

HEREFORD CITY COUNCIL
FINANCE AND POLICY COMMITTEE 18th January 2021

MINUTES OF MEETING

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

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

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

The Chair reminded everyone of the legal basis for the meeting being held by Zoom.

FP2020/21.52 CONFIRMATION OF MEMBER ACCESS

The Chair confirmed that all members could see and hear the proceedings and could be seen and heard.

FP2020/21.53 CONFIRMATION OF PUBLIC ACCESS

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

FP2020/21.54 APOLOGIES FOR ABSENCE

There were none.

FP2020/21.55 SUBSTITUTIONS

There were none.

FP2020/21.56 DECLARATIONS OF INTEREST

There were none.

FP2020/21.57 MINUTES OF PREVIOUS MEETING

The Chair thanked Cllr Wilcox for chairing the meeting of 24th November 2020 in his absence and asked if there were any questions or points of accuracy on the minutes. There were none and it was unanimously

RESOLVED That the minutes of the meeting of 24th November 2020 be accepted as a true record and signed accordingly by the Chair.

FP2020/21.58 SCHEDULE OF PAYMENTS

The schedules of payments for the end of November and end of December 2020 were presented. In answer to questions the following points were noted –

The summary of lease holding liabilities to Grenke was outstanding due to the Christmas holidays and the pressure of urgent work supporting Stronger Towns Fund bids. It would be circulated soon and be available for comment at the next meeting.

The defibrillator on the White House (Tupsley) has been fixed.

When the Council took over the area now used for reception and the TIC together with the lobby area which we use for static displays when the Town Hall is open, the rent increased as we were occupying more floor space. This is normal practice. There was a reduction in service charges as a result of Herefordshire not providing a receptionist. One member asked for more information about the decisions taken at the time and this would be provided by the Clerk.

The schedules of payments were noted.

FP2020/21.59 BANK RECONCILIATIONS

Bank reconciliations were presented up to the end of December 2020. There being no questions the reconciliations were noted.

FP2020.21.60 FINAL 2019/2020 EXTRENAL AUDIT

The Clerk reported that the Council had received an external audit with no exceptions and therefore the Council had in effect passed external audit. The comment concerning timing related not to delivery of the Council's information which had actually been slightly ahead of the deadline, but to the fact that the auditors did not look at it until a few days before their final deadline to report. They had queried the accounting of the trade in on the old mayoral car and insisted that this be shown as income although this meant that there would be a discrepancy between income shown in the accounts and income received in the bank. It was a purchase discount not a sum received. They had also required an amendment referring to the issue in 2019 relating to the 2018/2019 accounts although they had acknowledged that their question in this regard was ambiguous. All changes had been made, sent to the auditors and published as per their requirements on the website and on a public notice board. The Council has thus achieved a clean external audit report.

The external audit report was noted.

FP2020/21.61 QUARTERLY FINANCIAL STATEMENT

The Clerk presented the financial statement up to the end of December, three quarters of the Council's financial year. With several activities curtailed or completely cancelled because of Covid it was clear that the Council would underspend this year and the savings made would be rolled into the reserves as part of the closure of accounts. That could not be taken into account in next year's budget setting as it was a projection rather than a fact, but there was no reason to assume there would be any major shift in the overall financial position based on all current information.

The quarterly financial statement was noted.

FP2020/21.62 ANNUAL BUDGET, PRECEPT AND COUNCIL TAX

The Clerk presented the draft budget precept and council tax proposals and thanked the Committees, Events and Contracts Officer and the external accountants for bringing this to a conclusion. This year, for the first time since the basis for calculation was changed by the government, the tax base had gone down. This was because if someone is in, say, a Band D property they count as Band D; but if they have suffered a loss of income and now receive council tax benefit the value of that is taken into account and they could be re-assessed as actually paying at Band A-C depending on

the amount of benefit. The increase in properties in the city had not covered this reduction which had been marked as the economic effects of Covid are felt. As a result, the tax base has dropped by just over 5%. This would have led to a sharp increase in council tax to maintain the budget and remove the need to draw on reserves.

Following the mandate given at Committee to achieve a zero percent increase this year, officers were recommending that reserves would be called on again to balance the revenue budget and that savings such as seagull contract (obviated by a change in legislation), Plynlimon Trust support and the disposal of the roadshow vehicle (both previously agreed by the Committee) would be included to achieve that figure.

Several members spoke to support the delivery of no tax increase from the City Council, although the Mayor also noted that we cannot keep drawing on reserves even if this is not the year to re-balance that. In answer to a question the Clerk reminded members that the asset and service transfer budget is being broadened in scope to cover revenue costs associated not only with asset and service transfer but service development initiatives such as the revenue implications of capital grants through Stronger Towns Fund or possible future bids for funds for capital works at the Town Hall when the ownership issue is resolved. This budget would therefore be maintained to provide a facilitation fund for important service improvement and developments.

Members were advised that an announcement formally regarding Stronger Towns Fund will be made shortly; at the moment the Council's joint bid with the Bus Forum for an electric bus scheme in the City is in the proposal, the bid for works at the Town Hall for a gallery and museum as part of a community arts hub is not, but might well be the subject of other external funding bids.

Finally, for the benefit of any members of the public watching the meeting the Clerk explained the relationship between the City Council's precept and the final tax bill covering City Council, Fire and Rescue, Police and Crime Commissioner and Herefordshire Council. This explanation will be added to a press releases confirming the decision of this Committee.

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

RESOLVED

That the Committee recommends to Council a total expenditure budget of £1,055,385 and a precept requirement of £853,826.

That the Committee recommends that Council agrees to maintain the Band D level at £54.67, delivering the previous mandate for no increase in council tax this year.

FP2020/21.63 GRANTS BUDGET – FOOD DONATIONS

The Clerk presented the report and briefly reminded members of the emergency donations made which had to be accounted for out of the Grants and Community Support budget as the most appropriate source of funds. This had created pressure on that budget which might mean good applications which the Community

Development Committee might wish to support could be held up. That Committee did not have authority to spend on grants above the budget, or to commit the reserves. That was a matter for Finance and Policy Committee, and so it was being requested that consideration be given to re-ascribing the emergency donations to the reserves to relieve that pressure. This would not lead to a risk of the Council holding insufficient reserves.

In discussion members noted that it was very much to the Council's credit that we had been able to make these emergency payments. The item here only referred to donations made since April 2020, the previous flood donations made in 2019 and early 2020 and the earliest Covid food support donations had been funded in the previous year. There was now a process for Council to make emergency donations funded directly from reserves to avoid this issue in the future.

The Chair put the recommendation to the Committee and it was unanimously

RESOLVED That the donations to Hereford Rotary of £10,000 in May 2020 and to the Salvation Army of £4,000 in April 2020 be reallocated to reserves and the balance of remaining funds in the Grants and Community Support budget be increased by the same amount.

FP2020/21.64 ITEMS FOR FUTURE MEETINGS

Resolution of the disposal of the roadshow vehicle noting that the HVOSS Board had declined the Council's offer but some local groups might well be interested.

FP2020/21.65 DATE OF NEXT MEETING

Tuesday 2nd March 2021 returning to the usual time of 6 pm

Signed

Date