

HEREFORD CITY COUNCIL
FINANCE AND POLICY COMMITTEE 12th November 2019

MINUTES OF MEETING

Present: Councillors Butler, Dykes, Hornsey, Hunt, Oliver and Stevens.

Not Present: Councillor Toynbee.

In attendance: Steve Kerry Town Clerk and Responsible Financial Officer and Becci O'Reilly Committees, Events & Contracts Officer.

FP2019/20.40 APOLOGIES FOR ABSENCE

Apologies were noted from the Mayor Kath Hey and Councillors Boulter and Wilcox.

FP2019/20.41 SUBSTITUTIONS

Councillor Hunt substituted for Councillor Wilcox.

FP2019/20.42 DECLARATIONS OF INTEREST

None were made at the start of the meeting.

FP2019/20.43 MINUTES OF MEETING

It was proposed by Cllr Dykes, seconded by Cllr Butler, voted on with 5 in favour and 1 abstention, and it was

RESOLVED:

That the minutes of the meeting of 3rd September 2019 be agreed as an accurate record and signed accordingly by the Chair.

FP2019/20.44 SCHEDULE OF PAYMENTS

Cllr Butler questioned the meaning of the word 'service' in relation to the Plynlimon Trust Minibus Service and it was explained that it is a minibus service that is supplied to members of the public. It was also noted that there were two payments for them August because they had forgotten to invoice for May.

The Chair also advised Members of Cllr Wilcox's question which was raised before the meeting and referred to Becci O'Reilly for the answer. She explained that the monthly RBS credit card payment does not show on the list of invoices totalling over £500, because this is not an invoice, but is processed in its own cashbook and is 'paid' through a cashbook transfer. She also explained to the meeting that the total value on the monthly payment listing never quite matches the value taken from the current account – this is because the RBS statement date is always the 28th of the month – so sometimes the Council are paying for a transaction which took place at the end of the previous month, or a transaction at the end of the current month is actually shown on the next statement (if after 28th). The amounts on the RBS statements always reconcile with what is taken from the bank account.

The schedules of payments were noted.

18:03hrs at this point, Cllr Oliver arrived.

FP2019/20.45 BANK RECONCILIATIONS

There was a question over the meaning of 'unpresented cheques' and it was explained that this means that the cheque that has been sent to a supplier has not yet been presented to their bank. Members were informed that this list is monitored and any suppliers with outstanding unpresented cheques are chased. It was noted that item for Belmont Country Park Supporters had now been presented and cleared.

The bank reconciliations were noted.

FP2019/20.46 KEY PROJECTS UPDATE

The Clerk reported that the surveyors from Hook Mason were now engaged in a detailed inspection of the Town Hall supported by a mechanical engineer who is checking the lift, stair lift, and boilers. Headlines from that exercise would be available for the next meeting with Herefordshire Council and a list of outstanding requests for information from Herefordshire had been sent with a specific request that answers be available, as opposed to promised, at that meeting.

The Clerk reported that the works to hedges at Corporation and Holmer allotments were now commissioned as the bird nesting season had ended, and that works on gates and fences at Eign allotment were also now ordered. This completes the programme requested by the Society before a lease is signed. However, the issue of proving titles remains a cause of delay. The Clerk would keep in touch with the solicitor to try and expedite progress on this. Discussions about major works on the Holmer site regarding the retaining wall and the footway on the A49(T) had taken place and a site meeting promised but not yet confirmed.

Councillor Stevens reported that there was a silence now on City Walls with no response from Highways England to the grant application. He would ask Councillor Milln to apply some pressure at County level.

FP2019/20.47 FINANCIAL IMPLICATIONS OF THE BUSINESS PLAN

The Clerk reminded members of the progress of the business plan with other committees setting out their proposals, Governance and Procedures addressing the staffing implications and Council agreeing the broad outlines of a plan. It was now the responsibility of this Committee to resolve how this should be funded. The staffing implications and the savings in grants had been balanced against each other to give a net figure required to fund new posts. This was shown in the report. At this point it was noted that the post of Committees, Events and Contracts Officer had been filled and the Chair congratulated Becci O'Reilly on her appointment to that permanent role.

The need to open a Tourist Information Centre was key to the business plan, as was the development of an events programme to replace, and supplement, that previously delivered by the Friends of Castle Green under a service level agreement. It was entirely possible that a new service level agreement with the river carnival organisers could replace some elements of that, but there was a need for more, smaller, events and possibly a festival in mid-Autumn to celebrate the local cider and beer industries for which funds were proposed.

18:17hrs at this point, Cllr Hornsey arrived.

The Clerk also reminded members that they had previously agreed to set aside the sum of £150,000 from the reserves to enable a fund to be set up in the budget for asset transfers, notably the Town Hall. He suggested the scope of this be widened to include service transfers, and that a 5% increase be applied to Council Tax to raise an additional sum of around £45,000. He corrected the figure in the report of the impact per household (Band D) – it should read £2.72 not £7.22 as stated.

Councillor Oliver challenged the need for a 5% increase given the high levels of reserves even after the decision to deploy £150,000 to supporting service transfers, which he supported. It was confirmed that this did not need to be put as an amendment as voting against recommendation 8.1 would achieve that outcome.

Other members expressed concern that we were dealing with a lot of unknown factors, including the actual costs of many services within the City which are not separately accounted for at City level, and an equal uncertainty about the availability of off street car parking as a source of revenue. They felt it was more prudent to have incremental tax increases to build up our capacity rather than use reserves and then require a very significant tax rise in a future year.

It was proposed by Cllr Stevens, seconded by Cllr Hunt, and with 5 in favour and 1 against, it was

RESOLVED:

That budget planning is carried forward on a working assumption of a 5% council tax increase and the use of £150,000 in reserves to support asset and service transfers in 2020-2021.

It was proposed by Cllr Hunt, seconded by Cllr Butler and unanimously

RESOLVED:

That as far as possible earmarked reserves are consolidated into the general reserve to increase flexibility of use.

Councillor Stevens reported that the line by line scrutiny referred to in the final recommendation had already taken place and savings sufficient to resolve the projected budget deficit of £1,600 had been identified. This recommendation was therefore not put to the Committee.

FP2019/20.48 INCOME & EXPENDITURE – 6 MONTHLY REPORT

The Clerk introduced the report and explained that many areas of expenditure were month by month and that in general these were proceeding according to the profile at the half year. Significant exceptions to that had been highlighted in the reports. Variations on budgets of less than £500 had not been covered as these were insignificant in the outturn at year end. A filter had been applied so that only those budgets that were at 40% or less or 60% or more of projected spending had been commented on.

The most important conclusion was that with significant underspending in parks and open spaces and street scene, there was at this stage a projected underspend across

the Council of between £100,000 and £120,000 at year end. If major projects were agreed and paid for before the end of the financial year in these areas these figures would come down, but there were no projects of this kind currently being considered so this was not likely. Other areas of possible underspending such as community grants were likely to be absorbed by decisions on proposals currently before members of Community Development Committee or known to be in the pipeline for future consideration.

Recommendations **11.1** and **11.2** were considered together and it was proposed by Cllr Hunt, seconded by Cllr Butler and unanimously

RESOLVED:

The Committee noted the half year detailed income and expenditure report and the overall position set out in this report.

The Committee continues to monitor closely expenditure in the areas where major variances are noted to inform the budget setting process for 2020-2021.

At this point, the items from the Supplementary Agenda were then considered.

FP2019/20.49 2018/19 FINAL EXTERNAL AUDITOR REPORT

The Town Clerk explained that the issue identified with regards to exercise of public rights, refers to the fact that the Council announced and published the unaudited AGAR on the same day, when we should have announced one day earlier than published. The effect of this had been to be in technical breach of guidelines by giving the public longer to respond than the minimum required by law. Assertion 4 of the Annual Governance Statement has been updated to state 'no' as requested. All documents have been uploaded to the website.

The 2018/19 Final External Auditor Report was noted.

FP2019/20.50 2019/20 INTERIM INTERNAL AUDIT REPORT

The 2019/20 Interim Internal Audit Report was noted and the Committee expressed satisfaction that it contained no expressions of concern or requirements for any corrective action.

FP2019/20.51 ITEMS FOR FUTURE MEETINGS

- Completion of 2020/21 Budget, Precept and Council Tax for recommendation to Council.
- Completion of Financial Risk Analysis to be added to the Non-Financial Risk analysis to be completed by Governance and Procedures Committee for recommendation to Council.
- Completion of Asset register, including depreciation to zero of all non-valuable assets.

FP2019/20.52 DATE OF NEXT MEETING

Tuesday 14th January 2020 at 6 pm at the Town Hall.

The meeting closed at 18:57hrs.

Signed

Date