**HEREFORD CITY COUNCIL**

**FINANCE AND POLICY COMMITTEE**

**16th December 2014**

**MINUTES OF MEETING**

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

**Attending :** Steve Kerry, Town Clerk and Lesley Bruton Finance Officer

**F2014/15.70 APOLOGIES**

Apologies were received from Councillors Michael and Toon. The Mayor apologised that he would have to leave early for an engagement.

**F2014/15.71 APPOINTMENT OF SUBSTITUTES**

None

**F2014/15.72 DECLARATIONS OF INTEREST**

None

**F2014/15.73 MINUTES**

Councillor Chave asked for a correction on page four, the word “information” should read “inflation.”

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

**RESOLVED: That, following the above correction to the minutes of the meeting of 11th November 2014, the minutes be signed as an accurate record.**

**F2014/15.74 REVENUE BUDGET REQUIREMENT AND COUNCIL TAX 2015/16**

The Chairman reminded the Committee that much work had been done at the last meeting to refine the budget proposals and confirm Council’s wishes on a number of options. He thanked the Finance Officer for recasting the budget to reflect those conclusions and commended her on the clarity of the report. He urged members not to revisit decisions made at the previous meeting.

The Finance Office explained that tonight she was able to table a budget in the light of two crucial pieces of information that had not been available at the last meeting or when this meetings report was prepared. Herefordshire Council had notified the Finance Officer that the projected level of the tax base, upon which calculations are based, would be 15,454.33 and the proposed level of Council Tax Support Grant, passed over to the City Council from the sum paid by the government to Herefordshire Council for parishes, would be £92,169. Now that both these figures were known the outcome on both had been more favourable than originally estimated. The effect of this was that the budget provisionally agreed at the last meeting could be met without either a council tax increase or a special call on reserves for a specific item. Accordingly, the Finance Officer was presenting two options to Committee. The first option was to continue to fund the contribution of grant to the Hospice as a call on reserves and thereby reduce the revenue budget by £14,615 and make a consequent reduction in the Council Tax Band D by 3.06% to £45.87 from £47.32. The second, which was recommended, was to increase the budget by £7,753 and set a 0% change in the Council Tax Band D for 2015-16, therefore remaining at £47.32. The Finance Officer further advised that both the figures quoted from Herefordshire were subject to final confirmation but were not expected to change. The recommendations that followed were therefore potentially subject to change, which would be resolved before Council was invited to give final approval.

The Mayor stated that he favoured retaining a zero change budget and keeping the reserves for unexpected calls on expenditure, which was their proper purpose. Councillors Edwards and Wilcox concurred with this proposal. It was noted that the transfer of monies under the Council Tax Support Scheme was not a statutory obligation and some principal authorities across the country had not passed on all, or indeed any, of this money on to parishes. The Clerk informed the Committee that recent research among other parishes shows that this trend is increasing. The issue is referred to in the risk assessment at the end of this report.

Councillor Oliver proposed accepting the first option of reducing Council Tax, but the proposal was not seconded and therefore this was not put to the vote. He also asked for more information regarding the costs of CCTV and the inflator built into the service contract. The Clerk advised that following a NALC conference he was looking into an alternative strategy for providing and funding CCTV which had been tried and tested elsewhere and yielded very substantial savings.

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

**RESOLVED That the Committee, having reviewed the proposed allocation of the revenue estimates to service areas as set out in Appendix A and section 7 of the report, and considered the level of reserves and balances including transfers between reserves as detailed, agrees to recommend to full council (subject to confirmation of tax base and grant funding) :**

**A budget requirement of £823,468,**

**An estimated precept requirement, net of grant funding of £92,169 for 2015/16, of £731,299 (subject to change),**

**The Band D Council Tax for City Council purposes to be £47.32 (subject to change), a 0% change:**

**Band A Band B Band C Band D Band E Band F Band G Band H**

**£31.55 £36.80 £42.06 £47.32 £57.84 £68.35 £78.87 £94.64**

**That the Committee note that the above is subject to change depending on the official confirmation of the amount of Government funding to be allocated from Herefordshire Council and the revised tax base.**

**F2014/15.75 OFFICE MOVES UPDATE**

The Town Clerk confirmed that the draft lease had been received in accordance with the terms verbally agreed and awaited signature and sealing. The move date was set for Monday 19th January and it was hoped that disruption to services would be minimised, especially IT down time. The report indicated a number of purchase orders that had been placed in order to ensure the offices were fully fit for purpose and would need to be redecorated and in some areas repaired before full use could be made of them. In answer to questions the Clerk confirmed that the arrangement whereby the new tenant has to bring the property up to their required standard at their own cost and then hand it back in a fit condition to be let at the end of the lease was a standard term, as agreed by the Council’s legal advisors. Nonetheless members asked that photographs be taken of the pre and post redecoration condition to confirm the amount of work done and a request made for a rent free period. The Clerk advised that this was most unlikely to succeed as the lease negotiations had been finalised on the terms set out. It was noted that in order to progress work quickly use had been made of pre-tendered schedules of rates on term contracts let by Herefordshire Council and the comparison offers from local providers with brochure prices available from other potential providers as set out in the report.

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

**RESOLVED:**

**That the Committee endorse the actions taken by officers to secure adequate office accommodation and meeting facilities with suitable furniture and equipment and approve the use of contractors listed in the schedule attached, noting that competitive tenders have not been sought where tendered schedules of rates apply or brochure prices for comparable products show evidence of good value for money.**

**That, photographs be kept to show work done to the offices before the Council took them over.**

**F2014/15.76 ACCOUNTS PAID**

The Finance Officer presented the schedule of items paid since the last meeting of the Committee and confirmed that she had received no notice of any questions. Noting the expenditures on fireworks in support of the Tupsley community event Cllr Oliver asked for it to be noted that “we had money to burn”. It was further commented that the Quarry event had been a success with residents attending from all over the city.

The schedule was accepted.

**F2014/15.77 INTERNAL AUDIT REPORT**

The Town Clerk introduced the report and noted that it reflected the excellence of the work done by the Finance Officer in maintaining our financial systems in good order. It was noted in the report that the model Financial Regulations reflected the model standing orders issued by NALC in setting the tender limit at £60k, but that the Council had modified the financial regulations to set that limit at £10k. The Town Clerk confirmed that Governance and Procedures Committee would be asked to recommend modifying the standing orders to Council so that they were coherent. That Committee would also review the Council’s risk register – although specific financial risks associated with the budget had been covered in the earlier report on next year’s budget.

It was noted that no observations had been made about the level of reserves held by the Council which continues to be within CIPFA guidelines.

At this point the Mayor left the meeting.

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

**RESOLVED: That, the internal audit report be accepted and that the Finance Officer be thanked for continuing to maintaining the Council’s financial records and systems in exemplary order.**

**F2014/15.78 BANK RECONCILIATION**

The Finance Officer presented the bank reconciliation and in answer to a question explained that a copy of an invoice had been made to enable a related query to be followed up, and that the copy had later been attached to other invoices which had been passed to her for payment. Realising two cheques had been drawn for one invoice the Finance Officer had cancelled the second cheque, which is reflected in the bank reconciliation record and the appropriate paperwork accordingly. In order to avoid this happening again any copies made of invoices will be marked as such.

**F2014/15.79 ITEMS FOR FUTURE MEETINGS**

Revenue Budget monitoringreport up to 31st December

Loans (item requested by Councillor Oliver)

Lengthsman scheme (noting the announcement of the Council’s success in securing grant funding to launch a project to test the feasibility of this in an urban setting

Longer term sharing of information from Herefordshire about budgetary plans

Relationship with the Business Improvement District

**F2014/15.80 DATE OF NEXT MEETING**

27th January 2015 at 6 pm

The Chairman wished everyone a Merry Christmas and closed the meeting at 6.55 pm