

**MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE
HELD ON MONDAY 14 January 2019 at 7:00 pm**

PRESENT: Councillors Wells (Chairman), Biscoe, Mrs Callen, Mrs Carlyon, Mrs Cox, Mrs Eathorne-Gibbons, Rich, Roden, Smith and Ms Southcombe

Also in attendance: Councillor Nolan, Roger Gazzard, Town Clerk/Responsible Financial Officer, Ms Joanne Trevelyan, Financial Officer and Truro resident, Steven Pinkerton.

APOLOGIES: An apology of absence was received from Councillor Mrs Stokes.

292 DISCLOSURE OR DECLARATIONS OF INTEREST

Councillors Mrs Carlyon declared an interest in matters relating to Truro Library on the grounds of being a trustee of the Central Technical Schools for Cornwall.

293 MINUTES

The Minutes of the meeting of the Finance and General Purposes Committee held on 26 November 2018, having been before Council on 10 December 2018, were confirmed and signed by the Chairman as a correct record.

The Chairman advised that a review of how Truro City Council approves the Committees' minutes will be shortly undertaken.

**294 TOWN CLERK/RESPONSIBLE FINANCIAL OFFICER'S REPORT
DRAFT ESTIMATES 2019/2020**

The Town Clerk/Responsible Financial Officer introduced and presented the Finance and General Purposes Committee with the draft Estimates report for 2019/20, having been previously circulated. He drew Members' attention to the revised fees and charges schedule which was agreed by the Parks and Amenities Committee meeting held on Monday 7 January 2019.

The sum of £10k would be added to the estimated budget in reserve for the 10-year development plan for preliminary works on the re-development of the public conveniences in the City Centre. Central government had removed business rates for public conveniences therefore the Parks and Amenities Committee had requested that this money from 2020/2021 be allocated to the re-development of the public conveniences in Truro City centre; this request would be re-addressed again next year.

The Annual Household Membership for tennis in the Schedule of fees and Charges 2019/2020 reads £35 however this membership had been advertised as £40 per household; therefore, this cost would be changed to £40.

Corporate Objectives

The Town Clerk/Responsible Financial Officer presented the City Council's Corporate Objectives and welcomed any amendments.

Councillor Biscoe proposed adding wording to the Corporate objectives to formalise the efforts being made by the Deputy Mayor on the Cultural Strategy.

It was therefore proposed by Councillor Biscoe, seconded by Councillor Smith and unanimously

RECOMMENDED that the wording *'to develop, gain support for and implement the cultural strategy policy for Truro'* be added to the corporate objectives.

Councillor Mrs Carlyon referred to the second objective: *'To enable people residing, working or visiting the City to enjoy a meaningful, pleasant and safe time'* adding that the lack of police presence in Truro needed to be addressed. Councillor Biscoe further suggested that the ambiance and general behaviour in the City had been affected through a lack of police presence and a visible police station. He further added that a leadership role from Truro City Council should be taken. Councillor Wells (Chairman) suggested this be considered a future item on the Finance and General Purposes Committee agenda and the Police and Crime Commissioner be invited to attend a future Council meeting.

Cllr Ms Southcombe (Mayor) suggested adding wording that would confirm the City Council's pledge of working towards a zero/low carbon society. This would be consistent with the report to be presented at the next Finance and General Purposes Committee meeting and a necessary addition to make this objective more 'robust'. The Town Clerk drew Committee members' attention to the Financial Estimates Overview (page 10;10) where wording refers to the City Council's campaign towards a low carbon society however, Councillors suggested that *'working towards'* be firstly added to the Corporate Objectives to strengthen the case. A revised objective would read; *'To ensure all Council's initiatives are sustainable and working towards a low carbon society'*. Councillor Rich suggested also adding wording to reflect the City Council's aspirations of not using single use plastic to this objective.

Councillor Biscoe suggested the word *'environmental'* be added to the seventh objective to read; *'To support sustainable growth within the City Centre to serve the day-to-day shopping, leisure, business, service, cultural, educational and environmental needs of the local community both for people who live and work in the City and visitors'*.

Action plan

Councillor Wells (Chairman) reminded Councillors that objectives on the action plan needs to be achievable and be in line with Government policies.

Councillor Biscoe highlighted that local authorities were under pressure to act positively and declare a state of environmental emergency. Councillor Wells (Chairman) confirmed that this item would be on the next Finance and General Purposes agenda for discussion.

Councillor Mrs Carlyon expressed concern as to the level of progress the City Council was making with the Neighbourhood Plan because in the future the City Council would be involved in the formal Council decision-making process in matters affecting the City of Truro. However, Councillor Wells (Chairman) confirmed he did not think this was achievable at present but aspirational.

Councillor Mrs Carlyon addressed the City Council's present staffing structure. The team of staff had increased in size and Councillor Mrs Carlyon questioned where members of staff would work when the organisation returned to the Municipal Buildings.

Financial Estimates Overview

The Town Clerk/Responsible Financial Officer brought Members' attention to the Financial Estimates Overview (p8;4) and highlighted the Funds and Reserves total balance of £900k, £742k previous year, of which £183k currently lay in the Revenue Reserve. This balance included the agreed transfer of earmarked funds for the devolution of the library, now transferred to a separate account.

The Town Clerk/Responsible Financial Officer further reported that all reserves were satisfactory, demonstrated a positive track record of expenditures and did not reflect great variations at the year end. The only area of concern was the cost accruing from the work on the Municipal Building that was not in the Estimate report. This figure was still unknown and work, expected to begin this winter, now looked likely to commence in the summer.

Councillor Wells (Chairman) suggested, should costs be considerably higher than anticipated for these works, a formal letter be written to Cornwall Council requesting the City Council pay any balance the following financial year. It was agreed that it would be unfair for Truro City Council to use its reserves when no confirmation of costs for the Municipal Building works had been provided by Cornwall Council when the Estimates were drafted.

Following the discussion, it was moved by Councillor Wells (Chairman) and

RECOMMENDED that the Town Clerk write a formal letter to Cornwall Council requesting that, as costs were not available to Truro City Council when setting estimates, any outstanding balance for works on the Municipal Buildings be remunerated from the following financial year's budget.

The Town Clerk/Responsible Financial Officer continued to present the Financial Estimates Overview.

Precept

The amount the City Council would precept to Cornwall Council would increase by 5% but only a 2.2% increase to residents' paying band D Council tax. This figure reflects the amount of properties in the city which, as they increase, offsets the rise in the precept amount.

Localised Council Tax support

The City Council did not have any control over the Council Tax Support Grant; how many residents claimed this support would indicate the amount the City Council received. This figure continued to reduce each year, and this trend was expected to continue.

Public Works Loans Board

The current outstanding balance of the loan from the Public Works Loans Board for the sewerage works in Boscawen Park was £75k. The City Council had approval for a loan for £250k to part fund the Boscawen Park tennis development which was expected to be drawn down when payment for the new pavilion commenced. There was also an interest-free loan from Lawn Tennis Association from the same scheme which would also be drawn down.

Net Base Expenditure

The Council adopted the Living Wage three years ago and in April 2019 there would be an increase from £8.75 to £9.00 per hour; for other employees on average a pay rise of 1% would be implemented on 1st April. These increases had been calculated in the 2019/2020 Estimates report. The Pension Fund was paid at 18.7% and fixed by the Funds Actuaries but would be revised again in April 2019; in 2020/21 this might change again. The only significant change seen during the last three years was the deficit payment that would increase.

Additional Services and Assets

The management of Lemon Quay was shown in the estimates for the first time as an income and expenditure due to the recent 10-year lease agreement being signed over to Truro City Council. Previous surplus of revenue from rents on the Quay had been deposited into a suspense account and invested back into the Quay. Under the new 10-year agreement any surplus accruing from the Quay would be accounted for as revenue for the City Council.

The freehold transfer for both Hendra Hall (Carrick Sport's Centre) and the Zebs building had resulted in the City Council receiving rent from both properties and was reflected in the 2019/2020 Estimates report.

The freehold transfer agreement for a 30 years lease for Kenwyn Hill playing field and Coosebean had concluded; £10k had been allocated and put aside several years ago for the Coosebean land.

The City Council was awaiting the transfer of Tremorvah playing field and the land from Newbridge Lane. Truro City Council would receive a sum of approximately £280k from Cornwall Council for the Newbridge Lane land and, although the terms of transfer had been agreed, funds had not yet been received.

Malabar Community Centre was still waiting to proceed however, the City Council had agreed to take on the land with the Community Centre being built by the Residents' Association.

The City Council had expressed an interest in the St Clement's Day Centre building and were still waiting for the schedule of open spaces from Cornwall Council.

Councillor Biscoe suggested that formal congratulations be given to the Town Clerk/Responsible Financial Officer as the schedule of devolved assets to the City Council had been negotiated and transferred as a result of his hard work and dedication. Truro City Council's current portfolio highlighted assets for the City Council and reflected significant success.

Councillor Biscoe added to his previous suggestion to set up a Cultural Strategy be added to the Action Plan. He suggested a line be added to the budget, headed 'Cultural Strategy', and populated from a reallocation of money from the accounts where a cultural element could be identified. He suggested £5k to assist with moving this strategy forward in the next 12 months. Following discussion about where the money could be taken from it was proposed by Councillor Biscoe, seconded by Councillor Smith and

RECOMMENDED that in principle

(i) a line be added in the accounts for the Cultural Strategy and an annual budget of 5k be allocated for 2019/2020 and future years;

(ii) the Town Clerk/Responsible Financial Officer review the current accounts and, where lines reflect a cultural element, money be taken and added to the line headed Cultural Strategy.

295 LIBRARY SERVICE DEVOLUTION

(Appendix A)

The Town Clerk/Responsible Financial Officer apologised for this item being tabled but negotiations had only concluded towards the end of the previous week.

He highlighted that since October, when the Committee requested further mitigations, a further £60k had been confirmed by Cornwall Council. The mitigations were not in accordance with what the Committee expected. However, in his opinion, no further money would be offered from Cornwall Council.

In summary if the City Council agreed to take over the library service (all staff), it would be at a net cost of £75k per annum, over the next five years. A revised Service Level Agreement would be provided and the City Council would collect the income from book fines and photocopying. They would not accrue the cost of books or the computer system.

Councillor Mrs Carlyon requested clarification regarding Library staff pension funds asking if they were included in the £75k. The Town Clerk/Responsible Financial Officer confirmed that staffing costs would be 88K and this figure would include pensions.

Councillor Mrs Carlyon requested how many Library staff the City Council would be taking on. The Town Clerk/Responsible Financial Officer confirmed that there would be one full-time senior library assistant and other hours divided between other library assistants. He further highlighted that the staffing arrangement would be subject to consultation; some staff would remain in the Library, others would move to Cornwall Council's One-Stop-Shop. He confirmed that all staffing arrangements would be in place before the transfer of the Library Service agreed.

Councillors discussed the relationship between the Library and the City Council which, as a community asset, required a strong relationship with the City Council to promote and sustain its viability for the future. It was highlighted that the Library Service was no longer in Cornwall Council's budget and therefore should the City Council decide to not take on the service, redundancies and closure would be inevitable. It was highlighted that if the City Council had accepted the Library building then extending the devolution to the whole unit, including the staff, made sense. Other towns in Cornwall had taken the devolution of the Library Service and it was felt that the Town Clerk/Responsible Financial Officer had mitigated to a substantial level with Cornwall Council and an acceptable offer had been achieved. The Councillors expressed their gratitude for this final offer and the negotiation process.

It was proposed by Councillor Roden, seconded by Councillor Biscoe and unanimously

RECOMMENDED that the City Council agree in principle to the devolution of the Library Service subject to agreement of the terms of the staff transfer and the terms of the Service Level Agreement.

Councillor Mrs Carlyon did not vote due to her being a Trustee of Truro Technical School.

Councillor Smith suggested that a small, but significant, celebration be prepared in the library to celebrate the devolution of the Library Service.

Developing the commercial side of the Council.

The Town Clerk/Responsible Financial Officer highlighted the work that Truro City Council is currently engaged in to promote the organisation on a commercial level. This included the selling of plant cuttings, the future use of the Municipal Buildings for weddings and the positive relationship between the Tourist Information Office and other organisations. These were initiatives that would create future revenue for the City Council.

Finance Committee Revenue Fund

Money is held in reserve in the account in preparation for the replacement of CCTV equipment in 2022/23.

Finance Committee Building Fund

This fund had changed its name due to more buildings being added to the City Council's portfolio. Monies in this account had been accrued and would contribute to 50% of external repairs to the Municipal Building. Money in this account was also reserved for the Library Building. This account would be closely monitored to ensure funds were continually available for any future building issues that might arise.

Councillor Wells (Chairman) requested information (p.20) regarding the compensation expected from Cornwall Council from the loss of income due to the move from the Municipal Buildings. The Town Clerk/Responsible Financial Officer confirmed that these negotiations would continue, however, the budget was balanced without considering this compensation.

Councillor Biscoe left the room at 20:05 and returned at 20:07

The Town Clerk/Responsible Financial Officer highlighted that the Truro City Council Estimates Report 2019/2020 and Financial Forecasts 2020/2021 report would be re-written to incorporate the changes agreed during the Finance and General Purposes Committee meeting. This would include decisions regarding the Library Service but there would not be any changes to the financial totals. This revised report would be submitted to Full Council on Monday 28 January 2019.

Following the presentation of the Truro City Council Estimates Report 2019/2020 and the Financial Forecasts 2020/2022 it was proposed by Councillor Biscoe, seconded by Councillor Smith and

RECOMMENDED that

- (i) the revised estimates for 2018/2019 be approved;
- (ii) the estimates for 2019/2020 be approved subject to the recommendation regarding the Cultural Strategy;
- (iii) the financial forecasts for 2020/2021 and 2021/2022 be agreed in principle;
- (iii) the contributions to the Committee Funds be approved.

Councillor Mrs Carlyon asked for her name to be recorded as having voted against the above recommendation.

The Committee expressed congratulations and praise to the Town Clerk for the report.

296 **COMMUNITY GOVERNANCE REVIEW PROCESS**

Councillor Wells (Chairman) presented the letter from Cornwall Councillor Mr Brown (Chair, Cornwall Council Electoral Review Panel) and suggested that Members of the Committee affirm to Cornwall Council that they would consider a Community Governance Review, subject to the proviso of, withdrawing the request following the City Councils working group's final recommendations.

Councillor Biscoe emphasised that the four Truro wards were equally balanced and could not see any challenges to the Parish boundary or the need to change it. He further added that a Governance review would indicate extensive work for the City Council. Councillor Wells (Chairman) highlighted that the review would be the first time in 30 years that the Parish would have an opportunity to look at its boundaries. Councillor Roden agreed that a review was necessary in relation to the Parish boundaries following extensive building developments in Truro. A review would highlight the disparities within the streets of these developments; residents living in the same street, paying diverse rates but accessing, and using, the same services.

Councillors anticipated that initiating a review may cause disturbance to otherwise harmonious relationships with other Parish Councils so it was agreed that sensitivity would be used should the Community Governance review go ahead.

Councillor Mrs Eathorne-Gibbons highlighted that the above proposal was not asking the Committee to commit themselves to conducting the review but agreeing for the working group to take consideration of Councillors' views and come to a decision. These would be presented at the Full Council meeting where a final decision would be made.

It was proposed by Councillor Mrs Eathorne-Gibbons, seconded by Councillor Mrs Cox and

RECOMMENDED that Truro City Council affirm to Cornwall Council that Truro City Council would consider a Community Governance Review, subject to the possibility of withdrawing the request following the City Council's working group's final recommendations.

297 **CORRESPONDENCE**

There was no correspondence.

The meeting closed at 8:21 pm.

CHAIRMAN



Finance & General Purposes Committee

14th January 2019

Library Service Devolution

This report is being tabled due to negotiations taking place as late as Friday 11th January and Cornwall Council has asked for a decision on whether the City Council wishes to devolve the service as soon as possible to allow for staff consultation to take place.

Background

In October 2018 the Committee considered a report on the Library Service Devolution and the Council resolved: -

that the Town Clerk continues negotiations with Cornwall Council to seek to minimise further the mitigation of our costs of £33k per annum.

Negotiations have taken place with Cornwall Council, in particular during the later part of last week.

Current Position

I have included in the table below the implications of the transfer of service upon the Council's Precept, based on the draft Estimates for 2019-20. This is because the October report included as mitigation additional rental income for devolved properties of Lemon Quay, Zebs, and Carrick Sports Hall. (£29k annually). This income has been included in the draft estimates.

In summary since October a further £60k of mitigations has been agreed. This is clearly less than the Finance Committee sought to achieve but it is my opinion that Cornwall Council will not offer any further monies.

I have also removed from the list the Public Convenience Business Rate reduction which has now become a statutory change rather than discretionary and is already in the estimates.

	2019-20	2020-21	2021-22	2022-23	2023-24
	£'000	£'000	£'000	£'000	£'000
Library Service Cost	75	75	75	75	75
Mitigations					
Lemon Quay Lighting	3	3	3	3	3
Coosebean Lighting	3	3	3	3	3
Lemon Quay Waste services	24	18	12	6	0
Coosebean Waste Services	4	0	0	0	0

Reimbursement for Equipment	10	0	0	0	0
Cornwall Council grant	10	0	0	0	0
Net Cost to Estimates	21	51	57	63	69
Unallocated devolution sum in estimates	30	30	30	30	30
Impact on Precept	-9	21	27	33	39

Recommendation

That the City Council agree in principal to the devolution of the Library Service subject to agreement to the terms of the staff transfer; and the terms of the Service Level Agreement.

Roger Gazzard

Town Clerk