

HEREFORD CITY COUNCIL
FINANCE AND POLICY COMMITTEE 15th January 2019

MINUTES OF MEETING

Present : The Right Worshipful the Mayor Cllr Sue Boulter and Councillors Mark Dykes, Phil Edwards, Marcelle Lloyd-Hayes, Paul Rone, Paul Stevens, Len Tawn, Brian Wilcox

At the start of the meeting the Chair reminded members of the fire procedures.

FP2018/19.63 APOLOGIES FOR ABSENCE

Apologies were noted from Councillor Sharon Michael.

FP2018/19.64 SUBSTITUTIONS

None

FP2018/19.65 DECLARATIONS OF INTEREST

None at the start of the meeting.

FP2018/19.66 MINUTES OF THE PREVIOUS MEETING

The Clerk reported that the typing error noted at Council had been corrected.

It was proposed by Councillor Lloyd-Hayes, seconded by Councillor Dykes and

RESOLVED That the minutes of the meeting of 20th November 2018 be accepted as an accurate record and be signed accordingly by the Chair.

FP2018/19.67 SCHEDULE OF PAYMENTS

Before discussing this item members noted the news that a member of staff on maternity leave had now given birth and asked the Clerk to send congratulations and good wishes on their behalf.

In answer to members questions it was confirmed that:

The item listed and removed at £20,000 for Rural Concierge was an error which had been reversed out for correction. The correct entry appeared later showing the grant for starting up the TIC and the second instalment of the maintenance grant at £20,000 and the purchase of gifts to give to the delegation for Jaworzno at £85-00. The Clerk asked members to note that if an entry is made in error it cannot simply be erased but must be reversed, giving members a transparent report of what has occurred.

The leasing of defibrillators is cheaper than outright purchase for the Council when the costs of maintenance and insurance are factored in.

The item for toilet repairs refers to an invoice which was submitted over a year late. The Council no longer has any liability and incurs no costs for public toilets.

The business card supplier has been advised of the change of Mayor's Officer and a new card is in the system.

Members noted the Schedule of Payments.

FP2018/19.68 BANK RECONCILIATIONS

The Clerk reported that these had been prepared to bring the Committee fully up to date as at the end of December, which in turn enabled a third quarter financial report to be available to inform the budget setting process. Member asked that the Clerk pass on their thanks and appreciation to Becci O'Reilly for stepping in to cover while Alyson is on maternity leave, noting that this started earlier than had been expected, and that much work has been done to bring the Committee fully up to date.

It was noted that the member appointed to sign the reconciliations was not available at the time they were despatched with the agenda but would now be able to sign them off.

Members noted the bank reconciliations.

FP2018/19.69 THIRD QUARTER FINANCIAL REPORT

The Clerk introduced the report stressing that the apparent underspend at the end of December was likely to increase as several items of spending were "front loaded" in the budget cycle and had been completed. It was also noted that in some areas the system is projecting full spending which is unlikely. For example, Town Hall Running Costs would see some spending on surveys and inspections to inform our side of the negotiations around a possible asset transfer, but it would not, as suggested, reach £40,000. There was therefore likely to be an underspend in the order of £80-85,000 on current information.

In answers to questions it was noted that:

There are some isolated areas where expenditure is over budget such as the one off works to the civic insignia which are contained within the wider budget headings and are accounted for in the overall assessment that the Council has spent 63.4% of budget after 75% of the financial year. Income is likely to be slightly in excess of budget.

There is no spending for agency staff other than where a vacancy occurs and the cost is met from the salaries budget so the separate budget is being deleted from next year's budget.

The HR consultancy budgets will see some activity this year, and may not prove sufficient. It is being increased next year in line with the Council's accountant's advice to a more realistic figure.

Service charges are reflective of the level of use including a number of extra committee meetings, notably Governance and Procedures.

Whilst it was noted that it was likely that the Council would hand over a very healthy financial position to the next administration, there was a need for caution before making further investments with CCLA as a result of uncertainty in the property market and a general decline in retail land valuations. This was noted as a point to be considered when accounts are closed, and the full picture is clear.

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

RESOLVED That the third quarter financial report be accepted.

FP2018/19.70 BUDGET AND PRECEPT FOR 2019-2020

The Clerk introduced the report and explained that the proposed budget has been determined by the decisions made at previous meetings of this Committee. The requirement to maintain a zero tax increase has been met, and resources have been allocated more appropriately to cover areas of known pressure, notably in community grants. Recurring grants had been removed from the budget and these now all had their own budget lines, so additional funds and reduced pressure on the Community Grants budget would increase the Council's available resources in this area. Mayor's Expenses had been reduced to align with recent spending trends and additional resources had been put into public ceremonies so that items such as Junior Mayor-making, Remembrance Day refreshments etc would not fall to Mayor's Expenses. The Mayor added that only around £2,800 of the current total of spending had been personal Mayor's expenses, other items had been public ceremonial functions for which no other budget presently existed. An item for staff uniform had been incorrectly coded there and would be corrected by a journal entry.

It was noted that the budget for staffing had been increased to create room for an additional part time member of staff to be recruited. The Clerk explained that this had not been discussed with the Committee before because it had arisen as a possible consequence of a discussion around reducing Time Off In Lieu accumulated by senior staff covering routine administrative functions. Whilst no decision has been made yet by Governance and Procedures to allow for an additional member of staff it was being actively considered as part of TOIL reduction and it was a prudent to make resources available to allow that to progress if members were so minded.

It was noted that staffing budgets have also been realigned from one committee area to another to reflect more accurately the distribution of employee time. However, whilst salary and pension costs had been realigned the national insurance figures had remained the same in one case. The Clerk responded that there would not be time to get the budget redrafted to remove that issue before sending it out to Council for approval but a small virement could be considered with the Committee's powers if it was necessary to do so.

It was also noted that even with the addition of items that have previously been covered under Mayor's Expenses, the public ceremonies budget might be above what is needed. This could be reviewed quarterly and adjusted if necessary.

The budget for service charges would disappear as an expenditure item and become an income stream if the asset transfer of the town hall took place, however in that case the budget for Town Hall Running Costs would have to be substantially revised. The budget would cover known costs for surveys and inspections, and legal fees, to support the asset transfer

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

RESOLVED

That in line with the detailed budget papers attached to this report, the Committee recommends to Council an income budget of £904,892, and an expenditure budget of £904,899 – a deficit of £7 in 2019-2020.

That the Committee recommends to Council a Band D precept level of £54.57, the same level as this year.

That the Committee recommends to Council a precept of £887,842 in 2019-2020.

FP2018/19.72 KEY PROJECTS UPDATE

The Clerk introduced the information report noting that there was a meeting on City Walls the day after the Committee so there was nothing to add to that project at this stage. The latest information from the architects working on the frontage was that damp had penetrated further than originally identified and that more steel than planned would have to be removed and replaced. It was noted that repairs to listed buildings are extremely expensive and that deterioration due to damp penetration from previous failures of the roof had been noted in several parts of the buildings. Members endorsed the position taken at the last negotiation meeting that the City Council would expect all damp to be traced and all defective plaster and stonework to be replaced before it was asked to take over responsibility for the building. Maintaining any building requires a sound roof and rain water goods to be in full working order and several failures over the years had not been fully tracked through the building, leading to unknown and potential high cost liabilities.

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

RESOLVED That the Committee notes the report and awaits an outcome to the review of remedial works necessary to address historical damp penetration in the structure.

It was proposed by Councillor Lloyd-Hayes and seconded by Councillor Stevens and

RESOLVED

That the Committee expresses disappointment at the slow responses from Herefordshire Council regarding the car park and other Town Hall issues have led to this matter proceeding too slowly.

FP2018/19.73 ITEMS FOR FUTURE MEETINGS

The Clerk asked members to consider any policy issues as the financial business at the next meeting would be light now that the budget had been resolved. Councillor Edwards suggested it was timely to discuss service devolution and co-operation with the principal authority noting that this had been an ongoing theme which the City Council had tried to move on for some years. The Clerk agreed to produce a report including, but not limited to, an initiative on parish councils taking a role in joined up community enforcement that he had recently become aware of.

Councillor Dykes left the meeting at this point at 7 pm.

FP2018/19.74 INFORMATION REPORT FROM EXTERNAL MEETINGS

The Clerk presented a report on his recent attendance at two meetings, one was a stakeholders briefing by Worcestershire Council on their pension fund and the funds they hold for partners as pension managers. The City Council is a partner.

At this point Councillor Lloyd-Hayes declared a non-pecuniary interest in this item as a member of another fund managed through Worcestershire Council (not the City Council fund). This was duly noted in the register.

The Clerk also reported on his recent attendance at an investors briefing with CCLA. In this context a member asked why the Council invested surplus reserves with CCLA rather than in projects or managed buildings. He also queried the size of the council's reserves. The Clerk explained the policy of holding reserves was to enable the Council to consider initiatives mid-year without having to "park" decisions until the budget round for the following year. It also enabled the Council to consider taking on devolved services as discussed earlier without being concerned that a consequent tax rise could fall foul of the tax cap which each year the Secretary of State has chosen not to apply to parishes but could apply at their sole discretion. At this point two members engaged in a dispute and the chairman called the meeting to order. Councillor Lloyd Hayes asked that all contributions should be listened to with respect as had been the practice of the City Council for many years.

Members noted the report for information.

FP2018/19.75 DATE OF NEXT MEETING

Tuesday 19th February 2019 at 6 pm

There being no further business the Chair declared the meeting closed at 7.15 pm

Signed

Date