

HEREFORD CITY COUNCIL

FINANCE AND POLICY COMMITTEE 24th November 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 Brian Wilcox (Vice-Chair acting as Chair), Sue Boulter, Mark Dykes, Cat Hornsey, Jim Kenyon, Aubrey Oliver and Diana Toynbee.

FP2020/21.38 CONFIRMATION OF MEMBER ACCESS

The Chair confirmed that all members present were able to see and hear the meeting.

FP2020/21.39 CONFIRMATION OF PUBLIC ACCESS

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

FP2020/21.40 APOLOGIES FOR ABSENCE

Apologies were noted from Councillors Kath Hey and Paul Stevens.

FP2020/21.41 APPOINTMENT OF SUBSTITUTES

It was noted that Councillor Jim Kenyon was a substitute for Councillor Paul Stevens.

FP2020/21.42 DECLARATIONS OF INTEREST

None.

FP2020/21.43 MINUTES OF PREVIOUS MEETING

It was noted that Councillor Wilcox was in attendance at the last meeting and with that correction it was

RESOLVED That the minutes of the meeting of 13th October 2020 be amended to reflect Councillor Wilcox's attendance and agreed as an accurate record and signed accordingly by the Chair.

FP2020/21.44 SCHEDULE OF PAYMENTS

Schedules of payments for October were presented. In answer to a question raised by two councillors in advance of the meeting, the Town Clerk confirmed that the larger than normal payment to Grenke Ltd was a settlement payment for the outdated and redundant franking machine lease. We now have an account on Herefordshire Council's machine and will be invoiced for any usage. This is saving a significant amount of money in maintenance and repair.

Councillor Wilcox asked for a breakdown of payments to Grenke for the leases on the franking machine and two defibrillators at a future meeting.

The schedules were noted.

FP2020/21.45 BANK RECONCILIATIONS

The Chair raised the issue again about the cheques to Like Radio having not been cashed. The Committees, Events and Contracts Officer explained that some cheques for the last financial year were sent to the incorrect address as they had moved offices but not updated the address on their invoices, so new ones had to be raised, and that the Director had explained that all the staff had been on furlough so weren't able to cash.

Since the meeting, subsequent discussions with Like Radio had resulted in them confirming they hadn't received a number of the cheques. It was agreed to cancel them and raise one final cheque, which a member of Like Radio staff would come to Town Hall to collect, therefore this issue should be resolved before January's meeting.

The bank reconciliations for October were noted.

FP2020/21.46 PLYNLIMON TRUST TRANSPORT SUPPORT

The Town Clerk reminded Councillors about the arrangement with Plynlimon Trust to fund minibus services between sheltered housing units which was deferred from the last committee at the request of Councillor Andrews, who had been instrumental in starting this service, in order to talk to the facilities about whether the service was still required due to falling numbers. He explained that the covid outbreak and lockdown had impacted on numbers which had made the costs per person per trip uneconomic, however since the lifting of lockdown, the Trust had not made contact with the Council regarding restarting the service.

The Town Clerk also explained that as part of the Stronger Towns Fund bid, a case had been made for an extended electric service that could be used by all residents and tourists alike covering more areas.

Councillor Andrews was aware of the proposal to remove the line from the budget for 2021/22 and felt there was no need to attend the meeting to propose to retain the service.

Concerns were raised about the costs having become uneconomic however it was noted that it was very forward thinking when the service was originally provided.

It was then proposed by Councillor Toynee, seconded by Councillor Kenyon and unanimously

RESOLVED

That the Clerk does not reopen the current service in this financial year.

That provision is not made for the service in 2021-2022 at a budget saving of £6,000.

That a bid is made along the lines suggested above for the development of a more flexible, sustainable and effective community transport provision using seed funding from the Stronger Towns initiative and a joint approach by both councils to running costs.

FP2020/21.47 RE-ADOPTION OF INVESTMENT STRATEGY

The Committees, Events and Contracts Officer explained that the original Investment Strategy adopted in 2018, resolved to make specified investments with Lloyds Bank but that it had been updated to reflect the decision to move these investments to a CCLA Public Sector Deposit Fund, which maintains instant access, due to the poor returns with Lloyds. She also explained that an additional amount had been invested with the CCLA Local Authority Property Fund.

The strategy needs to be re-adopted periodically for audit purposes.

It was proposed by Councillor Dykes, seconded by Councillor Kenyon and unanimously

RESOLVED

That the Committee recommends the current strategy, with the amendments to the specified investment and to the amount invested in the longterm investment, to Council for re-adoption.

FP2020/21.48 TOWN HALL KEY PROJECT UPDATE

The Clerk introduced the report and reminded members that the Council had carried out an in depth survey which had identified £1.8-2 million of immediate wants of repair, and a programme of work over the next three to four years of around £5-6 million. This was shared with Herefordshire Council but they insisted on doing another survey, confirming our survey was accurate however causing a significant delay. The current position is something of an impasse as Herefordshire Council do not have the funds to fix the Town Hall and it would be risky, to the point of indefensible, for City Council to take the building on with 20 years of wants of repair to pay for. It could only be done with a substantial loan and reserves which would be a charge on the tax payers for years to come. It follows that a solution for both councils be found and the Town Clerk recommended that setting up some form of heritage trust is investigated which would allow access to funding.

He also explained that there is a Stronger Towns Fund bid in from the City Council to develop the ground floor of Town Hall into a community arts hub, however this bid would be weakened if the future of the Town Hall was uncertain.

It was questioned what would happen to City Council's investments if Herefordshire Council decided to sell the Town Hall. The Town Clerk explained that in his opinion there is very little prospect of anybody being willing to buy the Town Hall due to the repair required and the existing repairs having being completed without meeting the listing status. The interior listing status also means that very little alterations can be made which makes this even less of an attractive purchase. The Town Clerk explained that depending on how the trust is organised, it might be possible to include in the terms that no sale could happen unless all parties agreed. It was important to note that currently we legally have no say over the future of the building as City Council only lease some rooms. If we wish to increase control we need to change the current arrangement of Herefordshire Council holding the freehold with no constraints other than those listed above,

The repair liability currently rests with the owners, Herefordshire Council, but if it goes into a trust, this liability would be inherited so the trust can access heritage building funding which is not available to local authorities.

The question was raised as to whether the building was registered as a community asset and the Town Clerk answered that he is not aware of this and that councils don't usually register their own buildings as community assets but that he would look into whether there is an advantage to doing so (if it is even possible).

A concern was raised about a loss of control over the building if it was transferred to a trust and also that potentially not enough funding would be able to be accessed to do even the immediate repairs, therefore an amendment be made to recommendation 3.2 to remove the specification of a heritage trust but instead use a wider interpretation stating that a suitable alternative to both councils be sought.

A member asked whether the trust agreement could include strict conditions that the building be given back to the councils should the trust fold, and the Town Clerk explained it could however a trust lawyer would need to be engaged and that it depends on exactly how the building was handed over (e.g. who owns the freehold).

The Town Clerk then asked members if they would allow an additional recommendation 3.4, authorising him to seek professional legal advice as and when necessary.

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

RESOLVED

That the Committee notes that there is no serious prospect of their being able to recommend to Council that it takes over the Town Hall in its present condition, and no serious prospect of Herefordshire Council carrying out necessary repairs and restoration work at its own expense.

That the Clerk and members involved in negotiations with Herefordshire Council on the asset transfer indicate that this should now be directed towards finding an alternative solution acceptable to both councils which will secure the future of the building.

That Herefordshire members be made aware of the City Council's concern at the slow pace of responses on these matters and that more brisk working is required now to progress this matter and support the Stronger Towns Fund bid.

That the Clerk is authorised to seek professional legal advice as and when necessary.

FP2020/21.49 PROCEDURE FOR BANK RECONCILIATION

The Clerk gave the background to the report and explained that guidance changes from time to time. Our auditor suggested some time ago that the bank reconciliations should be signed by a member of Council and it is unclear whether at that point it was stipulated as being required every month but this is what we have been doing. He has now confirmed that we absolutely must get the reconciliations signed annually, and that good practice is quarterly, however monthly is excessive. We should

continue to report the bank reconciliations and schedule of payments to committee, but a member attends the office to sign these quarterly.

The Town Clerk also explained that we need to look into electronic signing of all the financial processes and that the streamlining of all of the financial processes is being considered.

Councillor Wilcox questioned why at the last Finance and Policy Committee, reconciliations were discussed regarding petty cash expenses, that at the last Council, the interim internal audit report was discussed and why the auditor hadn't mentioned this previously when this process has been the same for many years.

The Committees, Events and Contracts Officer explained that the petty cash process was mentioned specifically because usually more people would be using the petty cash so there would be more opportunities to identify issues, and that the auditor would check this on his visits to the office twice per year. However, as he is no longer attending, as audits are now carried out remotely due to the covid pandemic, an extra safeguard needed to be put in place, hence including it with the reconciliations. Frequency of these was not discussed at that time. The frequency of reconciliations would not have been highlighted in an interim audit unless there was an issue with reconciliations not balancing.

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

RESOLVED

That bank reconciliations continue to be reported to committee as accompanying information alongside schedules of payments as and when they are ready for presentation.

That bank reconciliations are signed by the appointed member as part of the quarterly accounting processes including the year end reconciliations as a separate process.

That a procedure for electronic signature for the quarterly bank reconciliations is developed as soon as practicable.

FP2020/21.50 ITEMS FOR FUTURE MEETINGS

The licensing of the TIC for sale of alcohol for consumption off the premises as part of an expanding sale of souvenirs was agreed at Community Development so the Town Clerk informed members that he would be going ahead with this without taking it to committee as the costs allow him to authorise this.

Recommend Final External Audit for 2019/20 to Council.

Schedule of future Grenke lease payments.

2021/22 Budget and Council Tax.

Quarter three financial update.

FP2020/21.51 DATE OF NEXT MEETING

Tuesday 12th January 2020 at 6 pm by Zoom.

There being no further business the Chair declared the meeting closed at 6:45 pm and wished all present a Merry Christmas.

Signed

Date