

**HEREFORD CITY COUNCIL**

**FINANCE AND POLICY COMMITTEE 3<sup>rd</sup> September 2019**

**MINUTES OF MEETING**

**Present :** Councillors Butler, Dykes, Foxton, Hornsey, Oliver, Stevens and Wilcox

**In attendance :** Steve Kerry Town Clerk and Responsible Financial Officer

At the start of the meeting the Chair welcomed Councillor Foxton who was attending the meeting as a non-member of the Committee, reminded all present of the fire evacuation procedure and that the meeting was being recorded. The Chair also thanked members for agreeing to alter the date of the meeting from 10<sup>th</sup> September.

**FP2019/20.31 APOLOGIES FOR ABSENCE**

Apologies were noted from Councillors Boulter and Toynbee.

**FP2019/20.32 SUBSTITUTIONS**

None

**FP2019/20.33 DECLARATIONS OF INTEREST**

None were made at the start of the meeting.

**FP2019/20.34 MINUTES OF MEETING**

It was noted that the review of reserve allocations suggested as an item for this meeting had to some extent been overtaken by events as reported elsewhere on the agenda. The review of asset valuations would require input from the Council's outsourced accountants and was not yet complete.

After inserting the word "had" in the second line of the sentence in item FP2019/20.28 it was proposed by Councillor Butler, seconded by Councillor Hornsey and

**RESOLVED That the minutes of the meeting of 16<sup>th</sup> July be agreed as an accurate record and signed accordingly by the Chair.**

**FP2019/20.35 SCHEDULE OF PAYMENTS**

It was noted that the item marked "Paypal Islatwall-Dummy" is in fact a mannequin used to display civic uniforms in the silver museum. The payments of £300,000 were instalments of the transfer of funds to the CCLA Public Sector Deposit fund – there is a limit of £300,000 on individual payments into that fund - as part of the treasury management of reserves.

In answer to a question it was confirmed that the Council did not receive interest from Herefordshire Council on the second instalment of council tax payment, c£450,000 which was due in early September. Surplus money resulting from that transfer above the amount needed for a current account balance would in due course be transferred to the CCLA fund.

The schedule was noted.

The Chair then advised members that there had been some unsuccessful attempts to present counterfeit cheques against the Council's account. These had all been detected partly because duplicate numbers from previously issued cheques had been used. It was noted that the Clerk had been in discussion with the Lloyds Bank Fraud Team, who work with similar teams across all the clearing banks and liaise with the City of London Police as the national leaders on bank and cheque fraud. This was not a local attempt specifically targeted at the Council but part of a national or international continuing scam aimed at pushing fake cheques through the banking system.

Members asked that the Clerk look into whether deleting cheque numbers from schedules of payments would improve the security of the Council's transactions.

It was noted that the bank cheque verification process had worked and that no counterfeit cheques had been honoured, they appear as transactions when they are presented across a bank counter but are immediately reversed when the checking function picks up that they are counterfeit. The Council has suffered no loss of funds as a result of these attempts.

#### **FP2019/20.36 BANK RECONCILIATIONS**

These now show the new CCLA account and the transfer of funds from reserves into a higher interest bearing deposit account than was available from Lloyds bank.

The bank reconciliations were noted.

#### **FP2019/20.37 KEY PROJECTS UPDATE**

The Clerk presented a report focussing on town hall issues as they had moved on somewhat since the last meeting. As reported Herefordshire Council's officers had suggested a target date of 31<sup>st</sup> December for an asset transfer, which was optimistic to say the least. For information the Clerk also attached a report from a year ago which set out all the operational and building management issues that arose from the taking over of a building of this size and complexity.

Some key issues remaining for negotiation with Herefordshire were the question of the listed building status and the lack of proper records of works done which should have been approved by the Conservation Officer. The City Council must protect its interest in this matter and an inspection by the Conservation Officer and a signed covenant to the effect that the City inherited no liability from previous works not done to listed building standards, including items now concealed behind plasterwork etc, would be needed. The general state of the building is poor and reflects historic under-investment in routine maintenance. The PAT inspection of electrical equipment used by Herefordshire within the building was completely inadequate, and whilst this was not an issue for the City Council at present, it would become one if we owned the building and we would reasonably require our tenants to make sure any equipment they used was properly inspected and found to be safe to use. The general condition of the building would now be the subject of the full survey commissioned but put on hold from Hook Mason and the Clerk was meeting them to scope and confirm that purchase order next week. It was noted that as well as inspecting all mechanical and electrical services, the state of the boiler and the gas fittings and the state of the

drains and sewers, along with a general survey of the building, particular attention would be given to the historic ingress of water and possible damage done to plasterwork and to the structural steel which had caused major problems with the frontage and had caused the rear balcony to be recommended as unsafe. It was noted with concern that Herefordshire have so far taken no action to repair the rear balcony, and that there may be other areas where steel corrosion has caused problems.

The Clerk reported orally that several allotment sites had now be found never to have been registered as having title which was astonishing considering the amount of solicitors who had passed conveyancing papers over the years without apparently checking this. This could well delay the completion of the allotments lease and with the imminent departure from the EU the primary reason for that lease, to secure EU grant funding for allotment development, was now inoperative. The Clerk would liaise with HALGS to ascertain if they wished to continue with the lease discussions.

There was still no news of the grant application for a feasibility study on the city walls regeneration project from Highways England. A response was now overdue.

It was the proposed by Councillor Dykes, seconded by Councillor Hornsey and

#### **RESOLVED**

**That the Committee notes the report and the immediate actions to move the project (town hall asset transfer) forward.**

**That that Committee makes no alterations to the previous report on operational issues**

**That the Committee agreed in principle that in planning the 2020-21 budget a call on reserves of up to £150-000 is allocated to enable the transfer to take place while mitigating the impact on the council tax level for the year.**

**That the Committee agrees in principle that the level of drawing on the reserves is reduced with the intention of funding the town hall from the revenue budget, including any additional income generated from the car park and the building itself by the financial year 2022-23.**

#### **FP2019/20.38 ITEMS FOR FUTURE MEETINGS**

It was noted that next meeting would take place after Council had resolved a business plan for the whole Council's, operations and would therefore be the start of the budget setting process in the light of the business plan objectives and priorities.

#### **FP2019/20.39 DATE OF NEXT MEETING**

Tuesday 12<sup>th</sup> November at 6 pm at the Town Hall.