

FINANCE AND GENERAL PURPOSES COMMITTEE OF THE WITNEY TOWN COUNCIL

Held on Monday 22nd July 2013

At 6pm in the Council Chamber, Town Hall

Present:

Councillor T J Morris (Chairman)

Councillors: A K Beames J S King (sub for Cllr A D Harvey)
 H B Eaglestone CK Woodward
 C Holliday (sub for Mrs J C Baker)

Officers: Town Clerk Democratic Services Officer
 Deputy Town Clerk/RFO

Also present: Mr Mark Davies from CCLA

F 327 APOLOGIES FOR ABSENCE

Apologies for their absence were received from Councillors Mrs J C Baker, P J Dorward, A D Harvey, and B J Woodruff.

F 328 DECLARATIONS OF INTEREST

There were no declarations of interest in matters to be considered at the meeting.

F 329 MINUTES

RESOLVED: that the minutes of the meeting held on 10th June 2013 be agreed as a correct record and signed by the Chairman.

F 330 MATTERS ARISING

There were no matters arising from the minutes of the meeting held on 10th June 2013.

F 331 PUBLIC PARTICIPATION

There were no members of the public present for this item.

F 332 ANNUAL INVESTMENT STRATEGY/BANKING

The Chairman welcomed Mark Davies of CCLA. Mr Davies explained that "CCLA" was the acronym for Churches, Charities, Local Authorities. The organisation managed cash and investments of £4.5 billion for 40,000 clients, all from churches, charities and local authorities. The Local Authorities Investment Trust (LAMIT) was a part owner of CCLA. The LGA (Local Government Association) had approached CCLA in the aftermath of the Icelandic banking problems, asking them to provide a fund which had security (AAA rating), and high liquidity and yield. CCLA had expertise over a long period of time in this area.

The resulting fund launched in May 2011 and the entry level investment was £25,000.00. The LGA wanted a strong governance aspect, and therefore CCLA has an advisory board which provides an oversight and ensures the principles are adhered to. Cash was managed by a custodian who provided additional security.

The final LGA requirement for the fund was transparency. Therefore CCLA declared the value of investments at the close of business every day on their website.

CCLA offered diversification and spread investments amongst 20 highly rated banks and in highly rated sovereignties. If a bank's rating fell, it was removed from the CCLA investments list. All the banks that CCLA invested in were required to be F1 or F1 Plus rated. 56% of the current banks were F1 rated and the remainder were F1 Plus. Mark Davies explained that many Town and Parish Councils thought that CCLA invested in the stock market but in fact all money was placed directly with banks. The organisation had the ability to invest large lump sums and obtain better rates as a result of this.

The interest was a net yield of 3.337%. The fund did not replace local council's investments but acted as an addition. It could replace other instant access accounts. The charges for investment were 1%. This would be taken off of interest earned and not the capital balance. This charge would not increase, but had the potential to decrease. Mark Davies explained that the organisation was FCA regulated. Principle authorities invested in the property fund and SLCC and NALC were also clients.

In terms of accessing funds, if the amount required was less than £100,000, it took 2 days. If the amount was over £100,000 the money transfer should be complete on the same day. There were no transfer fees. A member asked if the interest went back into the capital investment and it was explained that it would normally go back into general reserves. The member also asked if CCLA invested in any Local Authorities. Mr Davies confirmed that the organisation only invested with banks.

Another member asked why the Town Council was looking at this option and how much would any suggested investment be. The Town Clerk explained that officers were looking at investments for surplus income. All of the Town Council's money was currently with Barclays which was not providing a good interest rate. The Deputy Clerk/RFO had dealt with CCLA before and had found their interest rates to be much better. It was suggested that a sizeable amount of money was kept in Barclays and any money invested with CCLA would be the amount members were happy with.

The Chairman remarked that he liked the idea of spreading money amongst 20 banks and therefore spreading the risk. The Town Clerk stated that general reserves needed to be increased and that investing with CCLA would help with this. A member asked if reducing the amount of money with Barclays would mean the introduction of bank charges. The Deputy Town Clerk/RFO said that she would negotiate to ensure that this did not happen.

RECOMMENDED: that Witney Town Council proceed to invest with CCLA with an opening investment of £25,000.00, and subsequently delegate the management of the investment to the Town Clerk and the Deputy Town Clerk/RFO, in line with the Council's Investment Strategy.

The Committee received and considered the report of the Deputy Town Clerk, as circulated with the agenda.

RECOMMENDED:

- 1) that the report be noted.
- 2) that the Committee confirmed approval of the current investment in secure banks and the Deputy Town Clerk/RFO continue to monitor interest rates to ensure that the Council receives the most advantageous interest rates.
- 3) that the Annual Investment Strategy 2013/14 as circulated with the agenda is formally approved by the Committee with the additional of investment of CCLA to be added in.

F 333 **PAYMENT OF ACCOUNTS**

Copies of the schedule of accounts paid since the last meeting of this Committee and of the bank reconciliation statements as at 31st May 2013 had been circulated with the agenda and were signed by Cllrs H Eaglestone and T Morris.

RECOMMENDED:

1) that the following schedule of accounts be approved:

Cheques 28411 -28460 & DD a – c & BAC 1 -2 in the sum of £63, 647.42 Imprest a/c

Cheques 100918 – 100919 & DD a –c & DD & standing orders in the sum of £599, 994.46 General a/c

2) that the bank reconciliations as at 31st May 2013 be noted.

F 334 **FINANCIAL REPORT**

The Committee received and considered the report of the Deputy Town Clerk/RFO, as circulated with the agenda.

The Chairman noted the detailed spread sheet that the Deputy Town Clerk/RFO had prepared. He thought that the Committee only required the “top line” and not all of the detail. The Deputy Town Clerk/RFO explained that she had been asked to provide this detail and as the Finance computer package did not enable her to produce this kind of report, she had manually typed in the figures. She also thought it could be useful for members to have the whole picture as it would enable informed decisions to be made.

The Chairman suggested having an additional tab on the spread sheet that would provide simplified figures. He would work with the Deputy Town Clerk/RFO on this.

A member remarked that he was disappointed that the Town Council had not been fully reimbursed following the diesel damage to The Leys at Witney Feast. He stated that if the insurers were not paying out the whole cost of repair then Bob Wilson and Sons Leisure Ltd should make up the shortfall. The Town Clerk was in the process of trying to resolve the issue. Another member remarked that perhaps the Town Council should not agree to this year’s fair unless the full amount was paid. It was generally agreed that this would not be appreciated by residents. The Deputy Town Clerk/RFO had sought advice on what would happen if the Town Council did not accept the insurers offer and had been informed that it would need to go to court.

The Committee discussed the additional cost of marking out pitches to conform to the new FA sizes. A member asked if line marking could be done in house rather than paying the contractors. The Town Clerk commented that there would still be a cost to this. In response to a Members question she confirmed that this additional charge was for the football season only.

The Chairman suggested that the Committee approve the expenditure for line marking for the year and review it subsequently. The Town Clerk added that the grounds maintenance contract would be reviewed next year and so this item could be removed if required.

A member asked where the money for the replacement of the Burwell Hall floor was to come from and the Deputy Town Clerk responded that it would be from the Property Maintenance budget.

RECOMMENDED:

1) that the report be noted.

2) that the recommendations from spending committees be approved.

F 335 **INTERNAL AUDIT REPORT**

The Committee received and considered the Internal Audit report, as circulated with the agenda.

A member congratulated the Town Clerk and the RFO on another good report.

RECOMMENDED: that the report be noted.

F 336 **MEDIUM TERM FINANCIAL STRATEGY**

The Committee received and considered the report of the Deputy Town Clerk/RFO, as circulated with the agenda.

The Chairman suggested that the Committee put forward ideas for expenditure. Another member remarked that the strategy would have to be reviewed when the SSGB report was received and considered. The Chairman replied that in effect the MTFS (Medium Term Financial Strategy) would always be under review. He added that he thought the Committee should set the parameters for the strategy and the RFO would be able to explain what was possible. Another member suggested that “standard items” should be included and other large items could be added in at a later date.

Another member queried the item asking “whether the Council would like to take on new services from West Oxfordshire District Council”. The Town Clerk explained that currently the District Council had not approached the Town Council on taking on services, but this should not be ruled out. She said that Witney was fortunate as it appeared the District Council was managing its budget savings via joint working with the Cotswold District Council with shared management team and back office services. Members considered that they could say no to taking on additional services if it wasn’t financially viable.

The Deputy Town Clerk/RFO asked if the Committee had any plans to increase the general reserves. The Town Clerk commented that currently there was uncertainty on whether precept increases would be capped at 2% and there was also no guarantee that the Town Council would receive the grant from the District to go towards the shortfall in precept brought about by the localisation of council tax benefits, as it had this year. A member stated that if more houses were built this would increase the tax base, but the Town Clerk explained that the tax base was set by the District Council and there was no time frame for building.

The Deputy Town Clerk/RFO asked if she should assume that the Langdale Hall would remain open and the Corn Exchange would remain closed for the purposes of the MTFS.

RESOLVED: that the MTFS should maintain the current “status quo”, taking into account rises in utility bills. The MTFS should not build in a precept increase.

The Chairman remarked that it would be beneficial to see the gap in reserves without a precept rise and that the RFO could suggest options to increase general reserves.

F 337 **DISCRETIONARY GRANT AWARDS**

The Committee received and considered the report of the Democratic Services Officer, as circulated with the agenda. The Town Clerk stated that the balance was in fact £2,760 and not £3, 160 as stated.

RECOMMENDED:

- 1) that the report be noted.
- 2) that the following grants be awarded:

<u>Applicant</u>	<u>Grant</u>
a) Witney Woodland Volunteers	£100.00
b) Life Education Centres Thames Valley	£100.00
c) Witney Music Society	£100.00

- 3) That payments of the above grants be made under the following powers:

- a. **Local Government Act 1972. s145** – Provision of Entertainments
- b. **Local Government Act 1972. S137** – Power of local authorities to incur expenditure for certain purpose not otherwise authorised
- c. **Local Government (Misc. Prov) Act 1976. s19** – Power to provide and equip premises for use of local clubs and societies having athletic, social or recreational objectives.

F 338 **HEALTH AND SAFETY – PPE**

The Committee received and considered the report of the Facilities Manager, as circulated with the agenda.

The cost of the disposable suits of which the Committee assumed that staff would require 1 per burial was thought to be high when there were approximately 50 burials per annum.

RECOMMENDED: to refer the report back to the Facilities Manager and ask her for further clarification on suits, usage and costs.

F 339 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED: that the Press and Public be excluded from the meeting in accordance with section 1 of the Local Government (Admissions to Meetings) Act 1960, by reason of the confidential nature of the business to be transacted.

F 340 **NEIGHBOURHOOD ACTION GROUP**

The Committee received and considered the confidential minutes of the meeting held on 30th May and 27th June, as circulated with the agenda.

A member asked that the NAG be notified that no residents from Corn Street had been invited to the meeting of 27th June.

RECOMMENDED: that the minutes be noted.

F 341 **LANGDALE HALL**

The Town Clerk updated the committee further to the Meeting of the Public Halls Committee of 15th July 2013.

RECOMMENDED: that the verbal report be noted.

The meeting closed at 7.15pm

Chairman