

HEREFORD CITY COUNCIL
FINANCE AND POLICY COMMITTEE 16th April 2019

MINUTES OF MEETING

Present : Councillors Paul Stevens, Mark Dykes, Phil Edwards, Marcelle Lloyd-Hayes, Sharon Michael, Brian Wilcox

In attendance : Steve Kerry, Town Clerk

At the start of the meeting the Chair reminded all present of the fire procedure.

FP2019/20.01 APOLOGIES FOR ABSENCE

Apologies were noted from Councillors Tawn and Butler.

FP2019/20.02 SUBSTITUTIONS

None.

FP2019/20.03 DECLARATIONS OF INTEREST

None.

FP2019/20.04 MINUTES OF THE PREVIOUS MEETING

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

RESOLVED That the minutes of the meeting of 16th February 2019 were an accurate record and were signed accordingly by the Chair.

It was noted that the equipment had not been set up for recording this meeting, the Town Clerk will investigate why not.

FP2019/20.05 SCHEDULE OF PAYMENTS

In answer to questions the following points were noted –

The Snap Survey item is an annual subscription.

The Idle Hands items should be the subject of an interim report to Community Development Committee rather than waiting until the completion of the project.

The Clerk has reported back in writing from the Practitioners Conference.

The Army Cadet Force item refers to a ticket for the Mayor and consort to attend a lunch, drawn from Mayor's Expenses.

The schedule was noted.

FP2019/20.06 BANK RECONCILIATIONS

The bank reconciliations were noted. In answer to a question it was noted that the additional sums paid to Neil Wain were in respect of additional items of longer-term maintenance he had carried out.

FP2019/20.07 KEY PROJECTS UPDATE

The Clerk introduced a brief addition to the report he had recently made to full Council, with additional information about the serious safety issues arising from the condition of the rear balcony. This was noted as another symptom of the long-term neglect of the building by the current owners. It was noted that so far our surveyor had been briefed to look only at the front façade works and had reported in detail about their concerns there, the issue of the rear balcony was picked up by the contractor, not Herefordshire's stock condition survey. Corroding metal work presents a serious threat to the building and the Clerk will follow up these reports with an email to the Herefordshire staff who have been negotiating on this highlighting our concerns.

It was confirmed that we have already asked for a full report on the progress on water which has entered the building through various defects and to trace the sources of all ceiling stains and other symptoms of water ingress. This has not yet been forthcoming.

It was proposed to add another point to the recommendations and in due course it was proposed by Councillor Edwards, seconded by Councillor Lloyd-Hayes and

RESOLVED

That the Council continues to pursue the completion of all known wants of repair and the replacement of antiquated boilers as a funded package of measures from Herefordshire Council to bring the building to an acceptable standard to enable an asset transfer to take place without unacceptable risk to the City Council.

That all future meetings with Herefordshire on this matter be formally minuted by the City Council.

FP2019/20.08 SAVINGS AND INVESTMENT REPORT

The Clerk presented the report largely written by Becci O'Reilly. Members asked that their appreciation for her work on this issue be conveyed. The Chair confirmed that he had asked for a rationalisation of our bank accounts in the light of Lloyds' rates reducing to near zero. Members expressed some concern about "putting all our eggs in one basket" although it was also noted that CCLA enjoy a AAA credit rating, better than any UK bank. Members considered whether there was a need to seek the advice of an indemnified IFA but decided there was not given the credit rating and the previous checks done on CLA when we opened the Local Authorities Property Fund investment. It was agreed that it would be a sufficient measure to check that credit rating at least monthly and react if it was reduced for any reason.

It was then proposed by Councillor Edwards, seconded by Councillor Michael and

RESOLVED

That the Council maintains a working balance of £100,000 in the current account with Lloyd's and places the remainder of its disposable funds in the CCLA Public Sector Deposit Account.

That the Clerk maintain a regular review of CCLA's credit rating and reports to Committee if it changes from AAA.

FP2019/20.09 PRECEPT CALCULATION AND ACCOUNTING SERVICES

The Clerk introduced the report and explained in some detail the background to the need for an extra-ordinary council meeting to revise the precept. It had been admitted that the calculation error was wholly the responsibility of the Council's accountants. Moving forward, the Clerk reported as set out on discussion with a former Finance Officer who is a fully qualified accountant and is now a clerk to a neighbouring parish, about the possibility of training our staff to reduce our dependence on external accountants. The Clerk flagged up to members that having DCK involved meant that a second pair of eyes was looking over our transactions well before anything is examined by the internal auditor. Members might wish to retain this additional scrutiny although there was nothing in financial regulations or the law to say it was necessary.

In discussion members noted the following points;

DCK's error had caused us considerable trouble and some public embarrassment which a member of another council had sought to exploit for political purposes. Members were satisfied that the controls over spending and the separation of roles between the finance officer(s), the clerk, the cheque signatories, the member signing bank reconciliations and the review of schedules of payments added up to a robust and effective system of control. The Clerk reported that the frauds he had been aware of in other parishes had always arisen when that separation was blurred and the Clerk was able to alter financial transaction records, hence the need for a separation of officer roles as well as member roles as we currently have.

After discussion it was proposed by Councillor Edwards, seconded by Councillor Lloyd-Hayes and

RESOLVED

That as normal practice going forward, the Clerk produces a report for the January meeting of this Committee and Council setting out the budget, the tax base and the final precept with the calculations shown in the report. This will enable members to be satisfied that the tax effect is as predicted.

That the Council provides training for its own staff to AAT Level Three to increase the capacity of the Council to undertake its own financial transactions.

That the Clerk works with those officers undertaking financial work to ensure they have full access to RBS online help for assistance in dealing with unusual transaction and other matters that might fall outside their experience.

That the Council has the objective of closing accounts for 2019-2020 with minimal input from external accountants.

That the Council notes DCK's admission of error and continues to work with them to close accounts for 2018-2019, support staff as they develop their skills and determine after the closure of accounts in 2019-2020 whether it has a continued need for their services and if so on what specification.

That appropriate training is developed for councillors who sign cheques and the member who signs the bank reconciliations specifically and generally for members

of Finance and Policy Committee so that all members are fully aware of their roles and responsibilities.

FP2019/20.10 ITEMS FOR FUTURE MEETINGS

Reporting of payroll figures in the light of changes to the operation of the out-sourced payroll service.

Induction for members of the new Committee.

The meeting closed at 7-00 pm with members expressing good wishes to those stepping down before the forthcoming elections, and with thanks to all concerned for the business-like way in which the committee had dealt with issues in this administration.

Signed

Date