

HEREFORD CITY COUNCIL
FINANCE AND POLICY COMMITTEE 16th June 2020

MINUTES OF MEETING

Present: The Right Worshipful the Mayor Councillor Kath Hey and Councillors Butler, Boulter, Dykes, Hornsey, Oliver, Stevens, Toynbee and Wilcox.

In attendance: Steve Kerry Town Clerk and Responsible Financial Officer, Tracy Morris Deputy Town Clerk, Becci O'Reilly Contracts, Committees and Events Officer (acting as Finance Officer during the Covid 19 lockdown).

FP2020/21.07 ACCESS TO THE MEETING

At the start of the meeting Cllr Stevens, the Chair of the Committee, reminded all present that the meeting was taking place under the provisions of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authorities and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 Sections Four and Five. It was confirmed that all members could see and hear the meeting.

FP2020/21.08 PUBLIC ACCESS

The Deputy Clerk confirmed that the meeting was being live streamed for public access and that it was being recorded.

FP2020/21.09 APOLOGIES FOR ABSENCE

There were none as all members of the committee were present.

FP2020/21.10 SUBSTITUTIONS

None.

FP2020/21.11 DECLARATIONS OF INTEREST

None were made at the start of the meeting.

FP2020/21.12 MINUTES OF PREVIOUS MEETINGS

In the minutes of the meeting of 14th January it was noted that Councillor Oliver had attended from 6.03 pm not 6.30 as shown, and that in minute 57 in the first line "repots" should read "reports".

After those corrections it was proposed by Councillor Wilcox, seconded by Councillor Dykes and unanimously

RESOLVED That the minutes of the meeting of 14th January as amended be accepted as a true record and signed accordingly by the Chair.

It was then proposed by Councillor Toynbee, seconded by Councillor Butler and unanimously

RESOLVED That the minutes of the extraordinary meeting of 4th June be accepted as a true record and signed accordingly by the Chair.

FP2021/21.13 SCHEDULE OF PAYMENTS

Schedules of payments for the periods ending 31st March, 30th April and 31st May 2020 were presented. In answer to questions from members the following points were noted.

The Snap Survey item (31st March report) was a subscription which enables us to use this facility for surveys throughout the year, online or at the road show for example, and includes data capture, evaluation and reporting.

The Sunshine Radio item (31st March report) was for an advert for nominations for the Community Group Achievement Awards which sadly had to be postponed because of the Covid 19 situation, but the advert was booked and broadcast well before that.

The Mayoral Car payment (31st March report) reflects the fact that the car is leased.

A payment to Herefordshire Council (31st March report) appears to be for £108-00 more than the items listed, this is because the same cheque was used to pay £108 rent for the reception and foyer area which is a recurring monthly item shown elsewhere.

The payment for "internet connection" to Herefordshire Council (30th April report) is for more than a simple internet connection, it was agreed some time ago to use the existing hub and cabling in the Town Hall which belongs to Herefordshire and this represents a saving compared to a complete new installation from when we moved offices. £988 of the amount shown is for an ongoing service charge, the connection fee is some £2,200.

The Pip Print item (30th April report) was for banners which Herefordshire Council paid to design, we paid to print and Balfour Beatty paid to erect on the High Town columns. These cover the recognition of both VE and VJ days and were commissioned before the planned ceremonies were disrupted by the Coronavirus.

The Herefordshire Council service charge item (30th April report) seems to be for £36-00 less than the invoice. This was because it was offset against a payment for a meeting room hire which was in fact cancelled but the charge was still applied.

The Chair thanked Councillor Oliver for his diligence in scrutinising the schedule so close and bring these matters forward.

The schedules of payments were noted by the Committee.

FP2020/21.14 BANK RECONILIATIONS

Councillor Wilcox confirmed he had been through the four months up to the end of May 2020 and signed the reconciliations. One issue of an incorrect card payment had been picked up by staff and resolved, and the cause of the mis-payment had been closed down and he thanked the staff for their diligence and prompt response to the issue.

Councillor Stevens thanked Councillor Wilcox for coming into the town hall and spending a morning going through the reconciliations.

In response to questions it was confirmed that repeated efforts have been made to resolve the unpresented cheques for Like Radio. The problem arose when they moved offices without telling us so they were sent to the wrong address. We still get their monthly invoices and payments are now proceeding smoothly.

The Granville Brittan item shown as unpresented was held back deliberately as it related to the hire of a shop window in High Town for advertising. This was due to start just as the lockdown meant High Town became almost entirely deserted. Now that activity was recovering somewhat, they had agreed to start the six month lease from 1st August and the cheque had now been paid into the bank on their behalf by an officer.

The bank reconciliations were noted by the Committee.

FP2020/21.15 CLOSURE OF ACCOUNTS AND ANNUAL GOVERNANCE AND ACCOUNTING REPORT

The Clerk introduced the report and explained that normally this would be circulated to the Committee at least a week in advance of the meeting to allow for detailed questions. It would then be referred to Council for approval. This year the accountants had been considerably hampered by being unable to visit the offices and their staff had also been working remotely, and some had been unable to work at normal output as a result of self-isolation. As a result, the accounts had been produced in time for Council but not for detailed pre-scrutiny by members. The Clerk suggested that the Committee focussed on any issues that might be material to whether the accounts should be accepted and that more detailed scrutiny of particular data takes place at the next meeting of the Committee. The Chair of the Committee endorsed this view.

It was noted that on page 7 the figure for grant aid expenditure is exactly the same across two years. This might well be correct but is unusual. The Clerk will verify this with the accountants.

It was noted that civic expenses are running well below budget. This was not only due to a curtailing of Mayoral activities from February due to lockdown, but also due to a particularly frugal Mayor who had made little call on the expenses budget. The decision to stop robing the Mayor for Council meetings meant that the use, and therefore the cost, of the Sword Bearer had reduced, which had also marginally reduced this area of spending.

It was noted that the earmarked reserves remain high and the need for all of them to be maintained would be examined at the September meeting. The cost of the one freedom ceremony to take place in the year of accounting had been met from current budgets and had not led to a call on the reserve.

Councillor Oliver queried the treatment of tangible assets and the lack of any reduction in values for items such as street furniture due to depreciation. He felt that this meant the accounts were overstating the value of these assets and that he could not agree to them being adopted as they stood. The Clerk replied that he had discussed Cllr Oliver's point when he had raised it last year and the accountant had stated that it was not appropriate to reduce the item by writing off the depreciated value of street furniture. However, the Clerk also agreed that he did not have a

detailed answer on this point. He would attempt to get a detailed answer before the Council meeting, where Cllr Oliver indicated he would raise the matter again.

The accounts and accompanying draft AGAR were noted by committee and will be considered by Council at the 23rd June meeting.

FP2020/21.16 2019/20 INTERNAL AUDIT REPORT

The Clerk was pleased to introduce an unqualified report from the internal auditor, i.e. one which had not discovered any causes for concern or adverse comment. He asked members to note particularly the point about grant information recording noted as an area of very satisfactory performance. The report as a whole was a tribute to the staff who had handled the Council's transactions through changes in workload due to sickness absence and to the management and control of spending implemented both by officers and members.

The Mayor endorsed these comments and also thanked the Clerk for the covering report which had set out exactly what the internal audit did, and how useful it was in coming to a conclusion about the Council's overall processes and controls. Clearly the right controls are in place and are being operated properly.

Other members also expressed satisfaction with the report and the Clerk asked, and members agreed, that the auditor should also be thanked for having produced a complete report in accordance with the usual timescale despite having to do everything online and without a visit to the offices. Normally he does an amount of preparatory work but the bulk of the audit is done in a full day's visit. He had adapted his approach well to enable a report to be completed during lockdown.

Regarding the section on risk assessments, the Clerk confirmed that before any staff return to work there would need to be detailed risk assessments of the workplace. So far, no return was imminent. The Tourist Information Centre Manager has completed an assessment to enable a possible re-opening of that facility in late July if tourism has started to pick up by then, this would need to be measured against environmental health and other professionals standards, but appeared on first reading to cover the issues. It was noted that the main reception desk is in a public part of the building and is the responsibility of Herefordshire Council. The Clerk has opened discussion with them about suitable protective screens, sanitiser station, markings on the floor etc but had so far received only a holding reply. He would follow this up. It was noted that a joined up approach was needed for the whole building and that copious specialist advice was available to do this well.

As the Council had been forced to introduce home working there had been no revision of our employer's liability insurance as there would have to be if the Council chose to introduce this outside emergency legislation.

The internal audit report was received by Council.

FP2020/21.17 SUPPLIER PAYMENT BY BACS

The Clerk introduced the report which was in response to the increasing number of cheques having to be cancelled and reissued. These were in all probability not being lost in the post but rather creditors no longer had systems to process cheques reliably.

Costs of going onto BACS had been significantly cut by the banks in recent years. The Local Government Act 1972 requires that an “instrument of payment” be signed by at least two councillors. This had meant at the time it was written a cheque or bank mandate for a direct debit. After much lobbying, the Audit Commission had agreed that “instrument of payment” could be interpreted to include a payment control document authorising an officer to operate a BACS payment. There was therefore no legal difficulty in moving to BACS and this was perhaps an idea whose time had now come.

Members spoke to confirm their agreement that cheques were an outdated form of payment. It was also suggested that as part of the revision of standing orders and financial regulations to implement the use of BACS, the officers that carry out the Council’s transaction be added to the list for those who can contact the bank by phone to resolve queries. At present this is just the Clerk and Deputy. This will be included in the revision of procedures to introduce BACS.

It was also noted that controls and reporting for BACS payments would be just as robust as those currently used for cheques.

It was proposed by Councillor Wilcox, seconded by Councillor Toynbee and unanimously

RESOLVED

That the Committee agrees in principle to the Clerk setting up BACS payment facility for the Council.

That the officers and member currently authorised to sign cheques also act as authorised to sign BACS payment control documents.

That BACS payments be reported on the schedule of payments on the same timescale as cheques.

That control documents and BACS payment records are retained in accordance with financial regulations for scrutiny and audit purposes.

That updated wording for financial regulations and standing orders, where necessary, is brought to Council for approval.

FP2020/21.18 FEBRUARY FLOOD DAMAGE

The Clerk reported that in addition to the grants to community organisations affected by floods, one of the Council’s allotment sites, Eign Road, had also been badly affected. As this was the Council’s own property he had consulted the Chair of the Committee and had decided to take immediate action. The damage was so severe that the allotment had been effectively destroyed with no topsoil for planting and a large amount of contaminated clay and mud having been deposited. The urgency was to restore the allotment in time for spring planting otherwise a year of cultivation would be lost. In addition, an item agreed some time ago as part of the upgrading of sites preparatory to the long lease had also been brought forward. This was to remove the hedge from the centre of Corporation Farm allotment and dig it out, as well as the concrete posts that had supported fencing in place before the hedge grew. This would enlarge the cultivable area of the allotment.

The Corporation Farm works had cost £1,500 and had previously been costed with estimates. The emergency works at Eign Road has been to remove the contaminated clay and mud, shift topsoil from the surplus pile at Holmer to site and spread it, repair the roadway which had been badly affected by its foundations being washed away, build a bund to improve flood prevention on the site, hire equipment and two large skips, at a total cost of £3,275-00.

There being no questions this information was noted by the Committee as a valid emergency action in respect of Eign Road.

FP2020/21.19 ITEMS FOR FUTURE MEETINGS

Asset depreciation and treatment of fixed assets in the annual accounts.

Procedures for BACS and consequent modifications to financial regulations and/or standing orders.

Cllr Oliver pointed out that some questions on the schedule of payments had been raised on 14th January and been listed for later reply. He had not received a reply. The Clerk apologised for this oversight and undertook to supply email answers to all members of the Committee as soon as possible. This would be reported to the next meeting.

FP2020/21.20 DATE OF NEXT MEETING

Tuesday 14th July 2020

There being no further business the meeting closed at 6.55 pm

Signed

Date