

## HEREFORD CITY COUNCIL

### POLICY AND RESOURCES COMMITTEE 10 January 2023

#### MINUTES OF MEETING

**Present:** The Right Worshipful the Mayor Councillor Mark Dykes, Councillor Paul Stevens (Chair) and Councillors Jim Kenyon, Polly Andrews, Aubrey Oliver, Kevin Tillett, Diana Toynbee, Cat Hornsey and Sue Boulter

**Attending:** Steve Kerry, Town Clerk and RFO, Becci O'Reilly Administration and Events Manager, Ali Tolley Administration Officer

#### **PR2022/23.34 APOLOGIES FOR ABSENCE**

The Clerk reported apologies received from Councillor Brian Wilcox and Rob Williams.

#### **PR2022/23.35 SUBSTITUTIONS**

Councillor Williams had appointed Councillor Kenyon as his substitute.

#### **PR2022/23.36 DECLARATIONS OF INTEREST**

Councillor Dykes declared a non-pecuniary interest in Item 11 Running Track as an employee of HALO. He confirmed that his employment and remuneration would not be in any way affected by the resolution of this item.

#### **PR2022/23.37 MINUTES OF PREVIOUS MEETING**

After noting a couple of typographical corrections, it was

Proposed by Councillor Boulter, seconded by Councillor Tillett and with two abstentions

**RESOLVED That the minutes of the meeting of 11 October 2022 be accepted as an accurate record and be signed accordingly by the Chair.**

#### **PR2022/23.38 SCHEDULE OF PAYMENTS**

The Administration and Events Manager presented schedules of payments for items since the last meeting. Councillor Oliver queried the spending on Hereford AppleFest and was provided with a brief synopsis of the event. It was confirmed that the budget was for £20,000, expenditure had been some £26,000. However financial support had been received from Herefordshire Council and the BID with £5,000 each so the project had been well within the budget allocated.

There being no further questions, the schedules of payments were noted.

#### **PR2022/23.39 BANK RECONCILIATIONS**

The Administration and Events Manager presented bank reconciliations for September, October and November. There being no questions the bank reconciliations were noted.

#### **PR2022/23.40 INCOME AND EXPENDITURE REPORT**

The Administration and Events Manager presented the income and expenditure report for the first eight months of the financial year, explaining that the timing of meetings had made it impossible to provide a six month report as the October meeting had been too close to the

month end for September to have all the information ready for agenda despatch. It was noted that with virtually all income received, and expenditure broadly on track, the straight line projection is for the Council to be within budget this year. It was possible that, due to some items being front loaded at the start of the year, that in fact there would be modest underspend.

In discussion it was noted that IT costs had risen sharply, partly because all items including software licenses, equipment, professional support and consumables were now in this heading, but that postage had declined sharply as had printing as online communication become more common.

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

**RESOLVED That the overall financial position and specific variances shown in the report are noted.**

#### **PR2022/23.41 BUDGET AND PRECEPT FOR 2023-2024**

The Clerk introduced the report and reminded members that the mandate had been to achieve a 0% increase in council tax this year. This had been made very difficult by rapidly rising inflation, which while it had increased income from investments by raising interest rates, this had been more than cancelled out by substantially increased cost projections in many areas. It had been possible to deliver the zero increase because of three factors. Firstly, now it was clear that the Council would not be taking over the Town Hall, and there was an adequate reserve to support the revenue costs for the Hereford Zipper (electric bus project), it was no longer necessary to retain the "Service Development and Asset Transfer" budget of £118,000. Secondly, the tax base had moved slightly in the Council's favour as it does most years, adding about £1,000 to the Council's income from the same tax rates. Thirdly, it had been decided to propose a draw on the general reserve of £19,500 to balance the budget. Drawing on reserves to balance a revenue budget is not normally good practice long term, but as a one off hedge against high inflation, and with a general reserve of approximately £1m, this was a prudent action at this time. The Clerk drew the attention of members to the third recommendation at the end of the report, that after the elections the Council seeks to establish a medium term (i.e. four year) financial strategy which could include the use of an agreed amount of reserves in capital investment in community projects, not further support for the revenue budget.

It was suggested that with a rapid rise in crimes against women some increased support for charities and voluntary groups operating in this area might well be a call for a large grant early in the next financial year. It was also suggested that we see if we can add some impressive illustrative material to show the taxpayers what they get from the City Council's tax could be included in the Herefordshire Council mailings along with the county wide material from the Council, Fire and Rescue Service and the Police.

It was then proposed by Councillor Andrews, seconded by Councillor Kenyon and by eight votes to one

**RESOLVED**

**That the Committee recommends to Council a total expenditure budget of £998,676 and a precept requirement of £934,630.**

**That the Committee recommends that Council agrees to maintain the Band D level at £56.86, delivering the previous mandate for a 0% increase in council tax.**

**That the Committee agrees to give further consideration to the levels of reserves and the options for capital investment of surplus reserves in community projects as part of a medium term financial strategy at future meetings.**

#### **PR2022/23.42 RISK ANALYSIS**

The Clerk presented the annual risk analysis report which demonstrates that the Council continues to be a low risk organisation, which is to be expected given that it does not operate in high risk areas.

There being no further discussion it was agreed to refer this to Council for acceptance.

#### **PR2022/23.43 FINANCIAL REGULATIONS**

The Administration and Events Manager presented a precis of the financial regulations where one area is suggested for amendment. The increased demand for parking charges and for purchases of items for the TIC had meant that petty cash levels had sometimes been too low, even though the credit card was used for larger purchases. It was therefore suggested that the cash holding limit be raised from £100 to £200 and the transaction limit be increased from £10 to £20.

It was confirmed that the cash is held in a locked box inside a combination locked safe, and that there had been occasional transactions of £12-£15 but nothing higher than that so a £20 limit would be sufficient.

As changes to financial regulations required the approval of Council, it was agreed without further discussion to forward this recommendation to the next meeting of Council.

#### **PR2022/23.44 PROPOSAL REGARDING THE ATHLETICS TRACK**

The Chair referred to being approached by a resident who insisted it was the duty of the City Council to fund the refurbishment of the track, which was unreasonable if it did not own or operate it. The track had been put down in 1988 by the City Council, and taken over as an asset in 1998 by Herefordshire Council. They had in due course leased it, with the Leisure Centre to HALO. Neither the Council nor HALO had made adequate provision for upkeep and the eventual replacement of the surface which would inevitably wear out. Now the track was in such a state that it would fail inspection in 2024 and be de-recognised for competitions which would severely reduce its usefulness to the various athletics groups that used it. Herefordshire Athletics Association, an umbrella group, had started fund raising following some very positive television coverage of their campaign, but had so far raised only £1,500 against a projected need for £350,000.

The Clerk added that the paper before committee was not a proposal to spend £350,000 but to authorise officers to begin discussions with Herefordshire Council and HALO about a possible transfer of the asset back into the City Council's ownership to allow for capital investment. That would be a time consuming process which could provide a long term solution, but so could other external funding options. Given the tight timescale for getting anything done before the track was de-recognised, it would be necessary to run talks about a possible asset transfer alongside any other funding initiatives. Therefore, the recommendations were for a permissive resolution for officers to explore options. A decision

to accept an asset transfer, or to spend such a large sum, would of course have to go to full Council for agreement and with a great deal of background information that is not yet available.

Councillor Kenyon suggested that most of the report and recommendations were sound, but that committing to funding the whole amount was premature. He suggested as an alternative that the committee agreed to a pump priming amount and seek external funding from S106 monies or the voluntary fund raising effort. The Clerk pointed out that S106 had not been allocated yet as Herefordshire Council had not identified that the dilapidation of their own facility as a cause for this form of investment. S106 money could be useful in future, but it would only arise from new planning applications, and only when development actually started, which could be several years away. Other members queried whether voluntary fund raising could raise enough resource in the time permitted. Some potential large funders such as Heritage Lottery Fund, Sport for All or government funded public health initiatives (which had been used innovatively at the cycle track) might be lucrative.

The current costs and revenues of the track were noted, there is a £4,000 p/a shortfall, which partly explains the lack of investment. It was possible that a newly refurbished track, run by a more ambitious local sports group than HALO, might well increase the revenue, but this could not be firmly quantified yet. The large number of local schools and athletics groups who used the track made it likely that income could be increased.

After a detailed appraisal of the options, it was proposed by Councillor Kenyon, seconded by Councillor Tillet and with the Mayor abstaining in line with his declaration of interest

#### **RESOLVED**

**That the Committee recommends to Council that it accepts that the retention of a good quality running track is an important part of the sports and leisure hub in the City but cannot be secured without significant investment.**

**That the Committee recommends to Council that it agrees to officers exploring the possibility of an asset transfer as set out above to bring the track into the ownership of the City Council, and to the deployment of reserves to finance a capital scheme to carry out the necessary renewal of the track.**

**That the Committee recommends to Council that it agrees to officers exploring any possible avenues of external funding to support this project before a final decision is made on the deployment of reserves.**

**That a further report should be brought back to this Committee with the information set out above included, before a final report for decision is presented to Council.**

**That in the interim, the Committee recommends that the Council agrees to a pledge of £70,000 to the Hereford Athletics Association fund raising effort to pump prime their efforts and as evidence of community support for their endeavours. This funding to be released when the fund reaches the point where the refurbishment work can be undertaken.**

**PR 2022/23.45 DATE OF NEXT MEETING**

Tuesday 21 March 2023 at 6 pm

There being no further business, the Chair closed the meeting.

Signed .....

Date .....