

FILEY TOWN COUNCIL

MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE
MEETING HELD ON TUESDAY 3 FEBRUARY 2015 AT 10.53AM

Present: Cllr S Bosomworth, Cllr J Haxby, Cllr J Meek, Cllr J Shackleton (Chair),
RFO Mrs G Robinson
Also present: Cllr T Willis
Mr M Davies, CCLA (Public Sector Deposit Fund)

The Chairman welcomed Mr M Davies to the meeting and thanked him for attending and introductions were made to all present.

NOTICE OF THE MEETING

RESOLVED : That Public Notice of the meeting had been given in accordance with Schedule 12, para 10(2) of the Local Government Act 1972 **F105/015**

APOLOGIES

Cllr R Walker (personal Commitment) and Cllr K Wilkie (work commitment) had both sent their apologies to the meeting. It was

RESOLVED: That Cllr R Walker and Cllr K Wilkie's apologies be accepted. **F106/015**

DECLARATIONS OF INTEREST

The Chairman reminded members of the need to consider whether they needed to declare a disclosable pecuniary interest (DPI) or personal interest as detailed in Appendix A and Appendix B of the Town Council's Code of Conduct.

Cllr John Haxby declared a personal interest in any future items referring to the Town Council's Independent Financial Advisor due to him being his own personal financial advisor.

No further declarations of interest were declared in items on the agenda at this point but the Chairman informed Members that they could make a declaration of interest at any point during the meeting. It was

RESOLVED : That Cllr J Haxby's personal declaration of interest be noted. **F107/015**

CCLA - PUBLIC SECTOR DEPOSIT FUND

Public Sector Deposit Fund

Mr Mark Davies was invited to address the meeting and he thanked members for giving him the opportunity to speak to them regarding the Public Sector Deposit Fund. Mr Davies stated that the name CCLA stood for Churches, Charities and Local Authorities and had a client base of 42,000 and managed £5.2 billion, it was set up in 1958 and was mutually owned by the Church of England investment fund and the charity investment fund and then the CCLA was approached by the Local Government Association following the Icelandic banking crisis and in May 2011 LAMIT (Local Authorities Mutual Investment Fund) was added to the mutually owned Public Sector Deposit Fund. The governing body for the fund is made up of local authority representatives. The Public Sector Deposit Fund is a Triple 'AAA' rated cash fund with the lowest form of risk, is an instant access deposit account with ease of liquidity (money back same day). The LGA asked the CCLA to set up a fund with minimum risk with good access levels and the first deposit can be a minimum of £25K. Mr Davies stated that approx 130 Town and Parish Councils have opened a Public Sector Deposit Fund account. He went on to show the dedicated website which demonstrated where monies are held and in what banks were included in their fund, he stated that diversification was all about risk and the fund placed sterling deposits with Triple 'AAA' rated banks with approx 22 different banks with best Fitch ratings. He stated that the Public Sector Deposit Fund was designed for local authorities who wanted to spread the risk of their funds but also stated that local authority funds are not covered by the Financial Compensation Scheme which members were all fully aware of. The RFO informed Mr Davies that the Town Council's Annual Investment Strategy's priorities were security, liquidity and yield in that order. Mr Davies informed members that fees of 0.1% were applied and the current interest rate was 0.3695% with funds of approx. £220 million in the fund and interest was paid on a monthly basis back to the same account. Mr Davies stated that on a risk factor of 1-10 this fund would be low risk at 1 and he confirmed that no funds were placed on the stock market, it is an all cash fund.

Continued overleaf

CCLA - PUBLIC SECTOR DEPOSIT FUND

The Local Authorities Property Fund

Mr Davies then went on to speak about The Local Authorities Property Fund which was currently yielding 4.72% but he made it clear that this was a long term investment that was property based in 30 commercial properties and circulated a fund fact sheet to members. Members asked Mr Davies several questions regarding the Local Authorities Property Fund which were answered in full.

The Chairman thanked Mr M Davies for attending the meeting and he left the meeting at 11.50am

Members firstly discussed the Public Sector Deposit Fund and were of the opinion that this type of account would be beneficial to use for excess cash flow which was presently held in Yorkshire Bank with currently no return. The RFO stated that it met the criteria of the Town Council's Annual Investment Strategy thus being security, liquidity and yield in that order. Members were assured that this fund had been set up at the request of the Local Government Association and although the interest rate was very low it gave an opportunity to diversify the spread of risk for the council's finances. Members noted that the RFO had delegated power to transfer funds between bank accounts and could therefore draw down funds as and when required by the Council. After discussion Cllr Susan Bosomworth proposed that £100K was initially placed in the Public Sector Deposit Fund which was duly seconded by Cllr J Meek and it was

RESOLVED: That Filey Town Council opens a Public Sector Deposit Fund account and the RFO arranges for the sum of £100,000 (one hundred thousand pounds) to be transferred to the new account from the General Fund Bank Account held with Yorkshire Bank. F108/015

RESOLVED: That the signatories for the above account are the agreed banking signatories as agreed at the Annual Council Meeting. F109/015

RESOLVED: That the Chairman requested that The Local Authorities Property Fund is placed on the next meeting agenda for further discussion. F110/015

REVIEW OF INVESTMENT BOND

Portfolio Valuation

Members had previously been circulated with a portfolio valuation as at 31 December 2014 for consideration and it was noted that there had again been a very slight decrease in the overall portfolio valuation since the previous quarter and that the property fund was still suspended. After discussion it was

RESOLVED: That the Investment Bond valuation report as at 31 December 2014 be accepted. F111/015

INTERNAL AUDIT REPORT – THIRD QUARTER 2014/2015

Members had previously been circulated with a copy of the Internal Audit Report for the Third Quarter 2014/2015. The Internal Auditor had listed all the financial areas which he had given his attention to in the third quarter and stated that he had no matters to draw to member's attention. It was

RESOLVED: That a recommendation be made to full council that the Internal Audit Report for the Third Quarter 2014/2015 be accepted. F112/015

THIRD QUARTER BUDGET REPORT 2014/2015

Members had previously been circulated with a copy of the Third Quarter Budget Report for 2014/2015 and this was analysed by Members. The RFO gave an explanation to members in relation to actual income and expenditure which was compared with the planned budget and the projected forecast. The RFO stated that current income and expenditure was in line with the planned budget and at present there were no concerns that the current budget would be overspent, however she informed members that the General Fund Balance would be lower at the end of the financial year due to the Council's decision to purchase a new disabled platform lift at a cost of £18K which had not been included in the council's original budget. Cllr T Willis was invited to speak and he requested if any further progress had been made in respect in the council purchasing iPads and following discussion it was agreed this would be a decision for the new council to address following the elections in May. It was

RESOLVED: That a recommendation be made to full council that the Third Quarter Budget Report 2014/2015 be accepted. F113/015

Under Section 17 of the Crime and Disorder Act 1998, members considered that none of the above decisions would impact on crime and disorder.

The meeting finished at 12.15pm

Councillor J Shackleton

Chairman

Finance & General Purposes Committee