**HEREFORD CITY COUNCIL**

**FINANCE AND POLICY COMMITTEE 15th July 2014**

**MINUTES OF MEETING**

**Present :** The Right Worshipful the Mayor and Councillors Chappell, Boulter, Michaels, Edwards, Chave, Oliver and Wilcox

Councillor Kenyon attended as a non-member of the Committee

**Officers attending :** Steve Kerry Town Clerk, Lesley Bruton Finance Officer

**F2014/15.23 ELECTION OF CHAIRMAN AND VICE CHAIRMAN**

Councillor Chappell proposed, Councillor Chave seconded and it was

**RESOLVED That Councillor Edwards be elected as Chairman of the Committee for the year.**

Councillor Wilcox proposed, Councillor Michael seconded and it was

 **RESOLVED That Councillor Toon be appointed Vice Chairman for the year.**

**F2014/15.24 APOLOGIES**

Apologies were received from Councillor Toon.

**F2014/15.25 SUBSTITUTIONS**

None.

**F2014/15.26 DECLARATIONS OF INTEREST**

None.

**F2014/15.27 MINUTES**

The following amendments were noted. Under Minute F2014/15.21 add “That the installation of wifi and broadband in the new offices be pursued. Under “Present” Cllr Tawn be deleted as a named attendee as he was there as Mayor. Subject to these amendments it was proposed by Councillor Edwards, seconded by Councillor Wilcox and

**RESOLVED That subject to the amendments noted above the minutes be agreed as an accurate record.**

**F2014/15.28 FINANCIAL REGULATIONS**

The Finance Officer introduced the proposed Financial Regulations for the Council, explaining that these followed closely the national model issued by NALC and SLCC. Where a provision is impractical, for example the requirement that cheques be signed at Council, there were amendments which were consistent with statutory requirements to enable efficient working.

 Councillor Tawn proposed, Councillor Edwards seconded and it was

**RESOLVED That the draft financial regulations be recommended to Council for approval.**

**F2014/15.29 ACCOUNTS PAID**

The Finance Officer presented the schedule of payments since the last meeting. In answer to a question it was pointed out that Councillor Tawn had not signed the cheque for CN Trophies and Gifts, and that Councillor Kenyon had not signed the cheque for JF Kenyon. In accordance with the new financial regulations, the names of cheque signatories were being shown on the schedule for each batch. Where another councillor had signed a single cheque in a batch to avoid a potential conflict of interest, they were added to the group that had signed the rest of the batch.

In answer to further questions it was pointed out that the payment for a Mayor’s name board referred to the reversible door plate, not the roll of honour. Finally, the approximate total cost of Historical Hereford Day was around £9,000, with further discussion of these and all events scheduled for Community Development Committee on the 22nd July.

 The Committee noted the schedule of payments.

**F2014/15.30 ANNUAL INVESTMENT STRATEGY**

The Finance Officer reported that it was good practice to review this annually, although there were no changes proposed this year. It was suggested that with balances of £750,000 throughout the year, there would be a financial advantage to taking a twelve month investment with a higher rate of interest than our current arrangements. Discussion identified that this was an option but came with the risk that if the Council took on a major project and needed to withdraw funds from investment for spending there might be expensive penalties to fund. It was also suggested that an audit trail of options considered would be beneficial.

In answer to a question the Finance Officer stated that we do not receive regular updates on credit ratings of banks. It was possible that Herefordshire (who are required to obtain these) might share them, otherwise there would be a cost to acquiring such information. It was suggested that we do not need to specify RBS as the place of investing funds, although as they are our current account bankers there are advantages in reduced transaction costs from doing so.

The text of the report was discussed and it was proposed by Councillor Wilcox, seconded by Councillor Chappell and

**RESOLVED That sub-paragraphs 3.1(1) and 3.1 (v) be removed from the document and that it be recommended to Council for adoption.**

**That there be a report to the next committee on a review of investment options currently available, including CCLA who have contacted the Council in the past.**

**F2014/15.31 INTERNAL AUDIT REPORT**

The Town Clerk introduced the report which had not highlighted any areas of concern or actions required. He added that the Auditor had commented informally that the accounts he sees here are among the best he inspects. The Town Clerk stated that this was a tribute to the good work done by the Finance Officer in maintaining records in line with best accounting practice.

Councillors added their congratulations to the Finance Officer and it was proposed by Councillor Chappell, seconded by Councillor Tawn and

**RESOLVED That the Finance Officer be thanked for an excellent report and the audit report be accepted by the Committee.**

**F2014/15.32 REVENUE BUDGET MONITORING REPORT**

The Finance Officer introduced the report, confirming that after only three months there is not much to report. An over spend has been generated on the equipment budget following the decision to buy sound equipment for the Council Chamber. It was recommended to be funded from the General Fund. It was noted that invoices for past elections had still not been received from Herefordshire Council.

In answer to questions it was confirmed that the under spend on salaries under city costs, was because of reduced pay due to extended sick leave of a staff member. It was also confirmed that the increased insurance premium for a higher fidelity guarantee cover was in line with the internal audit recommendation based on the balances held by the Council. Finally, it was confirmed that the balances shown for ward spending do not reflect items requested but not yet invoiced due to delivery delays or problems getting approval from Balfour Beatty. The ward allocations are based on population for each ward.

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

**RESOLVED**

**That the Committee notes the report and the expenditure to 30th June.**

**That the Committee agrees the over spend on sound system for the Town Hall be met from the general fund.**

**That the Finance Officer be thanked for producing a very clear report.**

**F2014/15.33 PEST CONTROL CONTRACT**

The Town Clerk introduced the report confirming that the contractor continues to give detailed reports of their activities on four sites and that the Allotments Society are very happy with the consistency of service delivery. Prices were tested two years ago and have only risen by 2% since then. There is thus little likelihood of a better price from a supplier of equivalent quality, and even if there were the cost of placing new bait boxes to start a new contract would certainly outweigh any saving. In answer to a question it was confirmed that no “super rats” have been reported on the allotments and that pest control appears to be effective in keeping the rodent population to manageable numbers.

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

**RESOLVED That the Town Clerk be authorised to renew the pest control contract for allotments with Herefordshire Council taking up the silver option at a cost of £4,436 inc VAT on the Holmer, Drybridge, Rockfield and Wordsworth sites.**

**F2014/15.34 BANK RECONCILIATION**

The Finance Officer introduced the report, explaining that the new financial regulations require that the bank reconciliation, signed by the nominated member (Councillor Nicholls), be reported to committee at least quarterly. It was decided to do this along with the schedule of payments as a standard item at all meetings of the committee.

Committee confirmed that the reconciliations were well set out and easily understood, and it was agreed to note the reconciliations.

**F2014/15.35 EXCLUSION OF THE PRESS AND PUBLIC**

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

**RESOLVED That the press and public be excluded for the next item as it was likely to involve personal information concerning an identifiable individual.**

**F2014/15.36**

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**F2014/15.37 ITEMS FOR FUTURE MEETINGS**

Investment – review of options

 Allotments - HALGS be invited to discuss the outstanding issue of the lease.

 Town Hall – leasing office accommodation

**Date of next meeting 23rd September**

In closing the meeting at 6.50 pm the Chairman thanked members for their contributions and officers for their succinct and well presented reports.

Signed .........................................

Date............................................