

**HEREFORD CITY COUNCIL**

**FINANCE AND POLICY COMMITTEE 18<sup>th</sup> October 2016**

**MINUTES OF MEETING**

**Present** : Councillors Rone, Michaels, Boulter, Tawn, Edwards, Stevens, and Wilcox

**In attendance** : Steve Kerry, Town Clerk and RFO, Sandy Leppan Temporary Finance Officer

**FP2016/17.46 APOLOGIES FOR ABSENCE**

Apologies were noted from the Right Worshipful the Mayor and Councillor Griffiths

**FP2016/17.47 SUBSTITUTIONS**

None

**FP2016/17.48 DECLARATIONS OF INTEREST**

None

**FP2016/17.49 MINUTES OF PREVIOUS MEETING**

Councillor Stevens thanked Councillor Edwards for chairing the last meeting in his absence and that of the Vice Chairman.

It was proposed by Councillor Edwards, seconded by Councillor Boulter and

**RESOLVED That the minutes of the meeting of 6<sup>th</sup> September be agreed as an accurate record.**

**FP2016/17.50 SCHEDULE OF PAYMENTS**

The Clerk explained that the report was presented in two formats. One had been seen previously and was manually generated, the other could be run off the financial accounting software and took much less time to produce, however it did not show which members had signed which items. Members agreed that the second format met their needs.

In answer to questions the following points were confirmed :

The Herefordshire Council item shown includes rent and service charges as well as room hire.

The BBLP litter picking charge was for the Christmas Lights switch on event and was for work carried out on Sunday night therefore at premium rates. However, members felt that charge was excessive and the Clerk undertook to see if an alternative provider could be sourced, although time was short before this year's event.

The item for Hereford Cycle Trust had been agreed by Committee.

It was noted that Keith Kinsey's work had become more expensive recently and the Clerk asked members who were aware of local firms doing handyperson and small works tasks to assist him in compiling a short list for price testing from time to time to maintain competitiveness. Members agreed to send details of local firms and individuals who they knew of through their community work and who had proved to be competent and keenly priced.

It was proposed by Councillor Stevens, seconded by Councillor Boulter and

**RESOLVED That with the points noted above the schedule of payments be accepted.**

#### **FP2016/17.51 BANK RECONCILIATIONS**

The Clerk asked members if they needed to see all the process sheets attached to this item which were reviewed by the member nominated by Council, Councillor Wilcox, or whether it was sufficient to see the top sheets giving a summary of the position. Noting that all items of payment had already been reported to Committee, members felt the summary sheets were sufficient.

The Clerk reported that the position with Countrywide Grounds Maintenance which was shown as an outstanding item on the last reconciliation had moved on. Invoices totalling £7,704 had been received up to the day the local agent walked off the contract in the face of mounting criticism over performance and supervision. Since then, the Clerk had been engaged in quite confrontational correspondence with Countrywide's financial controller who had initially demanded full payment and refused to take into account the complaints raised by Hereford in Boom and the additional replanting that had been necessary. Having asserted that the Council would defend itself against litigation in this matter, the Clerk had obtained a reasonable offer, which was to offset the cost of replanting, a total of £3,100, and settle the outstanding invoices for £4,604. The Clerk advised the committee that taking this matter further would be unlikely to yield a better settlement and could incur substantial costs if the Council was held at county court to have unreasonably withheld agreement.

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

**RESOLVED That the outstanding disputed invoices from Countrywide Grounds Maintenance be settled as offered at £4,604 and that the bank reconciliations be noted.**

#### **FP2016/17.52 QUARTERLY FINANCIAL MONITORING REPORT**

The Temporary Finance Officer presented the quarterly report and the following points were noted in discussion.

Bank rate was now 0.25%

The large balance in the current account was the result of the second instalment of precept having just arrived from Herefordshire Council as at 30<sup>th</sup> September. It had been placed on deposit to earn interest immediately. The Council's possession of two current accounts would be reviewed to see if this continued to be necessary.

Items planned to be drawn from reserves will be shown as spent in current budget areas until the end of the year when the draw down from reserves takes place as part of closure of accounts.

The figures shown for end of year reserve levels are anticipated amounts based on known commitments.

Postage costs attributed to Committees is not a precise calculation and is based on notes in the book kept by the franking machine. It may be more helpful to show an overall postage figure as an administrative expense rather than retaining the somewhat arbitrary allocation of postage to activities.

The staffing cost overspend relating to cleaning arises because Governance and Procedures Committee increased the cleaner's hours in respect of additional work in the Parlour but this is not reflected in the budget. This overspend is more than covered by underspend in other staffing areas.

It was proposed by Cllr Tawn, seconded by Cllr Michael and

**RESOLVED**

**That the Committee notes the contents of the report.**

**That the Committee notes income and expenditure to 30<sup>th</sup> September 2016.**

**That the Committee takes no action at present on projected over and underspends as these will be contained within the overall budget and resolved at the year end.**

**FP2016/17.53 INTERIM INTERNAL AUDIT REPORT**

The Clerk presented the mid-year report of the internal auditor, which presents the first external check of how well the handover to the temporary finance services provider had gone. The Clerk was pleased that the auditor had encountered no problems with the arrangements and was supportive of the suggestion that the finance role could be split into two, a bookkeeping role handled internally as part of the administration, finance and information posts being created and a more specialised professional accounting role to be bought in from an external provider to complete monthly reconciliations, quarterly financial reports, annual budget setting and closure of accounts. The Clerk was satisfied that with a competent external provider he could meet the RFO obligation of providing legally acceptable accounts and financial records.

Councillor Edwards thanked Mr Leppan and his colleague Rachel Burton for their work in achieving a smooth handover. This was endorsed by members.

Regarding risk assessments, the Clerk pointed out that two separate reports are done. Governance and Procedures Committee receives a general risk analysis report annually, and had done so for 2016. This Committee receives an annual budget proposal and the specifically financial risks faced by the Council, and the risks inherent in the assumptions underlying the budget are reported at that stage. This meets the audit requirement for comprehensive assessment of risk.

**FP2016/17.54 ST JOHN'S AMBULANCE DONATION**

After a brief discussion it was proposed by Councillor Tawn, seconded by Councillor Michael and

**RESOLVED That a donation be made of £250-00 be sent to the St John's Ambulance Brigade and that an accompanying letter thanking for their support also includes a request that the money be spent locally within Hereford and the immediate area.**

**FP2016/17.55 INVESTMENT STRATEGY**

It was noted the reference to a Royal Bank of Scotland account is now obsolete and this should refer to Lloyd's accounts. With that alteration agreed it was proposed by Councillor Wilcox, seconded by Councillor Michael and

**RESOLVED That the investment strategy be agreed.**

**FP2016/17.56 FUNDING CENTRAL NEWSLETTER**

The Clerk clarified that newsletter is used as the source for much of the advice given by the Civic and Community Development Officer about current, and especially new, opportunities for local groups who have approached the council for grants to obtain further financial support. It was an authoritative source of up to date information and had proved extremely useful.

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

**RESOLVED That the Council renews its subscription to the Funding Central newsletter at a cost of £100-00.**

**FP2016/17.57 ITEMS FOR FUTURE MEETINGS**

City of Culture financial support

Revised staffing budget

Update on the Town Hall and Tourist Information Centre

Devolution of services and assets

River slipway

Budget pressures and options for consideration as part of budget setting

**FP2016/17.58 DATE OF NEXT MEETING**

22<sup>nd</sup> November 2016

Signed .....

Date .....