

## HEREFORD CITY COUNCIL

### FINANCE AND POLICY COMMITTEE 20<sup>th</sup> November 2018

#### MINUTES OF MEETING

**Present :** The Right Worshipful the Mayor Cllr Sue Boulter and Cllrs Clive Butler, Mark Dykes, Phil Edwards, Kath Hey, Sharon Michael, Pauls Stevens, Len Tawn (from 6:05 pm), Brian Wilcox (from 6:04 pm)

**In attendance :** Steve Kerry Town Clerk and responsible Finance Officer, Becci O'Reilly Acting Administration, Finance and Information Officer.

At the start of the meeting the Chair reiterated the fire procedure and explained that Becci O'Reilly had been appointed to provide maternity leave cover for the officer who collates the financial reports and records the Council's transactions and had started early due to that officer having been taken ill before they were due to start their maternity leave. She was attending the meeting as part of her induction into the role. The meeting welcomed Becci and wished her well.

#### **FP2018/19.54 APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Lloyd-Hayes and Rone. It was also noted that Councillors Tawn and Wilcox, not present at the start of the meeting, had reported heavy traffic and expected to be late.

#### **FP2018/19.55 APPOINTMENT OF SUBSTITUTES**

Councillor Lloyd-Hayes had appointed Councillor Hey as her substitute.

#### **FP2018/19.56 DECLARATIONS OF INTEREST**

No declarations were made.

#### **FP2018/19.57 SCHEDULE OF PAYMENTS**

The Clerk reported that due to staff sickness and the non-availability of cover from DCK at very short notice this item was not ready and suggested it be held over to the next meeting. This was agreed.

#### **FP2018/19.58 BANK RECONCILIATIONS**

The Clerk reported the same situation as with the previous item and it was agreed to hold it over until the next meeting.

#### **FP2018/19.59 BUDGET STRATEGY AND PRIORITIES**

The Clerk introduced the report of discussions that had taken place since a draft budget had been prepared, based on a 2% council tax increase and an uplift of £50,000 in street scene. The draft budget had incorporated changes agreed such as resolving the ward budgets into the main street scene and parks and open spaces budgets. Since then, the Chair of the Committee and the Clerk and Deputy had done a line by line review of past spending patterns to verify the proposals and had come up with a number of changes. It was likely that the Council would be able to deliver a significant increase in the street scene budget without a council tax increase and

the report set out a number of proposed changes, the net effects of which was to achieve this outcome. Members reviewed the changes.

Line 130 Agency Workers – noted that the Council only uses agency workers to cover vacancies and this can be covered from the main staffing budgets. An exceptional call could be made on the reserves if necessary. There is no need for a separate line, and £5,000 could be deleted from the budget.

Line 471 Subscriptions – noted that the decision to leave NALC/HALC meant that the budget could be reduced by £4,000. Funds needed to be retained for Councillors to be trained and specific concern was raised about training for Committee Chairs. It is Council policy that those elected to chair committee should receive training and this should continue.

Line 507 HR Consultancy – noted that the Council does not have a retained HR consultant and does call on services from time to time. The budget of only £500 was not likely to cover costs and so it was proposed to increase it to £2,500. This was agreed.

Line 515 Street Scene – noted that the £50,000 suggested at the last meeting was not on the basis of costed proposals and that a subsequent meeting of Community Development Committee had looked in detail at the levels of spending in this area and Parks and Open Spaces over previous years. On this basis it was felt that the budget could be set at £90,000 for street scene, still a substantial increase, but £16,350 less than the proposed level in the draft budget.

Line 601 Community Grants – noted that this budget had been almost fully spent last year and there were increasing calls on it this year as other voluntary sector funding bodies were cutting back. It was proposed initially to increase this by £10,000 but the subsequent decision of Community Development Committee to subsume the £8,000 pa budgeted for a Three Choirs reserve and to place that funding proposal within the mainstream of community grants added a further £8,000. This meant an increase in community grants of £18,000 partly offset by a reduction in contributions to Three Choirs reserve of £8,000. This was agreed.

New Lines £15,000 Courtyard Theatre and River Carnival. The Clerk explained that these were now subject to recurring grants. In the first year these payments were covered from community grants but as known future payments they should be set up as lines in their own right, as had been done for Close House, CAB and Friends of Castle Green. This would put all such payments on the same footing. In answer to a query it was confirmed that if and when Community Development Committee agree funding for Three Choirs if it is a recurring grant it would be treated in the same way giving consistency across the range of long term supported activities. This was agreed.

Line 459 Public Ceremonies – The principal of funding the major civic ceremonies from one area was agreed to avoid confusion with what is a mayoral expenses function and what is a civic ceremony. In discussion it was noted that the Three Choirs civic meal and the receptions for volunteers were funded from this source. Member felt this should all be funded from the Three Choirs grant so the cost of the Council's support would be in one place in the accounts to aid transparency. This

would reduce the figure necessary to add to civic ceremonies and the Clerk would bring a revised figure to the next meeting of the Committee when the budget would be finalised. (It was also noted that the practice recently introduced in Worcester of a single meal for both clerical and civic guests after the Three Choirs Opening was a good one and should be encouraged in Hereford, with the Council part-funding and jointly hosting the event with Dean of the Cathedral.)

Line 486 Jaworzno – noted that the developing relationship with Jaworzno meant that it was appropriate to fund this to the same level as the two twinning agreements already in place. It was also noted that the Mayor had helped reinvigorate the links with Vierzon and Dillenburg so it would not be appropriate to fund this by reducing the previous budget and a new item of £1,500 should be added.

Line 807 Tree Choirs Reserve – noted that this was an adjustment to give effect to the transfer of this item to Community Grants.

Line 100 et al Salaries – the Clerk reported that here had been considerable changes in staffing arrangements following a resignation and staff sickness and that a report setting a revised establishment was before the Governance and Procedures Committee for consideration next week. This item would be revisited once that meeting had taken place and a revised budget for staffing set, which it was likely would still show a reduction but add ons such as National Insurance, employer's pension etc had not yet been factored in.

The meeting also considered a further proposal regarding Mayor's Expenses. It was noted that for some years Mayors had spent well within the expenses budget and that this, together with the clarification and adjustment regarding civic ceremonies mean that a reduction of £1,500 could be sustained. The Mayor and Deputy Mayor confirmed they were happy with this proposal.

In conclusion the Clerk reported that noting the alternations agreed above, and the as yet unknown effects of tax base adjustments, it was still likely that a zero tax increase could be set. The item for City Events of £5,000 was intended to support the Hereford BID but if necessary this could be reduced and activities funded from street scene or parks and open spaces. He therefore suggested that this be held as a balancing item to be adjusted when the other changes noted above, and the effects of the tax base changes were known. These would be included in a final draft to be presented to the January meeting of the Committee which would recommend that budget to Council to set the precept requirement.

It was proposed by Councillor Edwards, seconded by Councillor Wilcox and unanimously

#### **RESOLVED**

**That the Committee approves the changes listed in the report to the draft budget, noting that further work will be done to clarify the requirements for funding for civic ceremonial and staffing and instructs the Town Clerk to produce a final draft budget for the next meeting incorporating this further work and the confirmation of the tax base.**

**That the target is to achieve a balanced budget without a council tax increase.**

**That the amount set aside for City Events can be adjusted to act as the balancing figure to enable a zero tax increase to be proposed.**

Councillor Edwards asked that his thanks to the Chair, Clerk and Deputy for their work on analysing the budget in detail and to the Clerk for a clearly presented report be noted. This was supported by the Committee.

#### **FP2018/19.60 KEY PROJECTS UPDATE**

The Clerk introduced the report as circulated with the agenda and the subsequent update regarding the City Walls. The meeting on the walls had taken place just after the agenda despatch deadline but was significant and merited an updated report.

Members expressed satisfaction with the decision of the cabinet member at Herefordshire Council to allow the whole of the car park to be included in the demised premises offered to the Council under the asset transfer of the town hall. However, it was noted, with some concern, that the written confirmation of this was overdue and was being pursued. The Clerk reported he had been assured by one of the officers at the meeting that this was imminent.

The Clerk also referred to his search for a suitable legal adviser and confirmed that the two proposals received had been for senior partner level advice which was appropriate given the importance and complexity of the matter. No third quote had been received.

In the light of the ongoing concern about the need for written confirmation of the position on the car park the Clerk's recommendation was modified. Councillor Edwards proposed, Councillor Hey seconded and it was unanimously

**RESOLVED That the Committee authorises the Clerk, once written confirmation of the Herefordshire Council agreement to include the whole car park in the offer of an asset transfer is received, to obtain legal advice from one of the firms contacted subject to the work being given to the firm that offers the best rate for a suitably qualified and experienced property solicitor to give professionally indemnified advice.**

The further report covered the possibility of seeking external funding from Highways England to support stabilisation and some restoration of the city walls. The Clerk confirmed in answer to a question that the scope of the funding would include information and interpretation boards, and possibly an electronic equivalent such as a roving app. The extent of work required to raise the initial grant application was minimal as this was simply to establish that the scheme was within the scope of the designated funds held by Highways England. Preliminary discussions between Historic England and Highways England had already suggested that it was. The second stage was an unknown quantity, but there was already a wealth of archaeological survey reports to draw on, and recent inspections of the sections owned by Herefordshire Council and some emergency works had already been carried out.

The role of the accountable body was clarified. As accountable body the Council would receive the grant money and hold it until owners commissioned works. The responsibility of the client on those works under health and safety and related legislation would remain with the owners. Owners would apply for funds by demonstrating that their works were within the grant criteria and the Council would administer the grant according to the Highway England grant award stipulations and rules. This was similar to the way the Council currently releases grants on completion of grant award conditions through its own process.

The Clerk had contacted the Council's insurers and they had confirmed that this would be covered by our fidelity cover which is up to £2m. If the grant was so large that, taken together with the Council's own budget, this gave insufficient cover then more cover could be purchased at an increased premium. This would not be a significant cause for concern to the Council.

One member added a caution that Highways England can be slow to deal with and have somewhat convoluted processes for coming to agreements. This was noted. The exact scope of the grant was not clear at this stage, certainly the walls facing Victoria Street (part of the A49(T), were in scope and it was highly likely that adjoining sections facing Newmarket Street and Blueschool Street would be in. There was a remote possibility if the whole wall being recognised as a single monument which would extend that.

It was noted by several members that concern about the declining state of the walls and their under use as a tourist attraction had been a concern for a long time and the lack of funds had impeded progress beyond very basic and rather unsatisfactory emergency repairs. This proposal offered the best prospect of leveraging some useful external funding to achieve some progress.

It was proposed by Councillor Butler, seconded by Councillor Dykes and unanimously

#### **RESOLVED**

**That the Committee reaffirms its support for the intention to stabilise, and where possible renovate, the walls and supports the application for funding to Highways England.**

**That the Committee endorses the proposal that the Council acts as the lead applicant and that the Clerk leads on completion of the application.**

**That the Committee agrees to the Council becoming the accountable body for the application and the administration of funds should the application be successful.**

#### **FP2018/19.61 ITEMS FOR FUTURE MEETINGS**

It was noted that the half yearly report would now be subsumed into a third quarter report for the next meeting.

Held over items on schedule of payment and bank reconciliations

Final budget proposals for onward recommendation to Council.

**FP2018/19.62 DATE OF NEXT MEETING**

Tuesday 15<sup>th</sup> January 2019 at 6 pm

There being no further business the Chair declared the meeting closed at 6.55 pm

Signed .....

Date .....