

REPORT ON THE VILLAGE HALL

Last month, the Parish Meeting went into confidential session which, understandably, upset parishioners. We didn't properly explain why, and apologise for this. It was because the trustees of the Charity asked us to discuss a WITHOUT PREJUDICE letter, which legally must be kept private. We could not discuss this without making its contents public. I will now explain the background of that confidential session.

Following an earlier request by the Charity to meet and discuss outstanding issues, Councillors Clarke and Lambard met with the Charity Chairman, Richard Cook and trustee Nick Baker, on 1st November, at a meeting facilitated by county councillor, Paul Rice.

The outstanding issues for the Parish Council were, and are:

- A payment of £10,000 made by the Parish Council to the Charity on February 1 2010, which does not appear on the Charity's accounts to 31st March 2010.
- The Parish Council was concerned about the constitution of the Charity and has asked on several occasions for a revised constitution to be drawn up such that parishioners would be required to give their approval before the Trustees could sell assets, undertake future development, merge, or dissolve the charity, as a safeguard for the village.
- The Council is seeking on behalf of the village to monitor the financial situation of a charity into which the village has invested hundreds of thousands of pounds, and wishes sight of accounts for 31/3/10 and 31/3/11 together with updated budget.
- The Council wished the Charity to accept that professional fees of £21,883 were rightly deducted from the second stage payment.

This meeting was not successful. The Charity has explained to us that no accounts will be supplied, there will be no sight of any draft constitution, and there will be no provisions for the Council to nominate either trustees or management committee members. There appears to be a serious possibility that the Charity will sue the village to obtain payment of the withheld professional fees.

At the confidential session of the last Council meeting Councillors agreed that the Charity's stance meant that further negotiations would be negotiations in name only, and would not be useful or appropriate.

Ladies and gentlemen, the need for safeguards for the village's investment will be obvious to everyone. The village has given hundreds of thousands of pounds to the Charity. No rational council with the interests of the village at heart would consent to a situation where trustees select themselves and have the power to merge, dissolve, sell property, engage in development, all in confidential sessions, all without any village input, and all and without producing timely and open accounts. Any reasonable Charity would allow sight of drafts of their governance arrangements and be open to comment and input on them from the village.

Any reasonable Charity would, in these circumstances, be only too happy to make financial information available so that the village could see that their investment is safe and properly stewarded.

I turn now to the professional fee question and its implications.

If the £21,883 professional fees demanded by the Charity were due, then the former Parish Council entered into a contract with the Trustees of the Charity (themselves) without the necessary finance in place to fund this project. There is no evidence whatsoever from the budget

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papers that the former Council ever seriously considered, when budgeting, that the village would have to pay

- ▲ **£334,000**
- ▲ **PLUS these professional fees**
- ▲ **PLUS ordinary maintenance and running expenses for the village.**

In order for the former Parish Council to meet the current demand for payment to the Charity, it would have had to increase the precept last year in April by over 300%.

Following the threat by the Charity to sue the Parish Council, it was agreed at the last Council meeting to seek legal advice and this is ongoing.

The Parish Council has to ensure that it has the funds in place for the smooth running of the parish. The problem we face is that we are fully persuaded of our case, but the results of litigation are uncertain, and if the village is going to be sued, we have to protect ourselves against the possibility that we may lose.

The Parish Council will therefore hold a special meeting next Tuesday, 13th December to consider setting an amended precept. The Finance Committee members are at present working on this, but I have to tell you the increase will be more than 300%.

The Parish Council does not believe this precept increase is desirable or necessary as it is quite clear from several sources that the then Parish Council's intention was to deduct the professional fees from the first payment. We are also not persuaded, in the absence of any accounts, that the Charity really needs these funds. If it does, we do not understand why it cannot raise them from other sources. The amount we are speaking of is 300% of the precept. But it is only 2% of the Charity's total project budget.

The Parish Council would like the Charity to consider the parishioners of this village and ensure that the village's investment is protected and provide an update of its finances.

I would also refer you to the Charity's comments on the November newsletter, under "Plea for Unity from the Chairman of the Charity" stating:

"Now is the time to put personal differences behind us once and for all. None of us wants to see higher council tax precepts"

The Parish Council would ask the Charity to consider the parishioners of Hickling and withdraw its demand for the professional fees. This would avoid the necessity of the Parish Council having to raise punitive tax demand of over 300% for a hall which they were advised by the former Parish Councillors/Trustees would not cost the village more than it could afford.

Sandra Clarke

Chairman

Hickling Parish Council

4th December 2011