

FILEY TOWN COUNCIL
MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE
MEETING HELD ON WEDNESDAY 7 SEPTEMBER 2016 AT 7.00PM

Present: Cllr J Shackleton (Chairman), Cllr S Bosomworth, Cllr J Haxby (Vice Chair),
Cllr R Walker, Cllr K Wilkie
RFO Mrs G Robinson

The Chairman welcomed everyone 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. F679/016

APOLOGIES

Cllr J Meek (holiday) had sent his apologies to the meeting. It was

RESOLVED: That the above apology be duly noted. F680/016

RESOLVED: That the above reason for absence be accepted. F681/016

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. F682/016

APPLICATION OF CAPITAL RECEIPT

Members had previously been circulated with an email from the Yorkshire Local Councils Association supplying advice and information regarding the application of Capital Receipt for a potential project to enhance sports provision in the town, following a request from the RFO on behalf of the Town Council. The email advised the Town Council that money acquired from the sale of land is a capital receipt and Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 prescribes the ways in which capital receipts may be spent and it states that local councils can only spend money if the expenditure falls within paragraph 23 (a) to (c). A copy of the 2003 Regulations was also provided by YLCA and the association also drew members attention to Regulation 25(1)(b) which provided clarity on the use of capital expenditure including the making of a grant or the giving of financial assistance to a person towards expenditure that would, if incurred by the authority be capital expenditure; is capital expenditure and Regulation 25(1)(e) expenditure incurred on works to any land or building in which the local authority does not have an interest, which would be capital expenditure if the local authority had an interest in that land or building; is capital expenditure. The Yorkshire Local Councils Association also confirmed that there is no requirement for the Council to approach the Secretary of State for permission to make the expenditure and dependent upon whether the project meets the criteria of the General Power of Competence, this power could possibly be applied. YLCA informed the Council that they would assist in providing further details and advice once more information regarding the proposed project has been received. It was

RESOLVED: That the advice from the Yorkshire Local Councils Association be noted and welcomed. F683/016

REVIEW OF INVESTMENT BOND

The Premier Diversified Property Fund

Members had previously been circulated with a copy of a letter which had been received from the Director of The Premier Diversified Fund informing members that the Directors had resolved at an extraordinary general meeting held on 6 July 2016 to mandatorily redeem 80% of Shareholders' holdings based on the Net Asset Value as at 29 April 2016. A liquidator had been appointed and would begin the winding up process of the Fund and the residual value of the holding would be paid out by the liquidator and could potentially take up to six months. It was

RESOLVED: That the contents of the letter be noted. F684/016

REVIEW OF INVESTMENT BOND continued

Portfolio Valuation

Members had previously been circulated with an interim portfolio valuation as at 15 August 2016 for consideration and the RFO informed members that the 80% holding as detailed in the letter from The Premier Diversified Fund had been received and was held as a cash balance and was shown on the portfolio valuation. It was

RESOLVED: That the interim Investment Bond valuation report as at 15 August 2016 be accepted.
F685/016

Advice from YLCA and NALC

The RFO had sought further advice from the Yorkshire Local Councils Association and the National Association of Local Councils. A copy of the document 'Guidance on Local Government Investments' had been received from YLCA and it was noted that members had received sight of this document previously. A letter from a Mr Derek Kemp, NALC National Auditor and Accounts Advisor had been received and was circulated to members at the meeting. Mr Kemp advised that the Town Council had correctly treated the £120,000 investment as expenditure on its Annual Return and for accounting purposes the Capital Receipts Reserve was effectively reduced by the sum of £120,000. As such, only the residual balance of the Capital Reserves remains subject to Capital Receipts restrictions. Any amounts realised from the investment (but not dividend income) are similarly to be treated as Useable Capital Receipts subject to the same restrictions. He went on to inform the Council that it had acted correctly having taken appropriate financial advice at the time of making the investment. In effect the loss the council would suffer once the investment was realised had already been written off against the Useable Capital Receipts Reserve and he also advised that he was not aware of any regulations that required the council to reinstate this loss from revenue or any future sources of income. After discussion it was

RESOLVED: That the advice of the NALC National Auditor and Accounts Advisor be accepted.
F686/016

LCL International Life Assurance Company Ltd (LCLI) Portfolio

Cllr J Haxby stated that he had previously declared a personal interest earlier in the meeting in any future items referring to the Town Council's Independent Financial Advisor due to him being his own personal financial advisor and therefore he took no part in the decision making or voting thereon for this item.

RESOLVED: That Cllr J Haxby's personal interest be noted.
F687/016

Members had previously been circulated with advice from the Council's Financial Advisor regarding the surrender or part surrender of the portfolio. The RFO informed members that the Council had already agreed to withdraw all funds in the Fidelity Moneybuilder Income Fund A and the LCLI Sterling Deposit Fund (Minute No F603/016) and subsequently the funds from The Premier Diversified Property Fund had materialised and now requested members to give consideration to either a full surrender or part surrender of the portfolio currently stated at £43,543.49, although it was not known what the residual balance of funds from the Premier Property Fund would be until the liquidators had wound up the fund. Members noted that the Council had at all times sought professional financial advice regarding this investment and had kept records of all decisions made including making a complaint to the Financial Ombudsman and the European Commission which had not been upheld. It was noted that in 2008 the Town Council had received additional interest of a sum of £57,153 from the Norwich Union Investment.

After much discussion it was

RESOLVED: That a recommendation be made to full council to fully surrender the LCL International Life Assurance Company Ltd (LCLI) Portfolio as soon as possible.
F688/016

CCLA PROPERTY FUND

Members had previously been circulated with information from the Yorkshire Local Councils Association regarding the CCLA Property Fund and the RFO had obtained further advice from the Council's Financial Advisor for consideration. After considering the advice from the Financial Advisor it was

RESOLVED: That this information be noted and no further action be taken.
F689/016

Continued overleaf

NATIONAL SAVINGS AND INVESTMENTS – INVESTMENT ACCOUNT

The RFO had previously circulated information to members regarding this account and stated that all funds placed in the National Savings and Investments were 100% secure and were backed by H M Treasury. The account would meet the criteria of the Council's Investment Strategy and would provide a flexible account with easy access for council funds and currently attracted an interested rate of 0.45%. It was

RESOLVED: That a recommendation be made to full council that an Investment Account in the name of Filey Town Council be opened with the National Savings and Investments (ns&i) with appointed signatories being the Chairman of the Council, Cllr Susan Bosomworth, the Chairman of the Finance & General Purposes Committee, Cllr John Shackleton and the RFO, Mrs G Robinson.
F690/016

Members considered the amount of funds presently held in the Yorkshire Bank Investment Account and noted that previous concerns had been highlighted by the Internal Auditor regarding the level of funds held in this account. After discussion it was

RESOLVED: That a recommendation be made to full council that a sum of £100,000 (one hundred thousand pounds only) currently held in the Yorkshire Bank Investment Fund be transferred to the National Savings and Investments Investment Account.
F691/016

ELECTION FEES

The RFO circulated proposed costs for the forthcoming by-election which had been received from the Elections Office at Scarborough Borough Council. She requested whether members supported the cost of including polling cards and postage at a cost of £2,212.00 plus VAT which was incorporated in the overall estimated costs of £6,459.77 inclusive of VAT if the by-election went ahead and it was noted this would not be known until after 9 September 2016 being the last day for the delivery of nomination papers. The Borough Council had requested to be informed by no later than 9 September 2016 whether the Town Council required polling cards to comply with printing and postal vote deadlines. Members considered that should the by-election proceed then the Town Council would use the Council's website, newsletter and community noticeboards to highlight to its electorate that a by-election would be held.

After discussion it was

RESOLVED: That the Borough Council Elections Office be informed that in the interest of saving public funds the Town Council does not support the cost of polling cards and postage for the forthcoming By-Election and will use other means such as the Town Council website, newsletter and community noticeboards to promote the by-election once it is informed by the Borough Council that a by-election would be held.
F692/016

RESOLVED: That any costs for the By-Election be utilised from the Town Council's Election Fees Reserve.
F693/016

INSURANCE CLAIM

The RFO informed members that quotations were being progressed for a replacement seagull on the Coat of Arms which is depicted on the Mayoral Medallion via the Council's insurance company but a £100 policy excess would be deducted from the claim. It was

RESOLVED: That the above information be noted.
F694/016

EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That under the Public Bodies (Admission to Meetings) Act 1960, members of the press and public are excluded for the following items of business being in relation to terms of tenders, proposals in negotiations for contracts.
F695/016

QUEEN STREET GARDEN

Members had previously been circulated with a copy of a proposal report from Mr M Lloyd, Principal Engineer, Scarborough Borough Council and members were requested to consider proposed costs for the drainage proposal, section 50 licence, RASWA notice, site supervision and ongoing monitoring costs. Mr Lloyd had previously attended a meeting of the Property Committee to discuss the proposal and costs with members of this committee and who were now seeking the approval of the Finance & General Purposes Committee for consideration and recommendation thereon.

QUEEN STREET GARDEN con tinued

It was noted by members that this proposal was a minimum works option which would see drainage works installed in the upper south eastern corner of the garden together with the installation and commencement of routine monitoring of the site and did not allow for the walls to be rebuilt at this stage nor did it allow for the garden to be re-opened. Members queried the cost of the quotation which had been provided by the Borough Council and the RFO was requested to obtain more details and information from Mr Lloyd. After discussion it was

RESOLVED: That this item be deferred until more information has been received. F696/016

THE LAWNS CEMETERY

Members had previously been circulated with copies of quotations to provide drainage works at the Lawns Cemetery, Filey to allow for additional burial spaces prior to capital funding being identified by the Borough Council for the cemetery overspill land to be developed as an extension to the existing cemetery. The RFO informed members that she had sought five quotations and only two had been received for consideration. The contractors had been requested to cost each of the three sections separately and to give a price for all three sections to be completed at the same time. The RFO informed members that a request could be made to the Parish Council Contingency Fund for the Model Agreement Funds of £2,741.26 which were underspent in the Cemetery budget in 2015/2016 and there were sufficient funds in the Model Agreement budget to pay the balance. After discussion it was

RESOLVED: That the RFO submit a request to the Borough Council for the Model Agreement Funds of £2,741.26 to be granted from the Parish Council Contingency Fund. F697/016

RESOLVED: That the contract be awarded to P E Gibsons Ltd to provide drainage works at the Lawns Cemetery, Filey for all sections (A, B & C) as per the plan provided by Mr A Crossley, Scarborough Borough Council Engineer at a cost of £7,500 plus VAT to be utilised from the Model Agreement Budget and the Parish Council Contingency Fund. F698/016

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 8.10pm.

Councillor J Shackleton
Chairman
Finance & General Purposes Committee