

**Minutes of the Meeting of the Finance and General Purposes Committee held on
Tuesday 13 June 2017 in the Civic Chamber, Council Offices, Skelmanthorpe**

PRESENT: Cllrs G Turner, J Cook, S Hellewell, R Gott, J Depledge, M Wood, M Blanshard, and R Brook.

APOLOGIES: Cllr N Denby & P Flinders

IN ATTENDANCE: C Wadsworth, Clerk to the Council

16/101 Declarations of Interest

Cllrs Brook, Turner, Cook & Blanshard declared an interest in item 10: the Skelmanthorpe Textile & Heritage Centre

Cllr Depledge declared an interest in item 8: Denby Dale Bowling Club.

16/102 Open Session

No members of the public were present

16/103 Apologies for Absence

Reasons for absence from the meeting were submitted from Cllrs Denby & Flinders. **RESOLVED** that the reasons for absence submitted by the councillors be accepted as valid.

16/104 Admission of the Public

RESOLVED that there were no items requiring the exclusion of the press and public.

16/105 Discussion on The Local Authorities Property Fund – Mark Davies

Background:

- Managed by The Local Authorities Mutual Investment Trust (LAMIT)
- Fund Manager CCLA Fund Managers Ltd
- Approx.36,000 clients and are Church of England, Communities, Parish Council or Unity Authorities (67 Parish and Town Councils inc. YLCA, Selby PC, S Kirkby, Rawthorpe in this area)
- £7 billion managed. Minimum investment £25,000
- Mutually owned bringing 3 sectors of C of E, Charity orgs and Local Authorities
- Started in 1958, re-engaged with Public Sector over the last 5 years. LAMIT has a history with pre-1974 Urban District Councils giving advice and guidance
- Re-launched 4 ½ years ago as interest rates not changing.
- Unique as accounting advantage: Not capital expenditure account for as long-term investment. Can be held at the value at joining. Asset reserve not drawn into capital fund.
- Need to take long-term view e.g. 5 years. (*see key facts sheet*)
- Very expensive in terms of fees (8.3%) short term e.g. invest £100,000 one month, would be worth only £92,000 the next month therefore need to stay in long term to allow fund to rise
- Capital values: due to external factors in property speculation is difficult esp. in current climate
- Getting hold of money: Funds are always as fully invested as possible. Fund will always have money available, esp. for smaller concerns. Suggested PC would discuss each year whether they would sell the fund the next financial year and inform the Fund in advance. Can be held for 6 months at most.
- Parish Council would need an RFA report as not considered 'professional clients'. This would incur a £350 fee
- Ethical policy: as deal with charities/C of E funds are ethical and are careful of how they invest in terms of environment and property tenants.

The Committee thanked Mark Davies for his report and attendance at the meeting.

The Finance Committee members agreed that at this stage the Clerk would circulate information to Full Council with a view to discussing this along with the Reserves in November or January.

16/106 Budget 2017/18 and Expenditure Review

- The expenditure review and Council Building expenditure and income were discussed.

RESOLVED that the expenditure review be approved.

- Reserves Review
 - Projected reserves this year of over £400,000, very high level.
 - Generally agreed that reserves should be held at the level of 1 year's expenditure, plus an amount for unexpected building costs. £300,000 considered as a guide figure.
 - Long term should look at maintaining precept at current level, as over 5 years or so it would come down without having to raise or lower precept demand. Considered inadvisable to

- reduce the precept demand, as it would be extremely difficult to raise it again should it become necessary to take on future responsibilities,
- Regarding the Property Fund: 8.3% extremely high and high risk as property market gone down and rents set to go down. Lots of unknowns at the moment. Considered better to review Property Fund at budget time once a further year of expenditure on the building could be reviewed, to see if there was a surplus to invest. The potential interest on any investment could be very beneficial to return to community.

RESOLVED The Finance Committee decided that at present there was no decision to be made, but that when the time comes for setting the budget the above would be discussed further. At present, it was felt that the council should work towards a level of reserves of 1 year's expenditure plus building reserves yet to be decided as a starting point for future discussions in November or January 2018.

16/107 Review of Effectiveness of Internal Audit

RESOLVED that the Review of Effectiveness of Internal Audit be approved.

16/108 Grants

Community Grant: Friends of Churchfield request – **RESOLVED** to award the Friends of Churchfield the balance of their grant request of £711 for the cutting of Churchfields open space for this year with no further commitment, with a view to the Friends group continuing to seek alternative funding, using the General Power of Competence provided by the Localism Act 2011.

Schools Grant: **RESOLVED** to award Denby Dale First & Nursery School a grant of £500 towards the cost of outdoor play equipment using the General Power of Competence provided by the Localism Act 2011.

Community Grant: Denby Dale Bowling Club: Following the submission of further information requested it was **RESOLVED** to award the club a grant of £3,000 towards the cost of a mower using the General Power of Competence provided by the Localism Act 2011.

16/109 Banking Arrangements & Bank Signatories

Agreed to recommend to Full Council that the existing signatories plus Cllr Janet Depledge sign the mandate as signatories for the Unity Trust bank, with up to four signatories signing for internet banking.

16/110 Friends of Skelmanthorpe Textile & Heritage Centre Loan

RESOLVED that a bridging loan of £9,200 be awarded to the Friends of Skelmanthorpe Textile Heritage Centre with a loan agreement being undertaken using the General Power of Competence provided by the Localism Act 2011)

16/111 Orders for Payment

RESOLVED that orders for payment number 683 totalling £654 be approved for payment

16/112 Date of next meeting

The next meeting is scheduled for 14 November

Signed..... CHAIR