

BOVEY TRACEY TOWN COUNCIL

TOWN HALL • BOVEY TRACEY • NEWTON ABBOT • DEVON TQ13 9EG
Tel: 01626 834217 • E-mail: info@boveytracey.gov.uk • www.boveytracey.gov.uk
Office hours: 10.30am - 12.30pm Mon. Wed. & Fri.

23rd October 2018

To Members of the Finance, Resources & General Purposes Committee

Cllrs Gribble (Ex Officio), Allen, Evans, Leigh, Ms Richardson, Robillard & Tregoning.

Cc All other Members of the Council for information.

Dear Councillor,

You are hereby summoned to attend a meeting of the Finance, Resources and General Purposes (FR&GP) Committee which will be held in the Council Chamber, Town Hall Bovey Tracey on Monday 29th October 2018 at 7pm for the purpose of transacting the business as set out below.

AGENDA

Interests to be Declared: In accordance with the Code of Conduct, Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests, they may have in items to be considered at this meeting. Members are also reminded that any change to their Declaration of Interests must be notified to the Monitoring Officer at Teignbridge District Council within 28 days of the change.

FR&GP.18/73 Apologies for absence:

**Public Participation:

The Committee, at the Chairman's discretion, sets aside a short period of time at the commencement of the meeting when the public can ask questions or make statements regarding agenda items.

FR&GP.18/74 Minutes:

To agree as a correct record and approve the minutes of the meeting of 3rd September 2018 (*copy enclosed).

FR&GP.18/74 Accounts & Financial Statement:

To receive and approve payment and receipt transactions between 11th August 2018 and 15th October 2018 (*copy enclosed) and note the bank balances as below:

General Account:	£ 7,008.59	(Statement dated 8.10.18)
Business Bank Instant A/C:	£276,804.33	(Statement dated 1.10.18)
Business Bank Instant A/C:	£350,380.11	(Statement dated 1.10.18)

FR&GP.18/75 Annual Audit Return for the Year Ending 31st March 2018:

To note that the external auditors (PKF Littlejohn LLP) have certified and completed their review of the Town Council's Annual Return for the year ended 31st March 2018. There have been no issues or advisories raised.

FR&GP.18/76 Bovey Tracey Activities Trust (BTAT) - Request for Funding:

To consider a deferred item (FR&GP.18/68) following the submission of additional information (*copy enclosed).

FR&GP.18/77 Bovey Tracey Carnival Committee AGM 2018:

To note that the Carnival Committee AGM will take place at the Dolphin Hotel at 8.00pm on Wednesday 21st November.

FR&GP.18/78 Budget Monitoring - Position Statement:

To note the Town Council's budget monitoring position statement as at 30th September 2018 (*copy enclosed).

FR&GP.18/79 Budget Planning 2019/20 - Preliminary Discussion:

To discuss and highlight any additional areas of expenditure for consideration as part of the budget preparation process for 2019/20.

FR&GP.18/80 Tarmac Path - Cemetery, Coombe Lane:

To consider the following quotations to extend the current tarmac path through the cremation area.

Quotation A:	£3,478.00+VAT
Quotation B:	£3,200.00+VAT
Quotation C:	£3,281.59+VAT
Quotation D:	£3,500.00+VAT

FR&GP.18/81 Community Right to Bid - Bovey Tracey Hospital:

To receive correspondence from Teignbridge District Council (*copy enclosed) and consider a response.

FR&GP.18/82 Teignbridge Dementia Action Alliance (TDAA):

To consider an offer on behalf of TDAA to facilitate an "Awareness & Understanding of Dementia" session for Councillors/public. The Town Clerk will provide further information at the meeting.

FR&GP.18/83 The Public Sector Deposit Fund:

To consider the opening of CCCA Public Sector Deposit Fund account (*copy enclosed) for holding surplus funds.

FR&GP.18/84 Archaeological Investigations - Community Centre Development:

To consider quotations (*copy enclosed) to undertake additional archaeological investigations to satisfy planning (pre-commencement) condition 8.

FR&GP.18/85 Matters brought forward by Councillors: (for information only).

*Copies of correspondence circulated to Councillors with this agenda, which will be considered at the meeting.

SIGNED
M WELLS
TOWN CLERK

DATE 23/10/18

FINANCE, RESOURCES & GENERAL PURPOSES COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBER ON MONDAY 3RD SEPTEMBER 2018 AT 7.12PM.

Present:

The Deputy Town Mayor, Cllr G J Gribble**/*

Cllr A Allen
Cllr M J Evans
Cllr S P Leigh

Cllr C W Robillard
Cllr M Tregoning

In attendance:

Cllr Mrs A J Kerswell*
Mr M Wells - Town Clerk
Mrs L Warren
Two members of the public

**County Cllr
*District Cllr

The meeting was chaired by Cllr Leigh

Interests Declared: None.

FR&GP.18/56 Apologies for absence: None.

**Public Participation:

Mr P Beecher thanked the Town Council for its involvement and encouragement of all the community events that take place in the town.

FR&GP.18/57 Minutes:

The minutes of the meeting of 18th June 2018 (**copy previously circulated*) were confirmed as a correct record and were approved.

FR&GP.18/58 Accounts & Financial Statement:

Members received and approved the payment and receipt transactions between 10th June 2018 and 10th August 2018 (**copy previously circulated*) and noted the bank balances as below:

General Account:	£ 9,694.02	(Statement dated 20.8.18)
Business Bank Instant A/C:	£201,412.06	(Statement dated 1.8.18)
Business Bank Instant A/C:	£350,349.87	(Statement dated 1.8.18)

FR&GP.18/59 Communities Together Fund:

Members noted that Teignbridge District Council's Communities Together Fund for 2018/19 opens for applications on 1st November 2018 and consists of £1.10 per elector (6181 electors). Consideration was given to potential applications for which to apply (**criteria previously circulated*).

Following discussion it was

Resolved:

To refer the item to Full Council.

Cllr Mrs Kerswell left the Council Chamber at 7.20pm.

FR&GP.18/60 Community Infrastructure Levy (CiL) Annual Report 2017/18:

Members noted the content of the CiL Annual Financial Report 2017/18 (**copy previously circulated*) and approved the publication of the

report in accordance with regulation 62A of the Community Infrastructure Levy (CiL) Regulations 2010 (as amended).

FR&GP.18/61 Risk Assessment of Financial and Non Financial Internal Controls:

Members considered the updated Risk Assessment of Financial and Non-Financial Internal Controls - September 2018 (**copy previously circulated*). It was noted that this represents the Town Council's Internal Control document.

Resolved:

To approve the updated Risk Assessment of Financial and Non-Financial Internal Controls - September 2018.

Cllr Leigh extended his appreciation to the Town Clerk for preparing the document.

FR&GP.18/62 Rural Aid 2018/19:

Members noted that the application for Rural Aid funding of £2,730.00 towards the installation of lighting for the Devon Air Ambulance landing site was successful.

FR&GP.18/63 Payment Authorisation Process:

Members considered if, in the Chairman's absence, it is necessary for the proper and timely administration of the Council's business, invoices may be initialled for payment by the Vice-Chairman.

Resolved:

That in the absence of the Chairman, invoices may be initialled for payment by the Vice-Chairman, if time critical.

FR&GP.18/64 Public Sector Work Loan - Borrowing Approval:

Members noted that the Secretary of State for the Ministry of Housing, Communities and Local Government has confirmed borrowing approval (conditional) to the amount of £500,000.00 for the construction of the Community Centre (**copy previously circulated*).

FR&GP.18/65 Traffic Management Plan - Safety Audit:

Consideration was given to a request from the Regeneration Committee to fund a Stage 1 Safety Audit of the draft Traffic Management Plan at a cost of £1,150.00.

Following discussion it was

Resolved:

To fund a Stage 1 Safety Audit at a cost of £1,150.00.

FR&GP.18/66 Grant Applications - Policy:

Members considered a recommendation to Full Council to adopt a policy for handling grant requests (**draft policy previously circulated*). Following discussion it was

Resolved:

To recommend to Full Council the adoption of the policy.

FR&GP.18/67 Appointment of Building Control Inspectors - Community Centre:

Members noted that during the summer recess period quotations were sought for the urgent appointment of Building Control Services for the Community Centre development at a cost of £1,250.00+VAT.

Quotation A: £1,250.00+VAT
Quotation B: £6,250.00+VAT
Quotation C: £1,500.00+VAT
Quotation D: £3,520.00+VAT

FR&GP.18/68 Bovey Tracey Activities Trust (BTAT) - Request for Funding:

Consideration was given to a request for grant funding (**copy previously circulated*) from the Treasurer/Trustee of BTAT. Following discussion it was

Resolved:

To write to the Treasurer/Trustee of BTAT requesting further financial information. On receipt of this, to further consider the request at the next Finance, Resources & General Purposes Committee meeting.

FR&GP.18/69 Insurance Cover:

Members received a report (**copy previously circulated*) from the Town Clerk and considered the recommendations within the report. The Town Clerk provided an update.

Resolved:

To accept the renewal provided by Royal Sun Alliance (RSA) Insurance Group (via W.P.S. Insurance Brokers) on a 3-year term of £3,572.98 per annum.

FR&GP.18/70 Rural Development Programme for England (RDPE) 2014-2020 LEADER Grant Funding Agreement - New Community Centre Work Hub Provision:

Members considered accepting the grant of £82,880.00 (**copy of agreement terms previously circulated*) and, if accepted, to determine delegated signatories. The Town Clerk provided an update.

Resolved:

To refer the item to Full Council.

FR&GP.18/71 Community Centre Development - Budget Update:

Members received and noted a copy of the updated budget (**copy previously circulated*).

FR&GP.18/72 Matters brought forward by Councillors: (for information only).

Cllr Gribble advised that the structure on Station Road roundabout requires repair work and he is progressing this matter.

Cllr Robillard:

i) Advised that the Fairtrade Group has signed up more companies and an event will take place at The Devon Guild of Craftsmen on 18th September.

11) Noted that the Twinning Association will be arranging a meeting in November.

Cllr Allen referred to the recent vandalism which has taken place in the town and requested that a Police representative is present at the Full Council meeting to provide an update.

The meeting closed at 7.55pm.

List of Payments made between 11/08/2018 and 15/10/2018

<u>Date Paid</u>	<u>Payee Name</u>	<u>Reference</u>	<u>Amount Paid</u>	<u>Authorized Ref</u>	<u>Transaction Detail</u>
15/08/2018	EDF Energy	D/D	19.58		Electricity supply - CCTV
21/08/2018	British Gas	D/D	117.56		Electricity supply
21/08/2018	EE Phone	D/D	34.72		Plan charge
24/08/2018	Teignbridge District Council	484	5,300.00		Payroll
24/08/2018	PHS Group	485	184.86		Waste collection
24/08/2018	Smith Consult Ltd	486	10,430.40		Engineering services
24/08/2018	South West Grounds Maintenance	487	1,320.00		Verge & Cemetery cutting
24/08/2018	Parkinson Partnership LLP	488	75.00		VAT reg. service
24/08/2018	Devon Contract Waste	489	38.21		Waste collection
24/08/2018	Mole Valley Farmers	490	5.52		Goods
28/08/2018	British Gas	D/D	24.25		Electricity supply
28/08/2018	Elitegroup	D/D	61.38		Telecom
03/09/2018	Pulse8Communications	D/D	22.00		Broadband
03/09/2018	Aviva	D/D	608.18		Insurance
03/09/2018	British Gas	D/D	59.84		Electricity supply
04/09/2018	Clare Beresford	491	40.00		Cleaning
04/09/2018	PCM Pest Control	492	45.00		Eradicate wasp nest
04/09/2018	Devon & Cornwall Newspapers Lt	493	36.00		Display advert
04/09/2018	Viking	494	109.80		Goods
04/09/2018	Teignbridge District Council	495	2,764.24		Payroll
04/09/2018	Mr M Wells	496	119.81		Reimbursement - pump & sub
04/09/2018	Lisa Robillard Webb	497	60.00		Admin service - NDP
04/09/2018	PKF Littlejohn LLP	498	720.00		Review annual return
04/09/2018	Viking	494	-109.80		Goods
05/09/2018	British Gas	D/D	25.50		Electricity supply
05/09/2018	UK Fuels Ltd	D/D	112.39		Fuel
10/09/2018	Teignbridge District Council	499	5,300.00		Payroll
10/09/2018	PHS Group	500	246.48		Waste collection
10/09/2018	Devon Contract Waste Ltd	501	40.90		Waste collection
10/09/2018	Lee Parmenter Contractors Ltd	502	927.00		Grounds maintenance
10/09/2018	Devon Wildlife Trust	503	77.40		NDP
10/09/2018	Doug Pratt Tree Consultancy	504	195.00		Report on Cypress tree
17/09/2018	Viking	505	109.80		Replacement chq
17/09/2018	EDF Energy	D/D	19.58		Supply - CCTV cameras
21/09/2018	EE Phone	D/D	34.72		Plan charge
24/09/2018	Devon Contract Waste Ltd	506	34.37		Waste collection
24/09/2018	WBW Solicitors	507	60.00		Land Registry fee
24/09/2018	Mr M Wells	508	114.96		Reimbursement of subs
24/09/2018	Lisa Robillard Webb	509	63.75		Admin service NDP
24/09/2018	Mr D Gates	510	50.00		Refund allotment deposit
24/09/2018	Specialist Hygiene Services Lt	511	283.64		Cleaning
24/09/2018	South West Grounds Maintenance	512	1,320.00		Grounds maintenance
24/09/2018	Robinson White Partnership	513	1,200.00		Survey
24/09/2018	BT Information Centre Trust	514	2,000.00		Elector Fund Grant
25/09/2018	Elitegroup	D/D	61.92		Telecom
27/09/2018	British Gas Electricity supply	D/D	23.12		Electricity supply
01/10/2018	Mole Valley Farmers	515	47.95		Bulbs

List of Payments made between 11/08/2018 and 15/10/2018

<u>Date Paid</u>	<u>Payee Name</u>	<u>Reference</u>	<u>Amount Paid</u>	<u>Authorized Ref</u>	<u>Transaction Detail</u>
01/10/2018	Teignbridge District Council	516	2,514.24		Payroll
01/10/2018	Flagmakers	517	38.22		Halyard
01/10/2018	Pulse8Communications	D/D	22.00		Broadband
01/10/2018	Aviva	D/D	608.25		Insurance
10/10/2018	UK Fuels Ltd	D/D	71.71		Fuel
15/10/2018	Specialist Hygiene Services Lt	518	283.64		Cleaning
15/10/2018	Robinson White Partnership Ltd	519	1,080.00		Surveying - Community Centre
15/10/2018	Devon Contract Waste Ltd	520	36.29		Waste collection
15/10/2018	Teignbridge District Council	521	5,300.00		Payroll
15/10/2018	Arnolds	522	28.56		Goods
15/10/2018	Viking	523	39.74		Goods
15/10/2018	PHS Group	524	184.86		Waste collection
15/10/2018	Lee Parmenter Contractors	525	885.00		Grounds maintenance
15/10/2018	Lee Parmenter Contractors	526	204.00		Grounds maintenance
15/10/2018	Alan Lewis	527	20.00		Computer service
15/10/2018	S W Grounds Maintenance	528	936.00		Grounds maintenance
15/10/2018	Rialtas Business Solutions	529	198.00		Support

Total Payments	46,885.54
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Current Account

Receipts received between 11/08/2018 and 15/10/2018

Nominal Ledger Analysis

Receipt Ref	Name of Payer	£ Amnt Received	£ Debtors	£ VAT	A/c	Centre	£ Amount	Transaction Detail
373	Banked: 20/08/2018	360.55						
125	Heritage Trust	158.55			1900	100	158.55	Insurance & telecom
0535	Mrs M Black	102.00			1400	400	102.00	Tablet
126	Funlands Funfair	100.00			1900	100	100.00	Use of Mill Marsh Park
	Banked: 24/08/2018	20,000.00						
Virement	Lloyds Deposit - 00711234	20,000.00			210		20,000.00	Virement
374	Banked: 30/08/2018	62.00						
0536	J M N Taylor	62.00			1400	400	62.00	Additional inscription
376	Banked: 30/08/2018	72.04						
127	Choys of Bovey	72.04			1110	100	72.04	Christmas lights collection
	Banked: 10/09/2018	15,000.00						
Virement	Lloyds Deposit - 00711234	15,000.00			210		15,000.00	Virement
378	Banked: 17/09/2018	2,624.00						
128	Bovey Dental Practice	50.00			1120	100	50.00	2 Planted troughs
0537	Mrs V Rowe	168.00			1400	400	168.00	Ashes interment
129	Tesco Express	50.00			1120	100	50.00	2 Hanging baskets
130	B T Heritage Trust	10.00			1900	100	10.00	Annual rent
0538	Parkers Funeral Directors	2,346.00			1400	400	2,346.00	Interment
377	Banked: 30/09/2018	691.00						
0539	Mrs T Scotland	102.00			1400	400	102.00	Tablet
0540	N J Molony	102.00			1400	400	102.00	Tablet
131	Mr A Blundell	50.00			1200	100	50.00	Allotment deposit
0541	Mr J Brown	124.00			1400	400	124.00	Additional inscription
0542	Mr A Hows	124.00			1400	400	124.00	Additional inscription
0543	Mr & Mrs A Evans	189.00			1400	400	189.00	Headstone
	Banked: 15/10/2018	15,000.00						
Virement	Lloyds Deposit - 00711234	15,000.00			210		15,000.00	Virement
Total Receipts:		53,809.59	0.00	0.00			53,809.59	

From: Bovey Tracey Town Council [<mailto:info@boveytracey.gov.uk>]

FR&GP.18/76

Sent: 04 September 2018 12:50

To:

Subject: RE: Appeal

Dear Mike,

Members of our Finance, Resources & General Purposes committee discussed your request for funding at last night's meeting, however were unable to reach a decision. They deferred a decision until the next meeting, whilst I obtain some further information from you. Could you let me have some further information around the following please:

- More detailed breakdown of funds raised to date/committed/applied for?

Currently we have only raised £2600 towards the total cost, we have had 2 of the Trustees of the Almshouse Trust say they will support our application which was for £10,000. But speaking to Brian Huxtable who is the current Chairman he was quite negative so I am not sure if we will get anything from them.

After that conversation I have re-applied to the Lottery for the same amount of funding, but if that is granted it would not be forthcoming until December. (I don't hold out too much hope)

- Broader explanation of the potential shortfall and if possible a more explicit request of what levels of funding you might be seeking from the Council

If all current funding application fail then we would be approx. £18,000 short by time we have to pay for the main work which will be completed by the end of September.

We have funds of £14,000 in our current account so our shortfall would be £4,000.

- Options if all the funding isn't obtained?

As a Charity with a treasurers account we are not able to have an overdraft facility, but the bank would consider a loan application.

I have offered the Trust to make a personal loan on an interest only basis until the Trust has the funds to repay me.

- Timescales?

The main work will be completed by the end of September, but there will be some work that will continue into October and maybe November as we are now back to full programs and finding time for the engineers to come in to work where it is convenient to both parties is proving to be a major headache at the moment.

I look forward to hearing from you.

Kind regards

Mark Wells
Town Clerk

Bovey Tracey Town Council
Town Hall
Town Hall Place
Bovey Tracey
TQ13 9EG
Email: info@boveytracey.gov.uk
Website: www.boveytracey.gov.uk

2018/19 Income & Expenditure Report (6-month)

1st April 2018 - 30th September 2018

<i>Income</i>	<i>Budget 2018/19</i>	<i>Previous YTD</i>	<i>Current YTD</i>
	£	£	£
Precept	£ 205,990.00	£ 199,565.00	£ 102,995.00
Council Tax Support Grant (CTSG)	£ 14,760.00	£ 16,400.00	£ 7,380.00
Interest	£ 100.00	£ 135.00	£ 118.96
Allotments & Brimley Field	£ 2,000.00	£ 520.00	£ 250.00
Town Hall Lettings	£ -	£ -	£ -
Burial Fees	£ 15,000.00	£ 13,151.00	£ 10,881.00
Other Income	£ 3,700.00	£ 1,886.00	£ 1,850.20
P3 & Other Grants	£ 1,000.00	£ -	£ 8,340.00
Christmas Lights	£ 1,800.00	£ -	£ 72.04
South West in Bloom	£ 1,800.00	£ 2,500.00	£ 2,175.00
S106 Receipt/CIL	£ -	£ 7,746.00	£ 3,860.57
Total	£ 246,150.00	£ 241,903.00	£ 137,922.77

<i>Expenditure</i>	<i>Budget 2018/19</i>	<i>Previous YTD</i>	<i>Current YTD</i>
	£	£	£
Allotments	£ 1,200.00	£ 758.00	£ 250.90
Town Hall	£ 9,000.00	£ 2,789.69	£ 7,450.62
Cemetery	£ 13,000.00	£ 5,272.00	£ 4,368.10
South West in Bloom	£ 4,000.00	£ 3,626.00	£ 4,505.42
Summer Basket/Trough Watering	£ 4,000.00	£ 1,520.00	£ 1,586.70
Bus Shelters	£ 500.00	£ -	£ -
Recreation Grounds	£ 16,000.00	£ 8,287.00	£ 6,829.44
Establishment Expenses	£ 26,000.00	£ 11,205.00	£ 10,750.28
Wages, N.I. & Pensions	£ 86,000.00	£ 40,061.00	£ 41,825.35
Pottery Leat	£ 200.00	£ -	£ -
Christmas Lights	£ 5,300.00	£ -	£ -
Election	£ 6,000.00	£ 2,221.00	£ -
Contingency	£ 5,000.00	£ -	£ -
Information Centre	£ 750.00	£ -	£ -
Parish Paths Partnership	£ 100.00	£ -	£ -
Heathfield Youth Project	£ 2,000.00	£ 1,868.00	£ 66.65
BTYA	£ 7,500.00	£ 4,375.00	£ 2,500.00
The Old Thatched Inn	£ 40,000.00	£ 6,265.00	£ 47,612.60
Regeneration Project	£ 2,500.00	£ -	£ 990.00
Bovey Community Care	£ 1,500.00	£ 750.00	£ 2,000.00
Heritage Centre & Trail	£ -	£ -	£ -
Legal Advice Service	£ 1,800.00	£ -	£ 1,756.00
Grants	£ -	£ 10,000.00	£ 2,000.00
Flag Project	£ -	£ 250.00	£ -
Tree related works	£ 3,500.00	£ 1,920.00	£ 1,045.00
Recreation Ground Toilets	£ 5,000.00	£ 2,430.00	£ 2,085.47
Verges	£ 1,000.00	£ -	£ 2,000.00
Software	£ 500.00	£ -	£ 319.85
Training	£ 800.00	£ -	£ -
Temp Toilet Hire - Station Road	£ 2,000.00		£ -
Green Man Festival	£ 1,000.00		£ 1,993.44
Neighbourhood Development Plan	£ 1,000.00	£ -	£ 4,638.25
Total	£ 247,150.00	£ 103,597.89	£ 146,574.07

Account Balances (as at 30th Sept 2018):

£13,227.54

£276,804.33

£350,380.11 (Earmarked Reserves)

Potential Budget Pressures for 2019/20

i) Requests for Weed Spraying roads/pavements	£1,000
ii) Salary Increases	£5,800
iii) Council Tax Support Grant (CTSG) Removed	£14,760 (2018/19)
iv) Requirements for a Community Grants Budget	£1,000 ?
v) Grounds Maintenance Budget	£3,000
vi) Town Hall Office Rent	£5,200 pa

- 5 OCT 2018

Please Ask For: Amy Blackmore
Tel: 01626 215124
Email: amy.blackmore@teignbridge.gov.uk
My Ref: AB/CRTB/BTCH



3rd October 2018

Mr Mark Wells
Bovey Tracey Town Council
Town Hall
Bovey Tracey
TQ13 9EG

Dear Mr Wells

Community Right to Bid – Bovey Tracey Community Hospital

Bovey Tracey Community Hospital was registered as an Asset of Community Value on 21st December 2016 after being nominated through the Community Right to Bid Scheme under the Localism Act 2011. In April 2017 the NHS shut the hospital and since then the asset has not been in use by the community.

Under the Localism Act 2011 the Local Authority have the right to review the list and remove any assets that no longer fulfil the criteria of furthering the social wellbeing and interest of the community. We are looking to start the process of delisting the hospital and would welcome the Town Council's comments on this.

If you have any questions please contact me on 01626 215124 or amy.blackmore@teignbridge.gov.uk

Yours sincerely

A handwritten signature in black ink, appearing to be 'Amy Blackmore', written over a white background.

Amy Blackmore
Local Land Charges Assistant

Teignbridge District Council, Forde House, Newton Abbot, Devon TQ12 4XX
Minicom: 01626 363690 DX121075 Newton Abbot 5

Making a healthy and desirable place where people want to live, work and visit



**INVESTMENT OF COUNCIL BALANCES IN
THE PUBLIC SECTOR DEPOSIT FUND**

AGENDA ITEM No. FR&GP. 18/83

MEETING: FINANCE, RESOURCES & GENERAL PURPOSES

DATE: 29TH OCTOBER 2018

REPORT BY: TOWN CLERK

1.0 Purpose of the Report

- 1.1 The purpose of this report is to provide Member's with information on the Public Sector Deposit Fund with a view to considering the future use of the fund for the investment for the Council's surplus balances.

2.0 Background to the Report

- 2.1 The framework for the Council's investment activity is summarised in the Financial Regulations and set out in more detail in the Treasury & Investment Policy.
- 2.2 The Financial Regulations and Treasury & Investment Policy specify that the Council's approved method of investment will be short term treasury deposits or high interest bank accounts with banks and building societies. The Council's priority will be the security of its investments whilst maximising the interest receivable.
- 2.3 For a number of years, the Council has not invested, only benefitting from fluctuating account interest rates from the Council's long-term banker, Lloyds Bank plc.
- 2.4 Account interest rates achievable currently are minimal, reflecting the very low Bank of England Base Rate and are currently running at 0.05%.
- 2.5 Council Balances and Reserves in total currently stand at around £530,000 supported by short term cash balances which vary month to month.

3.0 The Public Sector Deposit Fund

- 3.1 The Public Sector Deposit Fund is an investment fund set up by the public sector for the public sector and which is intended to enable a pooling of public sector resources in a money market fund set up in line with the principles and values of the public sector (see factsheet attached).
- 3.2 The Fund was set up by the CCLA (Churches, Charities and Local Authorities) which is a mutually owned firm of investment managers, part owned by LAMIT – the Local Authorities Mutual Investment Trust who have historically provided deposit funds to the charitable sector.

- 3.3 The Local Government Association (LGA) appointed CCLA to develop the Public Sector Deposit Fund in collaboration with the sector following the Icelandic banking crisis in 2008, and the Fund was launched in May 2011.
- 3.4 The Fund is a UK domiciled, FSA regulated, AAA rated money market fund with the priorities of security, liquidity and yield.
- 3.5 The Fund has strong governance arrangements with an Advisory Board chaired by the former Director of Finance of the LGA and with additional representation from the LGA, the Chief Executive of the Chartered Institute of Public Sector Accountancy (CIPFA), as well as other treasury specialists.
- 3.6 The Fund is managed on a very conservative basis, beyond the requirements of the AAA rating, only using plain cash products with well rated banks, with no exposure to the stock market, derivatives and asset backed securities.
- 3.7 The CCLA now has over 36,000 clients and manages around £8.7 billion of cash and investments including a large number of local authorities including many town and parish councils.
- 3.8 There is a minimum investment of £25,000 and there is instant access for withdrawals and recall of all investments.
- 3.9 Arrangement and management fees are incorporated within the interest rate offered by the Fund.

4.0 Matters for Consideration

- 4.1 It is recommended that the Council considers the use of the Public Sector Deposit Fund for the future investment of its surplus balances and reserves.
- 4.2 Interest rates on the Public Sector Deposit Fund compare favourably with those available on an instant access basis with the Council's current bank, Lloyds Bank plc on the Council's Treasurers Account.
- 4.3 A rate of 0.6922% was available on the Public Sector Deposit Fund at the time of writing for any balance over £25,000.

- 4.4 This compares to an existing rate of 0.05% on balances over £0 with Lloyds Bank plc.
- 4.5 The Council currently holds £180,000 (Aug 18) in a Business Bank Instant Account and £350,000 (Earmarked reserves) in a further Business Bank Instant Account with the remainder of its short-term cash balances held in the Treasurers Account.
- 4.6 A major benefit of the Public Sector Fund is that investments are made over a number of different products and banks which spreads the risk so that, should a bank fail, only the proportion of the investment held with that organisation would be at risk and not the whole investment.
- 4.7 This is not the case at the present time, as all of the Council's Balances and Reserves are currently placed with one organisation, Lloyds Bank plc.
- 4.8 The Public Sector Deposit Fund could be considered for the Council's investment requirements in the future, or the Council could choose to continue to retain a proportion of its balances with Lloyds.
- 4.9 Members are asked to consider whether they wish to make use of the Public Sector Deposit Fund in the future and on what basis.

5.0 Staffing Implications

- 5.1 None.

6.0 Financial Implications

- 6.1 The use of the Public Sector Deposit Fund as a method of investment for the Council's surplus balances and reserves would help to reduce the risk associated with retaining of balances with one institution.
- 6.2 The rate of interest available would be slightly more than currently available with the Council's existing bank, which would result in small increase in the Council's investment income.

7.0 Recommendations

- 7.1 It is recommended that Members consider the use of the Public Sector Deposit Fund as a future method of investment for the Council's surplus balances and reserves.

The Public Sector Deposit Fund

Short term AAmmf UK Qualifying Money Market Fund

Fact Sheet – 30 September 2018

Investment objective

To maximise the current income consistent with the preservation of capital and liquidity.

Investment policy

The Fund will be invested in a diversified portfolio of high quality sterling denominated deposits and securities. All investments purchased will have the highest available short term credit rating and a correspondingly strong long term rating.

The weighted average maturity of the investments will not exceed 60 days. There will be no exposure to derivatives or to other collective investment schemes.

Suitability

The Fund is a suitable investment for all public sector short term investments where the requirement is for a high level of capital security and a competitive rate of interest.

Who can invest?

The Fund is open to all public sector investors.

Responsible investment policy

We monitor our counterparties' environmental, social and governance risk management on a regular basis. Our research utilises three external data resources and our in-house Ethical and Responsible Investment Team.

Key risks

Investors should consider the following risk factors before investing: Issuer/Credit Risk (issuer/financial institution may not pay), Market Risk (investment value affected by market conditions), Operational Risk (general operational risks), Maturity Profile (timings of investment maturity), Liquidity Risk (investment in non-readily realisable assets), Concentration Risk (need for diversification and suitability of investment) and Interest Rate Risk (changes to interest rate affecting income). Please see the Fund Prospectus for further details.

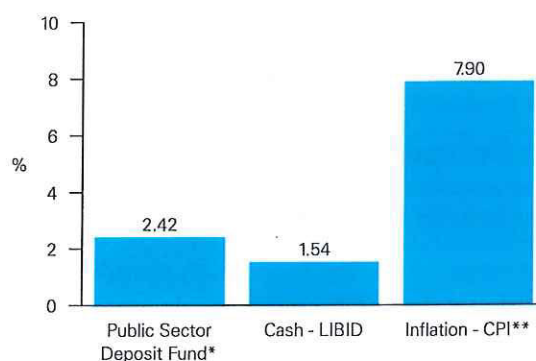
Top 10 counterparty exposures (%)

Landesbank Baden-Wuerttemberg	9.8
Mizuho Bank	9.8
Sumitomo Mitsui Banking Corporation	8.4
DBS Bank	5.2
Credit Industriel et Commercial (CIC)	4.8
Lloyds Bank	4.6
Barclays	4.3
Rabobank	4.3
Santander UK	4.3
UBS	4.3

Share class 4 yield as at 30 September 2018

0.6882%

5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

Japan	20.5
United Kingdom	17.8
France	10.5
Germany	10.2
Netherlands	10.0
Sweden	7.3
Singapore	6.4
Canada	5.6
Switzerland	4.3
Belgium	3.4

*Source: CCLA - Gross performance shown before management fees and other expenses with gross income reinvested. Net returns will differ after the deduction of fees and other expenses. The yield on the Fund will fluctuate and past performance is no guarantee of future returns. Holdings in the Fund are not covered by the Financial Services Compensation Scheme. **CPI is lagged 1 month. †Using Fitch Ratings methodology.

Income - period to end September

Average yield over the month	0.6769%
Yield at the month end	0.6882%

Discrete year total return performance (gross)

12 months to 30 September	2018	2017	2016	2015	2014
The Public Sector Deposit Fund	+0.54%	+0.32%	+0.52%	+0.53%	+0.49%
Benchmark	+0.38%	+0.12%	+0.33%	+0.36%	+0.35%
Relative	+0.16%	+0.20%	+0.19%	+0.17%	+0.14%

Annualised total return performance (gross)

Performance to 30 September	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.54%	+0.46%	+0.48%
Benchmark	+0.38%	+0.28%	+0.31%
Relative	+0.16%	+0.18%	+0.17%

Source: CCLA - Benchmark - London Interbank Sterling 7 Day Bid Rate. Gross performance shown before management fees and other expenses with gross income reinvested. Net returns will differ after the deduction of fees and other expenses. The yield on the Fund will fluctuate and past performance is no guarantee of future returns.

Market update

After a month during which the tightening of monetary policy took the headlines, September saw politics taking centre stage. Concerns over a no deal outcome in Brexit negotiations with the European Union culminated with Prime Minister May's summit with fellow EU leaders in Salzburg where her Chequers plan was flatly rejected. This led sterling to weaken against the US dollar and money market rates moved lower as markets worried that a no deal outcome would limit the Bank of England's appetite for further monetary policy tightening.

At their September meeting, the Bank of England's Monetary Policy Committee stuck with the rhetoric communicated in the August Quarterly Inflation Report. Despite the uncertainty surrounding Brexit, data releases during the month proved surprisingly resilient. The UK unemployment rate fell to 4% in the three months to July 2018, the lowest level since the mid-seventies, helped by falling levels of migration from the EU. Wages grew at the joint-fastest rate since the summer of 2015 in the three months to July as the tight labour market appears to be finally pushing up pay agreements. There was also better than expected retail sales data providing some comfort to the beleaguered high street.

Inflation exceeded market expectations with the latest UK CPI release of 2.7% for the month of August, well above the consensus estimate of 2.4% and suggesting an overshoot of the 2.5% forecast for the third quarter published in the August Inflation Report. This is the fastest pace of inflation since February and the main reason for the upward momentum continues to come from motor fuels which shows little sign of abating as we move into October.

Key facts

Fund size	£439m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	51.50 days
Launch date	May 2011
Minimum initial investment	£25,000
Minimum subsequent investment	£5,000
Dealing day	Each business day*
Withdrawals	On demand
Domicile	United Kingdom
ISIN Share Class 4	GB00B3LDFH01
Interest payment dates	Monthly
Ongoing charges figure	0.10% (currently reduced to 0.08%)

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* Dealing instructions must be received by 11.30 am.

Risk warning

This document is a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. CCLA have not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read the Fund Key Investor Information document and the Prospectus which can be found at www.ccla.co.uk. We strongly recommend you seek independent professional advice prior to investing.

Disclosures

Investment in the Fund is for public sector eligible investors only. The Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority as a UCITS Scheme and is a Qualifying Money Market Fund. CCLA Investment Management Limited (registered in England No. 2183088 at Senator House, 85 Queen Victoria Street, London, EC4V 4ET) is authorised and regulated by the Financial Conduct Authority. For information about how we obtain and use your personal data please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.

Archaeological Investigation Quotes

	QUOTATION A	QUOTATION B	QUOTATION C
Consultant			
Contact			
Telephone			
Email			
Excavation and Reporting			
Compose Written Scheme of Investigation (WSI)	Included in Archaeological excavations cost	£250 + VAT	£125 + VAT
Archaeological excavations	£4,250 + VAT	£1,990 + VAT (estimate, rates included in fee proposal)	£1,530 to £2,550 + VAT (estimated range)
Post excavation reporting	Included in Archaeological excavations cost	£1,800 + VAT	£1,530 to £2,550 + VAT (estimated range)
Sub-Total	£4,250 + VAT	£4,040 + VAT (estimate of time required)	£3,185 to £5,225 + VAT (estimated range)
Additional Items			
Devon Council charge	£200 + VAT (at cost and confirmed in the fee proposal)	Invoiced at cost	Invoiced at cost
Archiving	Separate quote provided if DCC specifically request any finds are analysed and archived	Invoiced at cost if required	£400 to £800 + VAT