor and agree to continue with the project was undertaken. (*Doc 2b Almonry Project decision process and flow charts*).

With the election of new councillors in May 2019, the Council undertook a further process of consultation and reassessment in order to ascertain the degree of public support for expenditure on the project, distributing a questionnaire outlining a variety of options and their costs to all households in the town. The latter part of this exercise coincided with the arrival of the Covid19 pandemic and a time of great economic uncertainty, raising questions about the wisdom of continuing with a major project at such a time. As a prudent Council, it identified full project costs for different elements of the project and agreed a proposal to abandon the plans to re-build the south wing but continue to meet its objectives and obligations by proceeding with external and internal repairs, refurbishment, provision of a Tourist Information Point and improvement of services to include provision of wheelchair access and accessible toilet facilities.

The designation of "substantial abortive expenditure" is strongly refuted. Staff (and Councillor) time expended was considerably increased by the need to respond to communications from a small number of residents but was otherwise proportionate to the normal conduct of Council business. The fees incurred by the application for the HLF loan were an unavoidable part of the application process. They cannot be considered to be abortive simply because the application was unsuccessful and, in fact, a considerable proportion was essential to the pursuit of the Council's revised plans.

Of the £7,000 survey fees expended during 2019-20 for development project elements subsequently abandoned, the advice of the Working Group's professional advisor, Stephen Gray MSc, Dip Arch, APMP. ACIfA, IHBC, is that '*A project for a GII\* listed building would require surveys (condition surveys for building fabric, electrical services etc.) even just for repair. At best £7,000 fees should be allocated pro rata to the **full** redevelopment cost and the lesser repair cost - £1,008.00 – might be arguably abortive.*' Of the total £50,000 professional fees incurred, he estimates that a maximum of £10,000 of the architect's final fee could be argued as abortive because of omission of redevelopment elements.

**3. That the Council 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**

*3a. Strategic Plan for the Almonry - outline*

*3b. Strategic Plan including appendices*

*3c. Survey in Annual Report March 2020*

*3d. Extract from HLF Application*

*3e. Property Valuation*

The Council refutes the accusation that it has acted without financial due diligence. It has consistently acted with due diligence with regard to its obligations and worked towards its Action Plans and Council Plan.

As regards the initial project proposal a full financial appraisal and rationale was prepared for the HLF application (*Document 3d*). Subsequent proposals were evaluated as part of normal Council business. All proper procedures were undertaken by Council, including forecasts of current value of property and rental opportunities and those achievable post project completion. (*Document 3e*). The Town Clerk also obtained estimates of the cost of alternative accommodation for the Council should the Almonry be put up for sale. The costs of different options for the redevelopment of the Almonry were included in the survey sent to all residents in March 2020 (*Document 3c*).

The draft Strategic Plan has been under discussion and is currently being finalised. The aims and objectives, including the aim to ensure access for all in an efficient and safe environment, have been thoroughly considered by Council at Finance & General Purposes and Full Council meetings. (*Documents 3a and 3b*)

**4. That the Council invited tenders before a finally agreed scheme and specification had been determined**

The Council went to tender in order to test the market cost of the project so that this could be presented to residents and an informed decision on the future scheme and specification made by Council. There was limited expenditure required as all surveys and drawings had been completed. The tender process was useful in allowing full specification with value engineering to identify specific elements for prudent consideration by Council.

**5. That the Council 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.**

*Documents*

- 5a. Full Council Minutes – digest to end of March 2020*
- 5b. F & GP Minutes - digest to end of March 2020*
- 5c. Parish Assembly 2018 - notes of proceedings (pp 2 -3)*
- 5d. Annual Report March 2019 (pp 4,5 and 16)*
- 5e. Parish Assembly 2019 - notes of proceedings (pp 1 – 2 and 4)*
- 5f. Parish Assembly 2019 Appendix A (pp 1-2)*
- 5g. Newsletter June 2018 (pp 4 and 6)*
- 5h. Newsletter June 2019 (pp 2 and 7)*
- 5i. Newsletter December 2019 (p2)*
- 5j. Annual Report March 2020 (pp 12-16)*

As the supporting documents make clear, the Council has made every effort to communicate with and consult its residents at all stages of the project – even during the many lockdowns and restrictions imposed by the Covid pandemic when staff and councillors have been working from home in very difficult circumstances. Individual requests by residents have been responded to whenever reasonable. Minutes and attachments have consistently been published on the website. Many local newspaper articles have been printed. The project has featured on several Council newsletters and at two Annual Parish Assemblies, plus a Parish Meeting called by local residents (led by one of the current objectors). The Council has acknowledged that improvements to its communication with residents was required and has employed a further member of staff to ensure the website, social media and general information is better circulated.

**6. That the Council has increased the precept prematurely to cover expenditure still under discussion**

As indicated above, following the unsuccessful grant bid, the Council agreed to continue with the repair and refurbishment project and apply for a PWLB loan. The Council acted prudently to make provision to meet loan repayments for a loan that it had, and still has, every intention to take out. Money from the precept has been held in an earmarked reserve and has been used to cover the cost of professional fees essential to the project.