

HEREFORD CITY COUNCIL

FINANCE AND POLICY COMMITTEE 14th January 2014

MINUTES OF MEETING

Present : The Right Worshipful the Mayor and Councillors Kay, Chappell, Oliver, Michael, Tawn, Chave, Boulter and Wilcox.

Officers Attending ; Steve Kerry Town Clerk, Lesley Bruton, Finance Officer

F2013/14.64 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Toon

F2013/14.65 APPOINTMENT OF SUBSTITUTES

None

F2013/14.66 DECLARATIONS OF INTEREST

None.

F2013/14.67 MINUTES

The Town Clerk circulated a full set of minutes as some sets sent out with the agenda had been missing a page.

It was proposed by the Mayor, seconded by Councillor Tawn and

RESOLVED That the minutes of the meeting of 26th November be signed as a true record of the meeting.

F2013/14.68 ACCOUNTS PAID

The Finance Officer presented a schedule of items paid since the last meeting of the Committee. In answer to questions it was confirmed that :

The scroll for Dr Weston's Freedom Ceremony had been more expensive than previous partly due to a rise in the cost of vellum and partly because of the number of colours used. The Clerk confirmed he would be seeking prices from alternative suppliers.

The charges for litter bins in Tupsley Quarry referred to three bins including installation and was funded from the Street Scene budget.

Half the cost of fencing at College Road allotment had been met by the Allotments Society who had sourced the supplier and obtained quotes.

The charge from Chubb relating to the annual contract for monitoring and maintenance relates to 24/7 call out cover as well as an annual check.

The Chairman reminded members of the previous agreement that questions of fact or clarification should be raised with the Finance Officer before the meeting, only matters of principal should be brought forward for debate at meetings.

F2013/14.69 DEVOLUTION OF SERVICES AND ASSET TRANSFERS

The Town Clerk introduced the report referring to a transfer of land at the Drybridge Allotment site (also known as Greyfriars) and a possible pilot project to re-open the Union Street public convenience for a limited period on terms as set out in the report.

The Mayor suggested taking the two items separately which was agreed. In answer to a question it was confirmed that the word “informally” in the resolution meant an agreement on terms prior to signing and sealing. It was proposed to delete this word to avoid any confusion. In answer to further questions the Clerk confirmed that this matter is ready to proceed and hand over of the land will follow immediately on signing and sealing of the agreement. It was also confirmed that having protected the Council’s position in relation to the possible enhancement of the land value the Town Clerk had not deemed it necessary to seek legal advice on a straightforward deed of this kind.

It was proposed by the Mayor, seconded by Councillor Chave and

RESOLVED That the Committees authorises the Town Clerk to agree the terms with Herefordshire Council and recommends to Council that agreement be given for the document(s) to be signed and sealed at the earliest opportunity.

The Committee then considered the question of the Union Street public toilet. In answer to a question it was confirmed that Vennture Trust had been approached by a City Councillor as a possible alternative to individual approaches to local churches. They had confirmed that they were not interested in the project.

Discussion focussed on the several areas of outstanding uncertainty as a number of oral agreements have not yet been confirmed in full detail. The Town Clerk agreed and advised the Committee that this was why the report referred to proceeding if the oral agreements are confirmed. At the time of writing the report, and to date, there were still some outstanding issues, but waiting until the next committee cycle could lose the possibility of running the project at all. It was suggested that this point be included in the final resolution.

Members expressed concern at the various costs quoted for the door lock fitting and sought a clear figure on that and other potential cost implications. The Clerk confirmed that although no specific costs had been identified in final detail, this would not be zero cost project for the Council, but that the installation of the lock and the attendance of a cleaner would not be charges to us during the pilot.

After some discussion it was proposed by the Mayor, seconded by Councillor Oliver and

RESOLVED That the question now be put.

It was then proposed by the Mayor, seconded by Councillor Tawn and

RESOLVED

That the committee recognises that the proposals offer a viable pilot project that will be of considerable value both in continuing to provide a community service and in gathering reliable information to enable informed decisions about long-term use to be made.

That the Committee, assuming all of these oral agreements can be confirmed, authorises the Town Clerk to enter into an agreement for a pilot project to be run on the Union Street public toilet to enable it to be re-opened in accordance with the principles set out above.

F2013/14.70 REVENUE BUDGET REQUIREMENT AND COUNCIL TAX 2014/2015

The Finance Officer presented a report detailing the full implications of previous decisions of the Committee regarding growth items, savings found and unavoidable growth through legal or contractual obligations.

A number of questions were put and lengthy discussion took place from which the key points are noted.

The Street Scene budget did not contain money set aside for employing a Civil Enforcement Officer, which has not gone ahead. The budget has been used to fund £27,000 community development works around Newton Farm as well as local initiatives from ward councillors for bins, signs and map, benches etc in their areas.

The Neighbourhood Planning Reserve of £60,000 could be reallocated to support the budget in 2014/15, which would reduce the budget requirement for one year only. However, this would not affect the base budget, meaning that the following year, in order to maintain budget at the same level, the Council would have to find either savings or increase its precept by the same £60,000.

The growth in salaries reflects contractual increments, agreed job evaluations, maternity cover agreed by Committee, and increased employer's NI and pension contributions. The reduction in recoveries refers to the decision by Herefordshire Council not to fund half of the salary of the City Events Manager post. It was confirmed that not providing this as a fulltime post would reduce capacity for taking new or developing existing events and that cover so far while the incumbent had been on sick leave had been on pre-planned and organised events.

To assist members to understand the history of this item the Finance Officer circulated a summary of changes to the tax base, noting the very large reduction as a result of a change in government policy regarding Council Tax benefit and its effect on the tax base, and a history of precept and Band D increases and reductions since 2001.

Some members felt that a 14.33% increase was too high and sought to reduce to between 5-10%. It was noted that 14.33% represents £5.93 per annum, or 11 pence per week.

Some discussion took place of the benefits to the wider city economy of our events programme and the extent to which it support local business, for which there is anecdotal evidence that large events benefit the catering outlets considerably but not necessarily the retailers.

Other members felt the report set out very clearly the cost of doing what we had decided already needed to be done in the City and members should support it. There was a risk if we didn't increase our budget as necessary this year, or relied on a one off support to revenue spending from reserves with an implied budget increase the following year, the Council could be caught up in capping rules and need to hold a referendum to impose even a modest increase in future.

Members considered what was desirable as opposed to necessary in our budget and to what extent we had spent previous budgets on delivering services and benefits to the community.

It was confirmed that Herefordshire Council have passed on to parishes the full amount they have received from the government to compensate for changes to the tax base. However, many other principal authorities had decided to withhold some or all of this money and there is no legal challenge possible to this. There was a risk of the County in future withholding some or all of the grant which would reduce the Council's funds by £92,977. No additional provision had been made for this in this year's budget, to hold the tax increase to what was necessary to fund agreed items.

After several amendments were proposed but not seconded it was proposed by Councillor Wilcox, seconded by Councillor Kay that

The tax increase be limited to 5% and that £60,000 for the Neighbourhood Plan Reserve be used to fund revenue spending in the year.

On being put to the vote there were :

In favour 4

Against 5

The amendment was therefore not carried.

It was then proposed by the Mayor, seconded by Councillor Chave and after being put to the vote there were :

In favour 5

Against 4

and therefore **RESOLVED**

That the Committee review the proposed allocation of the revenue estimates to service areas as set out in appendix A and Section 6 of the report.

That the Committee recommends the allocation of the estimates to Council.

That the Committee review the level of reserves and balances and recommends transfer between the reserves.

That the Committee agree and recommends to full Council :

- (a) A budget requirement/precept of £815,715.**
- (b) A precept requirement, net of grant funding for 2014/15 of £722,738.**
- (c) The Band D Council Tax for City Council purposes be £47.32, a 14.33 % (£5.93) increase :**

<u>Band A</u>	<u>Band B</u>	<u>Band C</u>	<u>Band D</u>	<u>Band E</u>	<u>Band F</u>	<u>Band G</u>	<u>Band H</u>
£31.55	£36.80	£42.06	£47.32	£57.84	£68.35	£78.87	£94.64

That the Committee note the government funding from Herefordshire Council of £92,977 to support the Council Tax revenue foregone due to the Council Tax reduction scheme.

Councillor Chappell moved, and Councillor Chave seconded and it was

RESOLVED That the Finance Officer be thanked for producing an excellent report with great clarity on a range of complicated issues.

F2013/14.71 SUPPLEMENTARY AGENDA – INTERIM INTERNAL AUDIT REPORT 2013-14

The Town Clerk presented the report which confirms that the Council's processes and procedures are all adequate and that all checks on transactions and accounts are satisfactory.

On the recommendations it was suggested that the Finance Officer vary the level of fidelity insurance as necessary to meet the Audit Commission guidelines. It was noted that the recommendation regarding long term cover had been responded to before, the Auditor had received a copy of the Council's decision regarding the use of a locum service if necessary and that there had been no response to the Town Clerk's email seeking clarification of why this had been referred to again in this report.

It was proposed by Councillor Tawn, seconded by Councillor Chappell and

RESOLVED

That the report be accepted and any further comments regarding the issue of long term absence cover be reported to the Committee.

That the Finance Officer be congratulated on a very good audit report confirming that all matters have been handled correctly.

F2013/14.72 ITEMS FOR FUTURE MEETINGS

Quarterly Financial Statement 31st December 2013 (noting that the Christmas break had made it impossible for this item to be ready for this meeting).

F2013/14.73 DATE OF NEXT MEETING

25th February 2014 at 6 pm.

The meeting was closed at 8.22 pm

Signed

Date