

**HEREFORD CITY COUNCIL**  
**FINANCE AND POLICY COMMITTEE 13<sup>th</sup> October 2020**

**MINUTES OF MEETING**

This meeting took place under the terms of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 Sections Four and Five

**Present:** Councillors Paul Stevens (Chair) Diana Toynbee, Cat Hornsey, Sue Boulter, Brian Wilcox and Polly Andrews (non-member of the Committee attending)

**FP2020/21.21 CONFIRMATION OF MEMBER ACCESS**

The Chair confirmed that all members present were able to see and hear the meeting. At this point Councillor Oliver attempted to join the meeting and was briefly able to be seen and heard. However, his link failed intermittently after a few minutes and later in the meeting completely, and by prior agreement with the Clerk he was noted below as sending apologies as he was not able to engage fully but did not wish to prevent the meeting from going ahead.

All other members confirmed they could see and hear the proceedings.

**FP2020/21.22 CONFIRMATION OF PUBLIC ACCESS**

It was confirmed that the meeting was being live streamed and was being recorded.

**FP2020/21.23 APOLOGIES FOR ABSENCE**

Apologies were noted from Councillor Kath Hey, Councillor Mark Dykes and Councillor Aubrey Oliver. It was also noted that Councillor Clive Butler had resigned from the Council and would not therefore be attending this meeting.

**FP2020/21.24 APPOINTMENT OF SUBSTITUTES**

None.

**FP2020/21.25 DECLARATIONS OF INTEREST**

None.

**FP2020/21.26 MINUTES OF PREVIOUS MEETING**

It was proposed by Councillor Boulter, seconded by Councillor Hornsey and unanimously

**RESOLVED That the minutes of the meeting of 16<sup>th</sup> June 2020 be agreed as an accurate record and signed accordingly by the Chair.**

**FP2020/21.27 SCHEDULE OF PAYMENTS**

The Committees, Events and Contracts Officer presented schedules of payments for June, July, August and September. In answer to a question it was confirmed that the works for the BMX track in Westfaling had not given rise to an ongoing liability as BBLP had accepted the works on behalf of Herefordshire Council who continued to own and operate the facility.

The schedules were noted.

#### **FP2020/21.28 BANK RECONCILIATIONS**

The bank reconciliations for June, July, August and September were noted.

#### **FP2020/21.29 INCOME AND EXPENDITURE REPORT**

The Clerk introduced the report, reminding members that he had commented on those variances which were more than 55% of budget or less than 45% spent at the half year, except where the amounts involved were less than £500. The largest variance was the sum set aside for asset and service transfers because this level of activity had been predicted but had not taken place, partly due to the Covid 19 affecting the availability of Herefordshire Council officers to progress matters.

The other variances in expenditure were noted and accounted for, including those items which are paid as a lump sum at the start of the year such as the single insurance premium for all risks which therefore show as 100% spent at half year.

Income is very largely council tax, which is received in two tranches in early April and early September. Therefore, by the half year nearly 100% of income is received, a small amount of interest and dividend will be paid in the second half of the year.

The overall position is that spending will be well within budget this year, and if there is no significant activity on asset transfers the Council will probably underspend quite substantially. The Clerk referred to the later report on budget strategy and direction on this agenda which addresses this point in more detail.

The Clerk also asked members to note the implications of the development of a Tourist Information Centre (TIC). This has led to a member of staff moving from Town Hall Reception (which is closed) to the TIC and there is therefore a proposal to vire his salary costs to the correct heading. In order to enable the TIC to sell souvenirs it is necessary to have a separate petty cash account and there is therefore a proposal to create that account.

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

#### **RESOLVED**

**That the overall financial position and the detailed notes on specific variances set out in the report be noted.**

**That the virement of the remaining salary budget for the Receptionist to the TIC cost centre be agreed to give an accurate picture of expenditure in that area.**

**That the creation of a second petty cash account to show transactions within the TIC as a discreet area of activity be agreed.**

#### **FP2020/21.30 BUDGET STRATEGY AND DIRECTION**

The Clerk introduced the report, noting that the key points were a proposal to have 0% council tax increase and to use reserves to cover emergencies rather than subsidising the revenue budget. This would require some savings to be made and

there were two proposals to this effect later on the agenda. The proposals took into account a difficult economic situation and the gloomy forecasts for a long and slow recovery for the Covid recession. The purpose of this report is not to fix the budget, that will be resolved at Council in January, but rather to give officers a clear steer as to the Committee's intentions so a budget is prepared which is likely to be accepted.

A number of members spoke in favour of there being no tax increase next year because of the economic situation and the historic under spending by the Council. Any under spend this year would be added to the reserves once accounts were closed and could be used to provide an emergency provision, noting that there had been several emergency payments this year relating to flooding and Covid relief projects which had drawn on those reserves. In answer to a question it was confirmed that the Council may only borrow with the consent of the Public Works Loans Board for specific capital items. As a parish council it does not borrow for revenue items but receives its full council tax income from the precept regardless of the actual collection rate. Payment of the first half of the council tax income in April means there is no cash flow issue requiring short-term borrowing.

In answer to another question it was noted that there are several examples of the Council picking up costs for what were previously activities funded by Herefordshire Council, these included a large investment in renewal of playground equipment when it became clear that Herefordshire would simply remove anything dangerous but not replace, and the finding of the seagull contract from 2013.

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

#### **RESOLVED**

**That noting the difficult economic circumstances, officers are directed to draw up a budget based on a zero tax increase, any increase in the revenue budget to be funded from tax base rises only.**

**That noting the great uncertainty about the economic factors in the immediate future, the draft budget shall assume no further planned calls on the reserves, and that these should be maintained to keep a capacity to respond to emergencies.**

#### **FP2020/21.31 EXTERNAL AUDIT LETTER**

The Clerk presented a short report updating members on the progress with external audit. All necessary information has been confirmed as delivered and the letter is due before the end of November, not September as usual as the external auditors have extended their own timescales because of disruption to normal working arrangements. It was confirmed in answer to a question that this does not prevent the Council from undertaking any activity or making any decisions in this financial year.

The report was noted.

#### **FP2020/21.32 MERGER OF COMMITTEES**

The Clerk introduced the report and reminded members that it had already been agreed by Governance and Procedures Committee and had been written after

detailed discussion with the Chair and Vice Chair of this Committee, who in reverse order were also the Chair and Vice Chair of Governance and Procedures Committee. The report was substantially the same as the one which had gone to G&P Committee, who had addressed the issue for the Employment Panel in some detail. If members felt there needed to be any panels or sub committees for financial topics they could set these up at any time by resolution of the Committee. The argument was not just about shortness of meetings of both committees but also the intrinsic links between financial and asset transfer matters at this committee and staffing, procedure and constitutional matters at G&P Committee. Risk management was presently undertaken by both committees and resolved at Council; this too could be streamlined.

Both Chair and Vice Chair spoke to confirm their agreement with the proposals which they had supported at G&P Committee too. Whilst members agreed in general about the benefits of joining up thinking on all the corporate issues dealt with by both committees, it was also noted that sufficient time needs to be given for large items such as the budget, the closing of accounts, the reviews of standing orders to be fully considered and newer members might appreciate some additional training in these areas. The Clerk confirmed that he would circulate an offer to train members in these areas and respond accordingly to requests.

It was proposed by Councillor Boulter, seconded by Councillor Hornsey and with one abstention

**RESOLVED**

**That the Committee agrees in principle to the merging of this Committee with Governance and Procedures Committee with effect from May 2021.**

**That this proposal is now forwarded to full Council for approval.**

**That once Council approval is given the Clerk draws up detailed terms of reference for the new committee, including an appropriate title, for comment by both the current committees before final approval by Council.**

**That the terms of reference and recommendations to Council include an Employment Panel as outlined above.**

**FP2020/21.33 BUDGET PROPOSAL PLYNLIMON TRUST**

Before introducing the report, the Clerk explained that Councillor Andrews had asked for deferral to be considered. The Chair welcomed Councillor Andrews to the meeting and invited her to put her case for a deferral. Councillor Andrews explained that she had originally proposed this service in response to a need from Great Western Court and Ballinger Court sheltered housing units when Herefordshire Council withdrew the bus services. She would like to have more time to talk to them about whether it was still needed. It was recognised that lockdown and the subsequent extreme caution many older people have about going out had reduced numbers to the point where it was currently uneconomic and she had no objection to the current cessation, but would appreciate some time to discuss the longer term proposals. Councillor Wilcox echoed those sentiments.

The Clerk added that with another meeting on 24<sup>th</sup> November, this matter could be deferred and still be considered within the timetable for setting the budget to report to Council in January.

It was then proposed by Councillor Boulter, seconded by Councillor Wilcox and unanimously

**RESOLVED That this item be deferred until the next meeting of the Committee to enable members to consult with the ward residents about the proposals.**

#### **FP2020/21.34 BUDGET PROPOSAL – ROADSHOW VEHICLE**

The Clerk introduced the report and described the decline in the number of roadshow appearance before Covid 19 effectively cancelled the events that it might have been used at. It was costly to maintain and park the vehicle as illustrated in the report and it was inconsistent with the Council's position on the climate emergency to maintain a diesel powered vehicle with a petrol driven generator for public exhibitions. This does not mean that Council would not be represented at events. One advantage of the new hybrid powered mayoral car was that it was a large hatch back and could carry a substantial quantity of display materials to a site. It was envisaged that if the Council was attending either a tourist or council information event then a hired vehicle could be used as a one off, and several staff would be deployed to preparing material, packing, attending the event and unpacking the vehicle, rather than it being one person's responsibility.

Members broadly concurred with the observation that the vehicle was past its useful term with the Council, and considered the best way to dispose of it for maximum community benefit. With this mind several members suggested options in line with the second recommendation regarding a possible donation or reduced consideration to a voluntary group. There was a clear view that this should be pursued with some vigour before a commercial disposals was considered and that the market towns should be added to the list of organisations approached to see if they were interested, and that HVOSS was the appropriate conduit for testing to see if local voluntary groups were interested.

It was noted that we also have a very full list of voluntary organisations and a mailchimp facility to send them all a mail shot which could be used along with an approach to HVOSS to give maximum coverage.

It was proposed by Councillor Wilcox, seconded by Councillor Boulter and with one abstention

#### **RESOLVED**

**That the Committee agrees in principle to dispose of the roadshow vehicle and to delete provision for its costs from the 2021/2022 budget.**

**That the Clerk obtains information on the current market value of the vehicle but before any commercial disposal is considered that HVOSS and the Herefordshire Town Councils and other voluntary groups whom the Council has contacted be invited to suggest a donation in return for the transfer of the vehicle to them.**

**That any proposal to dispose by donation at a reduced value be considered at the January meeting of the Committee, otherwise disposal will take place at the best market price available.**

**FP2020/21.35 PETTY CASH INTERIM INTERNAL AUDIT REPORT**

The Committees, Events and Contracts Officer reported that internal audit rules have been adapted to cover the fact that the Internal Auditor was now working online and had not been able to visit the offices. He normally physically checks the petty cash and reconciles the records with a count of cash held. He therefore requested that members be presented with a brief report on the petty cash position and that their acceptance be muted, which was the purpose of this item being on the agenda.

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

**RESOLVED That the report on the petty cash position be accepted and that in future Councillor Wilcox will include a petty cash reconciliation along with the bank reconciliations he signs.**

The Chair thanked Councillor Wilcox for scrutinising and signing the bank reconciliations and for agreeing to take on reconciling the petty cash.

**FP2020/21.36 ITEMS FOR FUTURE MEETINGS**

Licensing the TIC for sale of alcohol for consumption off the premises as part of an expanding sale of souvenirs.

Plynlimon Trust item deferred from this meeting

Interim internal audit report

Town Hall asset transfer update on progress and blockages to progress

**FP2020/21.37 DATE OF NEXT MEETING**

Tuesday 24<sup>th</sup> November 2020 at 6 pm by zoom

There being no further business the Chair declared the meeting closed at 7:05 pm

Signed .....

Date .....