

NORTH HERTFORDSHIRE DISTRICT COUNCIL

OVERVIEW AND SCRUTINY REVIEW OF HITCHIN TOWN HALL AND DISTRICT MUSEUM

**MEETING HELD IN THE BROTHERHOOD HALL, GERON ROAD, LETCHWORTH GARDEN CITY
ON THURSDAY, 18TH JULY, 2019 AT 10.00 AM**

MINUTES

Present: *John Richardson (Chairman), Councillors Sam Collins, Ian Moody, Helen Oliver and Val Shanley.*

NB Councillor Shanley arrived part way through the meeting.

In Attendance: *Melanie Stimpson (Democratic Services Manager), Hilary Dineen (Committee, Member and Scrutiny Manager) and Matthew Hepburn (Committee, Member and Scrutiny Officer).*

Also Present: *Sarah Kingsley (Communications Manager) and 20 members of the public including witnesses.*

Witnesses: Hitchin Initiative, Stephen Pike, David Leal-Bennett, David Morgan and Lynda Needham.

4 CHAIRMAN'S WELCOME

Audio recording – Session 1 - 0.00

- The Chairman formally opened the Hearing and the Panel were introduced.
- The Chairman advised that the meeting would be audio recorded and made available on the NHDC website.

5 HEARING PROCEDURE

Audio recording – Session 1 - 40 seconds

- The Chairman explained the format of the hearing and the purpose of the Panel.

6 WITNESS STATEMENTS

The following witnesses had been invited to attend Day 2 to give evidence based on their written statements:

- Hitchin Initiative;
- David Morgan;
- Stephen Pike;
- David-Leal Bennett;
- Lynda Needham.

With the permission of the Chairman, Jackie McDonald was invited by the Chairman to read a statement received in response to the proceedings of Day 1 on 17 July 2019.

Audio Recording – Session 1 – 4 minutes 12 seconds

A. Statement of Jackie McDonald

The Chairman agreed that Jackie McDonald could read a statement that had been submitted the previous night in response to comments made by an individual that had been invited by the Panel on 17 July 2019. The statement included the following:

- John Robinson had made comments regarding Ms McDonald and The Future of Hitchin Town Hall & Museum social media group.
- These comments were not included in Mr Robinson's written statement.
- The comments implied that she was involved with alleged threats but were untrue and had no foundation.
- Ms McDonald stated that she had integrity and was ethical and had never been part of any threats to anyone involved in the project

Audio Recording – Session 1 – 8 minutes 53 seconds

B. Statement of Morag Norgan (Hitchin Initiative)

Having welcomed Morag Norgan (Hitchin Initiative), the Chairman explained the format and purpose of the Panel.

Morag Norgan gave a verbal presentation on behalf of Hitchin Initiative drawing attention to the following:

- The statement made by Ms McDonald demonstrated how relations had deteriorated
- Need to focus on what went wrong with the partnership.
- NHDC wanted to save money on a failing building but the community wanted to save it.
- The community wanted to run the building, which ended up being operated by NHDC.
- Hitchin Initiative had a plan that would derive an income from the building.
- There had been a good partnership between NHDC & Hitchin Initiative.
- There were political issues from the start and Officers had to work in a difficult situation.
- A larger stage was required if Mountford Hall was to be used as a performance space.
- Page 93 of the Design and Access Statement illustrated that the wall would be a removable stud wall on the stage.
- HTH Ltd said that when the size of the stage was permanently reduced, it was a breach of the Agreement
- A partnership is one thing. However, a £5million contract is a contract.
- The architect had implied that the Development Agreement needed to be changed as the developer could not deliver. If this was true, then the Development Agreement was signed off with the knowledge that the project could not be delivered to the community.
- This was where the partnership went wrong.

Questions to Morag Norgan were asked by the Panel.

John Richardson asked:

- What should a partnership look like?

Morag Norgan responded that:

- A partnership would be NHDC and the community working together to get a project that both sides wanted.
- In the Prince 2 paperwork HTH Ltd was described as the senior supplier.
- There was a difference in interpretations of partnership working and it needed to be better defined in future.

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John Richardson advised that Morag Norgan had provided documents, subsequent to the publication of the agenda, regarding HTH Ltd taking over from Hitchin Initiative.

Morag Norgan stated:

- As NHDC couldn't afford the project HTH Ltd approached the Social Investment Bank (SIB) and Community Builders Fund (CBF) for funds which were a partnership.
- Part of the funding agreement was that an "arms length" organisation was needed to receive the funding and that any profit had to be at market prices.

Councillor Helen Oliver asked:

- Which of the bodies (SIB or CBF) required these rules?
- Why didn't they allow Hitchin Initiative to receive the funding?

With the Chairman's permission, David Leal-Bennett advised:

- That SIB and CBF were all one body.

Morag Norgan advised that:

- At this point everyone worked well together.
- It was not clear in the funding application forms why Hitchin Initiative could not receive the funding.
- The focus was about saving the building and having a community facility.

John Richardson asked:

- Where there any other bodies interested?

Morag Norgan stated:

- That she did not remember any other bodies.

Councillor Sam Collins asked:

- At what point did the relationship/partnership go wrong?
- Why would there be a second development agreement to bring in 15 Brand Street?

Morag Norgan responded that:

- There were decades of history of NHDC working well with the private sector.
- Other issues of conflict had been dealt with and this shouldn't have ended up damaging good relationships.
- Those involved thought that they had a contract. There had been no discussion about changing the contract with Borrás - went straight to amending the Development Agreement.
- There was a huge degree of experience within the community in many areas but this was almost dismissed.
- John Robinson was extremely experienced within local government.
- There was a lot of experience amongst Hitchin Initiative and HTH Ltd.

John Richardson queried:

- Who paid for what?
- Why was the Project Board ineffective and what was effective?

Morag Norgan responded that:

- Hitchin Initiative paid for a planning application to get the project going.
- Hitchin Initiative was a facilitator and did not expect to have a return of funds.
- The Project Board was ineffective at resolving differences, which should have helped at the initial stages of the dispute.
- It may have been that the community didn't understand what a Project Board was.
- It felt like Hitchin Initiative was there in name only.
- Minutes were circulated and often amended. This was the first sign that there was an issue.

Cllr Sam Collins questioned:

- You mention a 'them and us' culture. Who were them and us?
- Do you think there was adequate experience in NHDC?
- Who was telling who what to do?

Morag Norgan stated that:

- The "them and us" were the Council Leadership verses the community, other Councillors and Officers.
- By the time the project started it was HTH Ltd vs NHDC political leadership and officers.
- There was a huge degree of experience in the community in many areas but this was almost dismissed.
- John Robinson was extremely experienced in Local Government and explained how things worked and wondered if elected Members relied on that, without having any real understanding.
- If there was a dispute in the Project Board and only one lead officer understood, what could you do?
- There was adequate project management but not adequate experience in construction.
- Buttress told Borrás what to do and the lead officer told Buttress.
- She stated that she had pages of comments from Brent Smith on the building works which included comments on the roof covering and damp issues.
- The community were there to help not to make things difficult.

John Richardson asked:

- In what sense was the £1m "lost"?
- Why did the project not operate to schedule?

Morag Norgan advised that:

- Hitchin Initiative and HTH Ltd had £1m of funding available, but this was lost due to the breach that meant the project couldn't be delivered, by which time it was game over.
- From a community perspective the facility was not that which was expected either in design or operation, as it was supposed to be operated by the community.
- It was however a fantastic facility.

Councillor Helen Oliver asked:

- At what point did it become clear that NHDC and HTH Ltd had different objectives regarding the wall?

Morag Norgan advised:

- There were never different objectives as the community wanted a full size stage.
- The Development Agreement said it was a removable stud wall.
- When the wall was constructed differently to that expected was the only time that it was notified.
- As partners this should have been explained.
- Should have been able to rely on the Development Agreement.

Councillor Sam Collins asked:

- Was there a document that said the wall would be breeze block?

Morag Norgan advised that:

- The detail of the wall would be somewhere in the planning documents.
- She did not know when the wall changed from being a stud wall.
- The Panel were welcome to look at documents that she held.

Audio Recording – Session 2 – 10 seconds

c. Statement of David Morgan

The Chairman declared that he had worked with David Morgan in the 1990's as his Secretary on a Health Committee and had only seen him twice in the intervening 30 years.

At the invitation of the Chairman, Mr David Morgan delivered a verbal presentation drawing attention to the following:

- There was and remained a gulf between NHDC and the community.
- He hoped that the outcome of the Review would be truth and reconciliation.
- It was strange that no serving Councillors involved in the Project at the time had presented evidence.
- The first Development Agreement (15.10.12) included a feasibility study that included 15 Brand Street. This led to the second Development Agreement (2013).
- The relationship broke down when HTH Ltd took exception to the brick wall (February 2014).
- At that point fund raising efforts stopped.

John Richardson asked:

- That the term 'Senior Supplier' be explained.
- What was the range of expertise?
- Explain the withdrawal of HTH Ltd.
- Can you explain how mediation worked?

David Morgan advised that:

- Senior Supplier was a term used in Prince 2 project protocol and had been used for many years. The protocol had one language to fit all.
- The community had a wealth of experience to bring to the project.
- It had been underestimated the difficulty of public and private sectors working together and the processes that the Council had to go through.
- Mr Morgan had agreed to work for 3 months on the project at cost price at which point his involvement ceased.
- He was subsequently asked to attend a Council meeting on 24 February 2014 regarding the wall.

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- There had been a reference to arbitration. However, it was difficult to use a mediator when in a construction contract.
- The breaking point of the Development Agreement was the breach of Agreement due to the wall.
- In Mr Morgan's professional life he had rarely needed to go beyond talking to parties in order for a compromise.
- At each stage the parties should have been talking.
- Was aware that there were mechanisms in place to resolve conflict, but this would all take time and cost money.
- Glad the enquiry was happening.

Councillor Helen Oliver informed Members that a Senior Supplier was someone whose skills were needed on the project.

Cllr Sam Collins asked:

- Were you responsible for handling the sale of 14/15 Brand Street or the sale to the Council?
- Referred to a statement of support from Mr Morgan on Mr David-Leal Bennetts' website.
- Can you describe the clash of personalities and how this could have been resolved?

David Morgan responded:

- He had only handled the purchase which he recalled to be less than £440K, possibly in the region of £350k.
- The relationship between the parties was not helped by actions such as reporting the theft of a board to the police, reporting HTH Ltd to the Charities Commission and reporting an officer to the Local Government Association.
- Mr Leal-Bennett had been accused of crossing the line and bullying. However, in referring to the statement on the website Mr Morgan stated that he had been happy to express that he was a reasonable person.
- The project should have been a group of people working together.
- A partnership depended on either side listening to each other.
- It was a good relationship at the start.

John Richardson asked:

- Why did it take so long?
- Have you seen the museum?

David Morgan responded that:

- During the first stage of the project he was the lawyer representing the bankers;
- NHDC didn't fully understand the project.
- He had not yet seen the museum, but had been to the Town Hall.
- The facility was a credit to the Town and something to be proud of.

Audio Recording – Session 2 – 25 minutes 24 seconds

D. Statement of Stephen Pike

Mr Stephen Pike presented to the Chairman a folder of documents from HTH Ltd.

At the invitation of the Chairman, Mr Stephen Pike gave a verbal presentation regarding his witness statement as follows:

- John Robinson had stated that, having entered into a Development Agreement, HTH abandoned it.
- The original brief and DA included 15 Brand Street; therefore HTH Ltd did not abandon the DA.
- John Robinson had stated that they did not have a robust organisation – HTH Ltd had a good team with varied skills and experience.
- Steve Crowley had stated that he was most impressed by John Robinson but HTH Ltd had been aggressive.
- This was a commercial deal that involved hard negotiations.
- The Executive, particularly John Robinson, were intransigent and it was felt that HTH Ltd were treated as an annoyance although Councillors treated us well.
- Officers ruled the roost at NHDC.
- There was not sufficient oversight of the Project by officers
- HTH Ltd made an official complaint to the Local Government Association about John Robinson but had never been informed of the outcome
- NHDC made a complaint to the Charities Commission which took significant effort to address. The complaint was not upheld and HTH Ltd felt slighted by this.
- The wall was built against HTH Ltd agreement.

John Richardson asked:

- Did you have experience of partnership working as a group?
- How was HTH Ltd founded?

Stephen Pike responded:

- That they had not had partnership experience as a group, but had as individuals.
- HTH Ltd had evolved.
- SIB felt more comfortable dealing with a separate organisation.
- They had thought about being a Community Interest Company, but John Robinson laid out NHDC's requirements and a charity was the best fit.

Ian Moody asked:

- What was the official complaint that you put in regarding John Robinson?

Stephen Pike responded:

- Not been treated as partner and the details would be in the Council's archive.

John Richardson asked:

- Did anyone benefit financially?
- Please explain about the "red lines" reference.
- How did you calculate the £2m that you were bringing to the project?
- You mentioned that the Development Agreement was breached. Why did you choose that moment to leave?

Stephen Pike responded:

- A number of people lost money.
- The wall was meant to be a stud wall There was a fixation by NHDC on space for the museum.
- The plan was to remove the wall at some point in the future.
- HTH Ltd were refused access a number of times to the building. When access was allowed the concrete wall with plant and services attached was discovered.
- Removal and refurbishment of the roof was not included in the contract.
- HTH Ltd were presented with the contract well after the event.
- The £1m was made up of grants and loans.
- HTH Ltd left because it had become a progressively difficult relationship.
- The stage being cut in two by an irreversible wall had a radical effect on the community.
- HTH Ltd could no longer fundraise as the facility differed to that required by the community.
- As a result HTH Ltd could no longer meet requirements of SIB.
- SIB deferred taking action for 2 years.
- There had been national repercussions in that SIB were now reluctant to lend to any project involving a local council.

Cllr Sam Collins noted:

- What was Mountford Hall Ltd?
- 14/15 Brand Street was purchased for £440K and sold to the Council for £550K.

Stephen Pike advised:

- Mountford Hall Ltd was the trading arm of HTH Ltd.
- The interest charged by SIB continued to accrue .
- HTH Ltd and HTH Finance Ltd did not make any money.
- John Ray lost money as his capital hadn't been available to earn him any interest.

Cllr Helen Oliver asked:

- Do you believe NHDC understood that the stage wall was a red line?

Stephen Pike advised that:

- When HTH Ltd discovered the wall they immediately asked NHDC to stop development.

Cllr Helen Oliver asked:

- Are you clear officers understood?

Stephen Pike answered:

- Yes, they understood.

John Richardson asked:

- Do you consider whether this was an overreaction on your part?
- Please explain the costs.
- Why didn't the project run to schedule?
- Have you been to the museum?

Stephen Pike responded that:

- This was not an overreaction; it was the straw that broke the camel's back.
- The political oversight accepted what officers relayed.
- HTH Ltd had a good relationship with Councillors as a body but the political leadership was the problem.
- HTH Finance Ltd evolved as SIB was forced to market the property.
- A developer outbid NHDC's bid of £220K.
- HTH Finance Ltd bought the debt from SIB and in buying the debt controlled the direction of travel.
- The project was delayed due to a lack of partnership.
- Full of good hope and pleased having completed a deal with NHDC.
- Mr Pike liked part of the building. The primary concern was the preservation of community space.
- A true partnership was working together and not against each other.
- A lot had been learnt, now NHDC needed to learn.

Councillor Sam Collins asked:

- Were you involved in the later stages?
- It feels like you were holding the Council to ransom. Why didn't they buy the property?
- Do you think the "witch-hunt" held up negotiations?

Stephen Pike advised:

- There were four separate offers made to NHDC to purchase the property but they said no each time.
- Although the property belonged to HTH Finance Ltd disabled access was allowed, but no other access was permitted.
- When negotiating, people don't give something for free.

The Panel adjourned at 12.08pm and reconvened at 12.20pm.

Audio Recording – Session 3 – 16 seconds

E. Statement of David-Leal Bennett

At the invitation of the Chairman Mr David Leal-Bennett made a presentation regarding his written statement as follows:

- Had been involved for a long time and lost count of time that he had put in pro bono.
- Some people had lost money.
- In referring to the folder which Mr Pike had mentioned - the folder outlined the main points but was not comprehensive.
- Had lived in Hitchin for 50 years and loved the town.
- Outlined his work and other skills.
- The HTH Ltd team were all professionals and he objected strongly to the suggestion that they didn't have enough skills.
- There had been over £1m of funding raised for the project.
- The statement by David Scholes that the plans had not been evaluated was unfair as they did not receive the plans until 2013, despite repeated requests.
- The plans consisted of 213 drawings.
- There were problems early into the project.
- It was clear that the NHDC lawyer was inexperienced when they discussed Transfer of Undertakings (Protection of Employment) Regulations 2006 and the Official Journal of the European Union.
- The business plan was discussed with NHDC.

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- Association of Charitable Foundations (ACF) approved £850K of borrowing for 14 Brand Street consisting of £400K plus £500K to inject into the Town Hall.
- The first Development Agreement stated that parties were open to an expanded scheme including 14 and 15 Brand Street, although there was much officer resistance.
- ACF/Social Investment Bank were aware of the difficulties with NHDC.
- An important date was when the wall was built.
- Within the referred folder Appendix O was an email stating that all stakeholders were included which was inaccurate.
- In respect of an email by Mr Steve Crowley, dated 16 May 2019 regarding storage in the basement, the information was inaccurate.

John Richardson asked:

- How was HTH Ltd funded?
- How was it decided that HTH Ltd would be the group to represent the community?
- Did you make it widely known that HTH Ltd was being founded?
- Who benefited financially?

David-Leal Bennett responded:

- HTH Ltd was formed because the bank said that it wanted separation from Hitchin Initiative.
- Prior to the formation of HTH Ltd, those involved had wanted a Community Investment Company to give flexibility to raise funds but NHDC didn't want a Community Investment Company, therefore HTH Ltd was formed.
- Community groups were informed about the establishment of HTH Ltd.
- No-one benefitted financially.
- When HTH Finance Ltd bought the debt they had to pay £330K and £20k in legal costs. When 15 Brand Street was purchased for £140K was given as a loan.
- The process had been extended therefore racked up legal costs of £70k plus interest.

Cllr Sam Collins asked:

- The Council was obliged to pay the principal interest, but who paid it?
- Who got the £550K paid by the Council?

David-Leal Bennett advised that:

- The deal was that if there were any breaches or a delay in the project there would be a cost.
- The Development Agreement had a clause that if there was a delay then NHDC would have to pay the interest of £12,500 per month.
- As there was a material breach there was no DA but NHDC said there was still a valid Development Agreement and therefore HTH Ltd should pay the interest. That expired once HTH Finance Ltd bought the debt.
- HTH Finance Ltd was allowed to charge interest on the same basis as SIB, but chose not to.
- HTH Ltd got the money from the Council, but had to pay the debt to HTH Finance, legal costs etc.

John Richardson asked:

- You were a District Councillor?

David-Leal Bennett responded:

- He became a Councillor after the project had commenced and HTH Ltd founded;
- There should have been a linkage as both organisations were working for the community.
- There were a lot of Part 2 papers and the ethos of NHDC was to work behind the scenes.
- Being a Councillor did cause problems - entitled to attend Council meetings as there was no pecuniary interest.
- At Conservative Group meetings there was no discussion regarding Hitchin Town Hall.
- Did talk to Councillors, but entitled to do this as a resident and as a Councillor.

Councillor Ian Moody asked:

- What do you mean about the “stance” of Lynda Needham and John Robinson?
- When things started to go wrong did HTH Ltd instigate any mediation?

David Leal-Bennett responded:

- They were not working in a partnership style
- Understand they needed to cut costs.
- Don't think Lynda Needham helped at all.
- Mediation was suggested.
- HTH Finance Ltd sat down in a meeting to continue discussions; the Chief Executive walked in and walked straight out again.
- Unprofessional - have to do deals with people you don't like.
- A Mediator was appointed but he was just a consultant.
- Councillor Tony Hunter and David Scholes were very unprofessional.

John Richardson observed:

- That it was important that both sides want mediation.

David Leal-Bennett advised:

- If he had been the only director of HTH Finance Ltd he would have sued the Council. But it was decided not to.

Councillor Sam Collins commented:

- It would seem that personal animosity had held up the project for 2 years.
- Do you think it took so long just because they didn't like you?

David Leal-Bennett advised:

- That he wasn't involved at the end.
- When the deal came to an end the bankers did not call in the debt.
- SIB was informed throughout of every aspect and of the affect on the Business Plan.
- The Council had 2 years to do a deal with SIB
- SIB stated that as discussions weren't moving with the Council they decided to call in the debt.
- Were notified that a developer was interested in 14/15 Brand Street and were going to make a bid, but instead decided to buy the debt.
- Agreed that the delays were as a result of NHDC not liking him personally but was unsure of all of the reasons.

John Richardson asked:

- What were the biggest causes of the delay?
- How would you define partnership working?
- Are you proud of the “inappropriate” email trail?

David Leal-Bennett responded:

- Would like to be able to say it wasn't personality clashes, but there were also other reasons e.g. the length of time it took the Council not to do a deal with SIB.
- Partnership working was give and take and the Council did not work in this manner.
- John Robinson stated that HTH were aggressive and bullying.
- It was unfortunately that Mr Robinson was copied into an email trail
- This email was a joke.
- Not proud of the email, but this is what John Robinson is referring to regarding aggressive and bullying.

Councillor Sam Collins asked:

- Who decided to change the wall from stud to breeze block?
- Have you seen any planning documents that changed the makeup of the wall?

David Leal-Bennett responded:

- We weren't involved with the wall.
- This wall was being built for museum storage.
- HTH bought 15 Brand Street, which was a large space, but NHDC would not relent on the wall.
- No documentation was provided.
- When the ducting was identified there was a complaint submitted and as a result listed building consent was applied.
- NHDC lied saying there was universal agreement regarding the material of the wall.

John Richardson asked:

- Have you been to the Museum?

David Leal-Bennett responded:

- He had been and it was great but was sad that the Town Hall only received minor make over.
- The Lucas Room was disappointing
- The Museum was amazing and a credit to the museum staff.

The Panel adjourned at 1.20pm and reconvened at 2.22pm, during which time Cllr Shanley had entered the Hall.

F. Statement of Lynda Needham

At the invitation of the Chairman Lynda Needham gave a verbal presentation based on her witness statement as follows:

- It was not the content of the unfortunate email, but the results that caused concern.
- She had been called back from a conference to discuss the email and a letter had been issued stating that it would be difficult to continue negotiations with that particular individual and that a different person should be appointed to the Project Board.
- A very understanding letter was received back.
- However, at the next Project Board meeting everything in the letter had been ignored and the author of the email was present at the meeting.
- Mrs Needham had wanted to stop the Project Board meeting, but Mr Robinson insisted it continue.
- Everything promised by HTH was overturned.

John Richardson advised:

- That David-Leal Bennett had raised the contents of the email without being asked.

Lynda Needham continued:

- SIB advised that they wanted to withdraw from the agreement. And at a Council meeting Members were informed of the events.
- When the meeting had concluded Mr Leal-Bennett invaded Mrs Needham's personal space stating that she was a liar.
- At the mediation meeting there was a stack of papers from HTH Ltd.
- When the mediation meeting closed as NHDC personnel were leaving the room an offer was made but disregarded due to the manner in which it was offered.
- At the next Full Council meeting, this was raised but it was considered a throw away comment.
- Discussions were supposed to be confidential but they were telling people.
- Regarding the meetings with SIB and NHDC evidence from Brent Smith stated that these were as a result of the wall.
- Hitchin Initiative stated that NHDC had meeting with SIB without consent, but SIB requested the meeting with NHDC and advised that they would withdraw funding due to multiple breaches of the funding agreement.
- NHDC requested SIB put the details in writing, which they did.
- NHDC met with SIB on 4 separate occasions, at their request, NHDC never contacted SIB.
- Site visits were limited for everyone.
- No evidence had ever been presented of the alleged forklift incident.
- It was HTH Ltd that negotiated with the Council regarding 15 Brand Street.

John Richardson asked:

- Do you remember when things turned sour?
- When was the Project Board founded and who was on it?
- Was the Project Board the right shape?
- This was a task for officers alongside other tasks, was it too much?
- Why do you think it took so long?

Lynda Needham responded:

- At the point of the email sent in error to Mr Robinson.
- Prior to that Mrs Needham had been requested to meet with SIB. It was a very short meeting which Morag Norgan was also present.
- SIB wanted confirmation that NHDC were committed to the Project.
- Afterwards Mrs Needham had considered why SIB would be so concerned that NHDC would default.
- The Project Board was founded following the concept of combining the museums in late 2009.
- In 2010 members of the Project Board were Patricia Cowley, Officers, and core architects. Later HTH came on board.
- Originally the Project Board was the right shape.
- John Robinson would have said straight away if he didn't have the capacity for the project.
- Adding 15 Brand Street delayed the project.
- Brent Smith presented at a Council meeting and assured Members that 15 Brand Street would not cost the Council.
- Plans then had to be drawn up.
- When 14/15 Brand Street went out to tender negotiations were going on in the background.
- In Spring 2017 the Council agreed to buy 14/15 Brand Street for £550K. The District Auditors were aware.
- A quick closure was expected but there was suddenly a plethora of clauses relating to the Town Hall.

Councillor Ian Moody asked:

- Why did the Council refuse to buy 14/15 Brand Street when it was offered?

Lynda Needham advised:

- There were no offers to sell 14/15 Brand Street.

Councillor Sam Collins asked:

- Would you have expected David Scholes to make a decision regarding the wall?

Lynda Needham advised:

- It was on professional advice that the wall was of breeze block construction.

The Chairman agreed that John Robinson could give some technical information as follows:

- Project development moved from feasibility to fully costed plans
- Once agreement had been made to proceed with the project and Development Agreement 1 signed, negotiating regarding Development Agreement 2 had commenced.
- Mr Robinson had placed the tape on the floor.

John Richardson asked:

- Why did the wall cause such offence?
- Do you think anyone benefitted financially?
- How much did the project cost?

Lynda Needham responded:

- Reason it caused offence would need to be posed to HTH.
- NHDC were accused of a breach but HTH never moved on to the resolution stage.
- Didn't believe that anyone had benefitted financially.
- When SIB said that they were rescinding their agreement they advised that upward of £400K had been drawn down.
- NHDC honoured the agreement to not contact SIB.
- The project cost £3.5m plus £1m from HTH and £1m from the lottery.
- HTH stated they would raise funds for a high spec kitchen of about £300K in addition to the above.
- There was never any attempt to raise funds.
- The residents of Hitchin were very philanthropic.

Councillor Sam Collins asked:

- Do you think the project achieved what it set out to?
- It looks like a £2m overspend.
- It had been stated that consultation wasn't effective and that the people of Hitchin didn't get what they wanted.

Lynda Needham responded:

- The museum curator had done an excellent job.
- Disappointed in the finish of the Town Hall.
- NHDC had been advised that planks of the sprung floor required replacement.
- The project was to save revenue budget.
- The £2m was additional funding for reasons given.
- The facility was for the District not just for Hitchin.

John Richardson asked:

- Were you aware of the damp issues?

Lynda Needham responded:

- The damp problem had progressed and something had happened to make it worse.

Councillor Helen Oliver asked:

- Did NHDC spend money on a building it didn't own?

With the permission of the Chairman John Robinson advised:

- Development was on the land of 14/15 Brand Street, pending the return of this to NHDC. NHDC also built on land owned by the Workman's Trust.

John Richardson asked:

- What was the best form of partnership working?

Lynda Needham advised:

- Not to have people involved who have a foot in both camps.
- Partnerships were a good thing and could bring external funding.

Councillor Helen Oliver asked:

- Was it your understanding that community engagement was to be done by HTH Ltd

Lynda Needham responded:

- We expected HTH Ltd to do community engagement but they didn't do it.

Councillor Sam Collins asked:

- What was the cost of pushing on as quickly as possible?
- It was suggested that a final deal wasn't done because you and the Chief Executive didn't like people.
- What about the culture of confidentiality?
- The final cost to the Council of £550K?
- Do you think that people made money?

Lynda Needham responded:

- All of the issues already mentioned.
- NHDC have been attacked for 5 years and have never retaliated.
- If NHDC had continually waited the Project would have been further delayed.
- The reasons given for not doing a deal were nonsense.
- NHDC never been given any explanation of the breaches of the financial agreement.
- The delays had nothing to do with not liking people.
- The Council understood due diligence
- Confidentiality regarding 14/15 Brand Street was at HTH request which NHDC continued to honour.
- £100k additional funding was requested to complete the Project which was notified to the District Auditor.
- Do not know if anyone made any money from the Project.

John Richardson informed all present that a third day had been scheduled on 2 August 2019 at 10.00 am in the Council Chamber and that details would be published on the website

The meeting closed at 3.17 pm

Chairman