

**FILEY TOWN COUNCIL**  
**MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE**  
**MEETING HELD ON WEDNESDAY 24 FEBRUARY 2016 AT 7.00PM**

Present: Cllr S Bosomworth, Cllr D Glanvill, Cllr J Haxby, Cllr J Shackleton (Chair), Cllr J Meek  
RFO Mrs G Robinson

Also present: Mr R Smith, Independent Financial Advisor, Smith Walker Westwood

The Chairman welcomed Mr R Smith and members to the meeting.

**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** **F172/016**

**APOLOGIES**

Cllr K Wilkie had sent his apologies (work commitment) to the meeting. It was

**RESOLVED: That Cllr K Wilkie's apologies be accepted.** **F173/016**

**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 and he took no part in the following agenda item regarding the Investment Bond.** **F174/016**

**REVIEW OF INVESTMENT BOND**

Portfolio Valuation

Members had previously been circulated with a portfolio valuation as at 31 December 2015 for consideration and it was noted that there had again been a 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 2015 be accepted.** **F175/016**

Financial Advisor

The Chairman invited Mr R Smith to provide information regarding the investment portfolio and he gave a brief summary of the history of the investment portfolio, which it was noted was not sold to the Town Council by his company. Mr Smith went on to state that he had obtained information regarding the Premier Diversified Property Fund and informed members that this fund had been suspended for several years and was now in the process of being wound up which may mean that the final redemption figure could be significantly reduced. The RFO stated that the Town Council had pursued a complaint to the Financial Ombudsman regarding the selling of the Premier Diversified Property Fund and in July 2014 (Minute No F565/014) and the adjudicator had advised in his letter that after seeking advice from the European Commission in Brussels that a public body could not be considered as an eligible complainant and therefore the Town Council's complaint could not be considered any further. Members noted that the corporate bonds held within the portfolio had also not been performing very well and Mr Smith informed members that there are risks going forward over the next six months particularly with the forthcoming EU Referendum and he provided some analytical data showing their recent performance. Mr Smith stated that if the Town Council wished to liquidate these funds into a cash element they could be held within the portfolio until such time as stability improved, however he would need to confirm whether the Town Council would be covered under the 90% share holder protection. The Chairman thanked Mr Smith for attending the meeting and looked forward to receiving his response as soon as possible. It was

**RESOLVED: That Mr R Smith, Financial Advisor be thanked for his advice and for attending the meeting.** **F176/016**

*Mr R Smith, Financial Advisor left the meeting at 7.35pm.*

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**REVIEW OF INVESTMENT BOND continued**

Members requested to bring forward Agenda Item 7(b) at this point.

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

**RESOLVED : That Cllr J Haxby's personal declaration of interest be noted and he took no part in the following agenda item regarding the Investment Asset Register and Investment Bond.**

**F177/016**

**Investment Asset Register**

Members had previously been circulated with a copy of the Investment Asset Register which had been compiled by the RFO and provided a potted history of the Investment Portfolio to date. Members expressed concern regarding the current investment portfolio and after much discussion and consideration of the Town Council's Annual Investment Strategy with priority in order of security, liquidity and yield that the current corporate bonds held in Fidelity Moneybuilder, L & G Dynamic, Old Mutual and M & G be sold and be held within the portfolio as a cash element, providing that the Town Council can be afforded the 90% share holder protection, should this not be confirmed then the above bonds be sold outright with funds being returned to the Town Council. It was

**RESOLVED: That a recommendation be made to full council that the above corporate bonds be sold and held within the portfolio providing that the Town Council can be afforded the 90% share holder protection, should this not be confirmed by the Town Council's Financial Advisor then the above bonds be sold outright with funds being returned to the Town Council.**

**F178/016**

**RESOLVED: That a recommendation be made to full council that the Town Council's Investment Asset Register be accepted.**

**F179/016**

**INTERNAL AUDIT REPORT – THIRD QUARTER 2015/2016**

Members had previously been circulated with a copy of the Internal Audit Report for the Third Quarter 2015/2016. The Internal Auditor had listed all the financial areas which he had given his attention to in the third quarter and commented that he supported the actions of the RFO regarding the printing of the Filey Town Guide; noted the reduction to £75K for fixed term deposit accounts which was being applied by the RFO; noted the introduction of a log for loaning/hiring council assets; noted the new arrangements for external audit and stated that he had no other 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 2015/2016 be accepted.**

**F180/016**

**THIRD QUARTER BUDGET REPORT 2015/2016**

Members had previously been circulated with a copy of the Third Quarter Budget Report for 2015/2016 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 balance of the disabled platform lift (approx £12K) being paid for in 2015/2016 rather than 2014/2015. The RFO also gave an explanation of projected transfers to and from reserves. It was

**RESOLVED: That a recommendation be made to full council that the Third Quarter Budget Report 2015/2016 be accepted.**

**F181/016**

**ASSET REGISTER**

The RFO had previously circulated a copy of the Town Council's Asset Register up to 31 March 2016 and informed members that this had been calculated in line with the external auditor's requirements to show cost value instead of insurance values. The RFO explained that this was a living document and as assets were purchased they were added to the Asset Register throughout the year. Members were informed that an inventory of council equipment had also been undertaken. It was

**RESOLVED: That a recommendation be made to full council that the Town Council's Asset Register and Council Offices Inventory up to 31 March 2016 be accepted.**

**F182/016**

*Continued overleaf*

### **FIXED TERM DEPOSIT ACCOUNTS**

The RFO informed members that she had sourced a Business 1 Year Fixed Rate Saver Account with Nationwide Building Society at a rate of 1.20% and requested to open an account with this institution to place a deposit of £75K which would be the maximum to be covered by the Financial Compensation Scheme. After discussion it was

**RESOLVED: That a recommendation be made to full council that the RFO arranges the opening of a Business 1 Year Fixed Rate Saver Account with Nationwide Building Society in the name of Filey Town Council with a deposit of £75,000 from funds currently held in the Town Council's Investment Fund bank account.** F183/016

**RESOLVED: That a recommendation be made to full council that the three signatories on the Nationwide Building Society Business 1 year Fixed Rate Saver Account be Cllr John Shackleton, Chairman of the Finance & General Purposes Committee, Cllr W J Haxby, Vice Chairman of the Finance & General Purposes Committee and Mrs G Robinson, Town Clerk/RFO, with all three signatories to sign.** F184/016

### **REVIEW OF ANNUAL INVESTMENT STRATEGY**

Members had previously been circulated with a copy of the Annual Investment Strategy with proposed changes being made by the RFO due to recent changes in fixed term deposit accounts (highlighted in yellow on page 2). After consideration it was

**RESOLVED: That a recommendation be made to full council to accept the revised changes in the Annual Investment Strategy and the document be updated as highlighted by the RFO.**

F185/016

### **RISK MANAGEMENT**

#### **Financial Risk Assessments**

Members had previously been circulated with copies of Financial Risk Assessments and action plans which had been mapped to an insurance holding checklist. Members noted that the two main financial risks flagged for action were the performance of the Investment Bond and inappropriate investments, both of which the Council had addressed and suitable and sufficient controls had been put in place to manage the financial risks. It was noted that the Town Council's Annual Investment Strategy had provided additional financial risk management. The RFO informed members that Mr K Leathley as the Council's Health and Safety Risk Advisor had checked the documents thoroughly and assessed all the controls in place and was satisfied to recommend acceptance of the documents to the Council and would be reporting the health and safety risk assessments to the Property Committee in due course. It was

**RESOLVED: That a recommendation be made to full council that the Financial Risk Assessments and Action Plans for 2016-2017 mapped to the insurance holding be accepted.** F186/016

#### **Review of the effectiveness of Internal Controls**

Members considered the council's responsibilities to review the effectiveness of internal control. The Finance & General Purposes Committee considered that sufficient mechanisms were in place to regularly check and monitor the financial management of the council. The Committee had over the past year undertaken the following:

- F309/015 Review of Investment Bond
- F310/015 Notice of Appointment of Date for the Exercise of Electors' Rights
- F311/015 Annual Review of Filey Town Bus Service
- F313/015 Model Agreement Tenders – 3 Year Contract Public and Commemorative Seating
- F405/015 Approved Terms of Reference
- F406/015 Internal Audit Report – Year End Accounts 2014/2015
- F409/015 Year End Budget Statement 2014/2015
- F410/015 Statement of Accounts 2014/2015 (Externally Unaudited)
- F414/015 Approved Annual Audit Return
- F415/015 Appointment of Internal Auditor
- F416/015 Reviewed the effectiveness of Internal Audit
- F602/015 Review of Investment Bond
- F606/015 Financial Services Compensation Scheme
- F607/015 Public Contract Regulations 2015
- F608/015 Review of Financial Regulations re Public Contract Regulations 2015
- F609/015 Review of Standing Orders re Public Contract Regulations 2015

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Finance & General Purposes Committee Meeting held on 24 February 2016 continued

Review of the effectiveness of Internal Controls continued

- F610/015 Internal Audit Report – First Quarter 2015/2016
- F611/015 First Quarter Budget Report 2015/2016
- F616/015 Awarding of 3 Year Contract Hire & Installation of Festive Lighting 2015-2018
- F826/015 Review of Investment Bond
- F827/015 Internal Audit Report – Second Quarter 2015/2016
- F828/015 Second Quarter Budget Report 2015/2016
- F830/015 Approved Model Agreement Estimates
- F836/015 Initial Consideration of Grant Applications 2016/2017
- F886/015 Review of Council Reserves
- F8887/015 Initial Draft Budget Outline for 2016/2017
- F888/015 Agreed Fixed Term Deposit Accounts
- F053/016 Changes to External Audit Regime
- F055-F069/016 Awarded Grant Applications 2016/2017
- F072-F073/016 Received Staffing Budget and Staff Training Budget 2016/2017
- F074/016 Review of Cemetery Fees
- F075/016 Review of Hire & Service Charges
- F076/016 Review of Commemorative Seating Policy
- F081/016 Review of Fixed Term Deposits
- F083/016 Awarding of Five Year Insurance Contract for the Town Council
- F084/016 Agreed Draft Parish Precept for 2016/2017
- F085/016 Agreed Draft Budget for 2016/2017
- F175-F176/016 Review of Investment Bond
- F180/016 Third Quarter Internal Audit Report – 2015/2016
- F181/016 Third Quarter Budget Report – 2015/2016
- F182/016 Review of Asset Register and Council Offices Inventory as at 31.3.16
- F179/016 Review of Investment Asset Register as at 31.3.16
- F183-F184/016 Review of Fixed Term Deposits
- F185/016 Review of Annual Investment Strategy
- F186/016 Review of Financial Risk Assessments and Risk Management Controls
- F187/016 Review of the Effectiveness of Internal Control
- F188/016 Review of the Financial Assistance Scheme

Members considered that the council was receiving regular and adequate financial information from the RFO and that the present system of financial internal control was effective. It was

**RESOLVED: That a recommendation be made to full council that the Finance and General Purposes Committee have conducted a review of the effectiveness of the council's system of internal control and are completely satisfied that a suitable and effective system of internal control is in place.**

**F187/016**

**FINANCIAL ASSISTANCE SCHEME**

Financial Assistance Scheme

Members had previously been circulated with the current Financial Assistance application form and were requested to consider whether the Town Council would be able to offer a Financial Assistance Scheme for 2017/2018. The RFO was requested to make amendments to the form to make it simpler to complete with no differentiation between small and large grants and to change the word 'Approved' to 'Audited' on the reverse of the form to provide greater control when requesting Statement of Income and Expenditure and Balance Sheets from applicants. After consideration it was

**RESOLVED: That a recommendation be made to full council that the Town Council will offer a continuation of the Financial Assistance Scheme for 2017/2018 but is unable to give any assurance to applicants that funding will be available.**

**F188/016**

**RESOLVED: That the Financial Assistance Scheme Form be amended by the RFO as requested.**

**F189/016**

***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 closed at 8.40pm.*

***Councillor J Shackleton***

Chairman

**Finance & General Purposes Committee**

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