

STOKE - SUB - HAMDON PARISH COUNCIL

Clerk. Mr Neil Bloomfield, Tel: **07545 951 917**
email clerk@stoke-sub-hamdon-pc.gov.uk

14th September 2023

Refurbishment of Methodist Hall (Hamdon Youth & Family Centre)

The attached independent report prepared by “Do The Numbers Ltd” into the financial management of the refurbishment of The Methodist Church Hall was considered by the Parish Council at its meeting on 6th September 2023.

Stoke sub Hamdon Parish Council accepts the reports findings and recommendations in full. A training program with emphasis on financial control and management is to be implemented. Measures already underway include ‘sector specific’ financial management software and a review of council policies, leases and grant funding procedures. Lessons will be learned to ensure future projects are managed appropriately with adherence to policies and regular updates and proper council oversight.

Neil Bloomfield
Parish Clerk
on behalf of Council

Do the Numbers Limited
37 Upper Brownhill Road
Southampton
SO16 5NG

29th August 2023

Neil Bloomfield, Clerk
Stoke sub Hamdon Parish Council
west Street
Stoke Sub Hamdon
Somerset

Dear Neil,

Subject: Review of refurbishment of the former Methodist Hall

This review arose from questions raised by the Clerk and some members during the 2022/23 Internal Audit Process.

There was a lack of agreement about the refurbishment of the former Methodist Hall on West Street which is now the [Hamdon Youth and Family Centre](#). The CIO that operates the centre is [detailed here](#).

The building was purchased in June 2016 for £130,000 funded by a PWLB Loan to the value of £150,000 which included around £20,000 to cover refurbishment. The project under review ran from July 2020 to May 2022.

The content of this report has no impact upon the report and investigations that were part of my Internal Audit AGAR review.

Scope of Review

The primary question to be addressed was the total cost of the project as this was believed to have never been summarised.

There were also questions about how decisions were made and costs authorised out of taxpayer funds.

The clerk who was in post during the project is no longer with the council. The two councillors most closely involved with the project have since stood down. All three individuals were trustees of the charity during the project.

The main refurbishment project has been completed therefore all findings are towards improving future practice.

Documents and sources reviewed

I was provided with the full minute sets for the civic years 2020/21, 2021/22 and 2022/23. I was also provided with the full cashbook spreadsheets for each of those three years.

These were used to create a timeline of the project showing what was agreed, authorised, paid and reported on what dates. (see attached summary)

Outcomes noted

This project was not carried out in accordance with the legislation. Decisions were not made in accordance with the financial regulations of the council, nor within the governance framework applicable to Parish Councils.

The total cost of the project (including VAT) was £137,584.06

of which £117,002.67 was approved by the council before invoices were paid.

Due to its total value, the project was [required by law](#) to have been advertised on the [Government Procurement Portal](#). This was not done.

It would appear that the project may have been consciously divided up to get around the tendering rules. Each of the three phases should in good practice have been advertised to ensure best value for electors.

There were significant direct pecuniary conflicts of interest between the trustees of the CIO that operates the centre (and thus beneficiaries of the expenditure) and as a trustees of one of the [user groups](#).

Both they, the proper officer and the other councillors should have ensured that the project was run by those without such issues.

A councillor was paid to carry out some of the works, again with no evidence of proper quotation and tendering process and approval in which they did not take part or clear minuting that they were a trustee of the charity.

Councillors approved payments of substantial sums for unbudgeted amounts that had not been properly approved in advance. This is not good practice.

Not all payments were minuted – possibly due to transcription errors from the spreadsheet.

It is not possible to ascertain whether the council achieved taxpayer value for money on this project.

Procedural changes recommended

Area	Matter arising	Possible solution
Training	The fact that no members of the council appear to have raised key legal points at an early stage, shows the need for training.	All members and new officers should seek out training opportunities from SALC on governance, legislation, procurement and transparency.
Budgeting	The budget spreadsheets approved by the council during the years under review did not mention the project – either under expended or planned costs.	All councillors and the proper officer should attend specific training on budgeting so that they can understand the reports produced by software going forwards.
Payment lists	The council accounts were on a spreadsheet, allowing payments to be missed off the minuted authorisation list.	Appropriate sector specific software should be brought into use to aid transparency and reporting.

Procurement	From the review of the minutes it is clear that best practice procurement rules have not been followed for other projects.	Before any project with a value of more than £5,000 is undertaken in future, clear costing, quotes and tenders and reports should be built into the minutes system.
User licences	It is unclear what arrangements are in place to ensure that organisations benefiting from the refurbished centre, appropriately pay the council for the use of the facility.	Over the coming months, the council should review all of its leases and tenancies. VFM to electors of all grants and leases should be reviewed critically.

Conclusions

The Centre as it stands appears to be a valuable resource for the community and the completed project cannot be revisited.

However it is to be hoped that the substantial weaknesses in decision making identified are learned from to ensure that future projects are run better with a clear focus on VFM and governance.

This should also allow the whole council to work together for the benefit of the community.

Please find attached my invoice for the agreed fee.

If either you or your staff or committee have any queries or require further clarification of any points, please do not hesitate to contact me.

Regards



Eleanor S Greene ICPA

enc.. chronology and costing summary

Stoke Sub Hamdon Parish Council – Project Minutes extract

Meeting Date	Minute Reference	Decision	Quote / bid agreed	Payment made	Cashbook date
05/06/20	002	Sports Pavilion reserve to go into 1.7% five year charity bond £22,442.12 Youth Centre Reserve invested to Lloyds Instant Access £37,115.76 Amounts held in other reserves merged into building project Cllr to submit grants on behalf of charities (<i>conflict of interest</i>)			
01/07/20	20/061/a	Youth centre closed, renovation ongoing, listed building plans being drawn up (<i>no value, no name</i>)			
	20/063/a	Year end balances approved			
~~~	~~~	A R Dalziel – HYFC Drawings		500.00	10/07/20
05/08/20		Extra meeting to approve AGAR (after legal deadline)			
02/09/20	20/080/b	Hamdon Youth Centre planning application noted and drawings discussed			
	20/081/a	Cllr Brooks gave update on modifications at Youth Centre. Quotes being sought ( <i>Nothing approved</i> ) Cllr Donovan getting quotes for roof works – <i>nothing approved</i>			
07/10/20	20/096/a	Flat Roof ( <i>no name, no other quotes</i> )	5,730.00		
		Pitched Roof ( <i>no name, no other quotes</i> )	3,300.00		
		Cllr Brooks said listed building consent approved			
	20/098/b	Payment to G&L Consultancy – Asbestos Survey (not pre approved)		630.00	02/10/20
04/11/20	20/111	Report circulated to Cllrs on progress of project. Hall flooring, three quotes, Jones Building approved Heating two quotes, Higgins Electrical approved CCTV SES approved fire alarm SES approved Agreed virement of £2400 towards roof repairs – no values given	20,378.00 9,490.00 1,749.00 2,540.00		
	20/113/b	Yeovil Roofing (never minuted) payment approved Roofing Gear (never minuted) payment approved Portal Plan Quest for application (never minuted)		2,060.00 1,201.26 128.00	05/11/20 05/11/20 04/11/20
02/12/20	20/126/a	Verbal update by Cllr Brooks regarding delays on planning and listed building consent.			
	20/128/b	SDDC payment for building control (not approved)		365.00	19/11/20
13/01/21	21/007/1	Cllr Brooks attended virtual meeting with the planning authority ( <i>alone, no delegated power</i> ) Cllr Brooks has submitted updated planning applications – <i>no details, no costs, no oversight.</i> Higgins interim invoice for electrics approved extra fee from Higgins approved for switches Higgins quote to switch lights to LED agreed		2,961.00 630.00 3,640.00	21/01/21 03/03/21 03/03/21
03/02/21	21/022/a	Contractors awaiting materials. No progress			
	21/024/b	Jones – flooring – interim invoice		14,400.00	03/02/21
03/03/21	21/038/a	Cllrs and Clerk agreed to tidy and clean before flooring laid			
	21/040/b	Higgins electrical bill	4,270.00		
07/04/21	21/053/a	Cllr Brooks update. Phase 1 of project complete except wood panelling Phase 2 quote from Jones approved ( <i>no other quotes ?</i> )	42,671.00		
	21/055/b	Higgins final heating bill approved		5,922.00	07/04/21
05/05/21	AM/21/02	Cllr Brooks elected chair			
	AM/21/03	Cllr Donovan elected vice chair			
05/05/21	21/068/a	Cllr Brooks applied for centre restart grant			
	21/070/b	Yeovil Roofing – boiler room sheets ? Authorised Jones Flooring invoice		180.00 10,246.80	05/05/21 05/05/21
02/06/21	21/084/a	Youth Centre trustees agreed to donate £17000 to council towards refurb – lease agreement / tenancy / terms ??			
	21/084/a	External quote for panelling rejected. Phase 2 due to start this summer – NEVER quantified Cllr Donovans quote for labour agreed Cllr Donovan's quote for materials agreed	2,880.00 1,016.67		
	21/086/b	Reimburse Cllr Donovan for materials		1,019.68	02/06/21
07/07/21	21/098/a	SDDC considering a grant towards youth centre Cllr Donovan said roof will be repaired, not replaced (no quotes)	600.00		
~~~	~~~	SDDC Building control fee (not minuted)		600.00	14/07/21
	21/101/b	Defunct cemetery project reserve vired to Youth Project £12,316			
01/09/21	21/115/a	Phase 1 of project complete – <i>no final value.</i> Cllr Brooks ran through phases 2 and 3 – <i>no values</i> SDDC grant towards project approved £17245 Agreed quote from Higgins for electrics (<i>no other quotes</i>) Roof repair Studley Quote approved (no others) increase in Jones prices agreed Tree works quotes agreed Fern Gardens	2,916.00 850.00 1,719.00 390.00		
	21/101/b	Donovan Property Services – panelling Barbara Brooks – reimbursed for plans Studley Roofing – flat roof repair Planning portal additional fee		2,938.55 36.00 1,020.00 14.00	06/08/21 01/09/21 01/09/21 19/08/21
06/10/21	21/130/a	Cllr Donovan verbal update on phase 2			

	21/130/b	Youth group wanting lower grant next year			
	21/132/b	Purple hire – portaloo – <i>NEVER approved</i>		215.62	06/10/21
03/11/21	21/141	Presentation by Mr Bailey re Youth Group			
	21/145/a	Presentation mentioned new roof needed for phase 2. <i>NO VALUE</i> Cllr Brooks said "asset reserve fund" will cover – <i>NO AMOUNTS</i> Extra costs re toilets agreed mention made of extra works needed for toilets – <i>NO VALUES</i> Planning consents now approved	503.00		
	21/147/b	Hamdon Property – paint doors (not approved)		964.23	03/11/21
		Purple Hire – portaloo (not approved)		208.65	03/11/21
01/12/21	21/160/a	New flat roof installed – <i>NOT APPROVED, no supplier, no quotes,</i> Kitchen will be done by Howdens – <i>NO QUOTES, no values</i>	16,000.00		
	21/162/b	Jones Phase 2		28,802.54	01/12/21
		Fern garden tree works		468.00	01/12/21
12/01/22	22/008/a	Cllr Brooks update on project – no values			
	22/010/b	Howdens kitchen		3,045.55	13/12/21
		Perfect Panelling – re kitchen (never approved)		310.35	13/12/21
		Jones – flat roof and phase 2		24,508.94	04/01/22
		Higgins Electrical emergency lights – never approved		2,550.00	12/01/22
02/02/22	22/023/a	Cllr Brooks met with new site manager – <i>delegated power ?</i> Painters will start soon – <i>NO VALUES</i>			
	22/025/b	Stuart Taylor – kitchen installation – <i>NOT APPROVED</i> Security Electrical – CCTV etc – <i>NOT approved</i>		1,176.00	02/02/22
02/03/22	22/038/a	Cllr Brooks "once the builders have finished" next stage will start		3,600.00	02/02/22
06/04/22	22/053/a	Cllr Brooks said phase 2 now complete – <i>NO VALUES</i> Snagging under review with project manager – <i>WHO ?</i> Next stage will be decoration of back hall – <i>NO VALUES, NO QUOTES</i>			
18/05/22	22/069/a	Cllr Brooks said works are complete, awaiting building control sign off. Covers on windows and cupboards still to do <i>NO VALUES</i>			
	22/071/b	Jones – valuation 3 <i>NEVER APPROVED</i> SES – fire alarm – <i>NEVER APPROVED</i>		21,455.09	18/05/22
08/06/22	22/085/a	No report as Cllr Brooks not present – <i>NOTHING IN WRITING</i>		1,786.80	18/05/22
	22/085/b	Youth group wanting help on funding !			
06/07/22	22/094	Cllr Brooks announced resignation			
	22/099/a	Cllr Foley asked what full project costs was - Clerk said did not know			
07/09/22	22/109/b	Cllr Donovan resigned from council			
	22/117/a	Completion report submitted to SSDC Cllr Goulder asking questions about project			
05/10/22	22/128	Chair of youth group stepped down. Questions being asked , grant returned !			
	22/133/a	Reports circulated about purchase and refurb of building Resolved to get remedial work done – <i>NO QUOTES OR COST</i>			
02/11/22	22/144	Presentation by youth group			
	22/145	Meeting closed early due to angry residents			
09/11/22	22/153/a	Youth Group / council management agreement under discussion looking at window repairs – <i>NO QUOTES</i>			
08/12/22	22/169/a	Boiler house - ? whether to demolish			
11/01/23		No issues			
01/02/23	23/022	Cllr Goulder seeking window repair quotes			
01/03/23		No issues			
		TOTAL Minuted quotes and tenders	117,002.67		
		TOTAL actually spent		137,584.06	