Minutes of the Meeting of the FINANCE & GENERAL PURPOSES COMMITTEE held at the Town Council Offices, Bradbourne Vale Road, Sevenoaks on Monday 11th January 2016 at 7:00 pm.

PRESENT

Cllr R L Piper (Chairman)

Cllr S L Arnold *[ex officio]*
Cllr N J L Busvine OBE
Cllr J M Canet
Cllr M Chakowa
Cllr A S Clayton
Cllr A Eyre
Cllr R M C Hogarth
Cllr R J Parry (Vice Chairman)
Cllr E Parson
Cllr S G Raikes
Cllr Mrs P C Walshe
(12)

ALSO IN ATTENDANCE
Cllr Mrs R E Parry
Cllr E Parson
Cllr E T Waite *[arrived 7:20pm]*
Chief Executive/Town Clerk
Responsible Finance Officer
Committee Clerk

APOLOGIES
There were none

PUBLIC QUESTION TIME
No members of the public were present for the duration of the meeting.

333 DECLARATIONS OF INTEREST
There were none.

334 DISPENSATION
No requests had been received or approved.

335 MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE MEETING HELD ON 30th NOVEMBER 2015
RESOLVED: the minutes be received and signed as a true record.

336 FINANCE REPORTS
The Finance reports were received and considered:

a) **Statement of Accounts**

i. **RESOLVED:** the statement of accounts together with the Responsible Finance Officer's report relating to the management accounts to 30th November 2015 be received and adopted.
NOTED:
- that if the proceeds of the sale of Raleys and or Cemetery Lodge have not been received by March 2016, then the deficit will have to be recovered by a transfer from Revenue Reserves.
- that Street lighting letters will not be sent to Linden Chase and the two cul-de-sacs as the residents have appealed against KCC's decision not to grant Public Right of Way status.
- the Vine Café made a loss compared with Business Plan for the months of October and November 2015 due to weather, however was anticipated to make a profit in its first full year of trading.
- the Investment Strategy be updated according to recommendations that the current Reserves Policy be retained, but reserves to be included on every F&GP agenda.

ii. **RESOLVED:**
   a. the statement of accounts to 30th November 2015 be received and noted
   b. also that the Planning committee Consider the progress of the Raleys development planning application

b) Suppliers Accounts
RESOLVED: to authorise the accounts listed in the schedules to 30th November 2015 (£74,556.63), having been inspected and compared with the schedules, for payment.

c) Payroll Account
RESOLVED: to confirm the payments from the account having been compared with the schedules to 30th November 2015 (£40,958.25) be accepted.

d) Petty Cash Account
RESOLVED: to confirm the payments from the petty cash account listed and having been inspected and compared with the schedule to 30th November 2015 (£459.14) be accepted.

e) Investment Strategy 2016/2017
RESOLVED: the Responsible Finance Officer's Investment Strategy for 2016/2017 together with consideration of investments with Financial Institutions be accepted as follows:

1. The Investment Strategy be updated to incorporate the following changes *[Appendix A attached]:*
   - Appropriate short/long-term credit ratings are applied to assess the risk of short-term and longer-term investments respectively;
   - Reference is included to considerations other than credit ratings in establishing creditworthiness;
   - Credit ratings are reviewed at least quarterly
2. The Responsible Finance Officer ascertains timings to open new accounts to discuss the spread of risk during the forthcoming period of the additional funds being available during the implementation of the Community Investment Plans in order to decide whether funds be invested through a broker in the money market or building society funds with appropriate ratings or in the CCLA public sector deposit.

NOTED: that future agendas include Cash Flow/Investment Opportunity item.

f) Hospitality and Gifts Register
RESOLVED: to note the Hospitality or Gifts received by the employees and by Members of Sevenoaks Town Council for the period ending 31st December 2015.

g) Borrowing Policy
RESOLVED: to accept the Town Clerk's report relating to potential borrowing needs noting the following principles:

1. Where possible the Town Council will not borrow funds.
2. If the Town Council does need to borrow funds it should be over the shortest term possible, however reference will be made to the repayments and relation to the business plan for the reason for borrowing.
3. If the borrowing is needed to develop a facility the revenue income from the facility must be sufficient to cover the repayment costs.
4. If the borrowing is needed to facilitate cash flow to generate increased capital receipts for the Town Council the capital receipts when received would pay off the loan.

h) **Reserves Policy**
RESOLVED:

- to accept the Responsible Finance Officer's report relating to reserves, noting that the Town Council may not always meet the current policy that the Town Council's general reserves fund equate to at least 6 months of the current precept at any one time

- to include Reserves Policy on future agendas
- to ascertain from Sevenoaks District Council the number of households in Bands other than D, and number of electors in Sevenoaks

337 **REVENUE ESTIMATES 2016/2017**

The Chairman asked each member in turn if they had any queries or comments on the proposed budget.

a) **RESOLVED:** The final Revenue Estimates from the Responsible Finance Officer for the period 2016/2017 be accepted.

b) **RESOLVED:** to recommend that the Town Council levy a precept on Sevenoaks District Council for the 2016/2017 budget of £973,618 equating to a Band D rate of £105.53 per annum.

c) The Committee requested that the minutes record gratitude to the officers for their hard work on producing the budget.

338 **NATIONAL ASSOCIATION OF LOCAL COUNCILS [NALC]– REVIEW OF LOCAL COUNCIL TAX SUPPORT SCHEMES**

RESOLVED: the review of local council tax support schemes be received and noted.

339 **SEVENOAKS TOWN PARTNERSHIP**

RESOLVED: the minutes of the Sevenoaks Town Partnership meeting held on 16th December 2015 be received and noted.

340 **SEVENOAKS SUMMER FESTIVAL**

RESOLVED:

a) To grant £5,000 towards general publicity, brochure and administration

b) Not to make any contribution towards the Youth Music Stage in light of the offer of financial assistance from Kent County Councillor Mrs Crabtree in the regions of £1,500 to £2,000.

341 **NATIONAL ASSOCIATION OF LOCAL COUNCILS [NALC] – LOCAL COUNCIL AWARDS**

The Town Clerk reported verbally that it had been confirmed that Sevenoaks Town Council had been accredited with the Quality Gold Award.

The Quality Gold Award demonstrates that a Council is at the forefront of best practice and achieves excellence in governance, community leadership and council development.

It was also noted that there were 11 councils in the Country with the Quality Gold Award.

342 **CURRENT MATTERS & PRIORITIES**

RESOLVED: to receive and note the list of current matters and priorities.

343 **PRESS RELEASE**

RESOLVED: to issue a press release relating to the Quality Gold Award.

There being no further business the Chairman closed the meeting at 8:26pm

Signed by the Chairman .... **Dated** ....

Sevenoaks Town Council

FINANCE AND GENERAL PURPOSES COMMITTEE

INVESTMENT STRATEGY, POLICY AND RISK MANAGEMENT (to be effective for the financial year 2015/16)

To be effective from 11th January 2016

1 Strategy:

"Investment" means any transaction that relies upon the power in section 12 of the Local Government Act 2003 (the "2003 Act") and is recorded in the Council's balance sheet under the heading of cash and investments within current assets or long-term investments.

The council's strategy is to invest for the best income return having regard to (i) the requirements of the 2003 Act and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended, and (ii) the absolute requirement to avoid capital loss.

2 Policy:

(i) To retain not less than three months' estimated working capital and capital requirements in current and deposit accounts giving immediate access;

(ii) Amounts representing the balance on Revenue Reserves at the beginning of the financial year to be placed on deposit of up to one year's duration, depending on the prevailing interest rates;

(iii) Other funds to be placed on deposit of up to one year's duration, depending on the prevailing interest rates and forecast cash flow requirements.

3 Risk Management:

As a general rule not more than 40% of the funds are to be placed with any one institution, however authorised officers may use their discretion to increase this to 50%. Funds only to be deposited or invested in the following categories of specified investments (as defined by the 2003 Act)[1]:

a) UK clearing banks or their subsidiaries, together with those former major building societies now banks;

b) The Treasury Departments of building societies which are members of BSA with assets over £2bn;

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[1] "Specified investments" are defined as (i) denominated in sterling; (ii) of not more than 12 months duration; (iii) not defined as "capital expenditure" in the Local Authorities (Capital Finance and Accounting) Regulations 2003; and (iv) made in a body or investment scheme that has been awarded a high credit rating by one of the leading credit reference agencies.

Investment Strategy 2015/16 (continued)

c) Non-UK financial institutions approved by the Finance and General Purposes Committee;

d) UK Government stocks;

e) UK local authority stocks or bonds;

f) The money-market management operations of a UK public body or authority[2], where the council's funds are pooled and invested on the money markets under the name of such UK public body or authority.

In the cases of (a) and (b) above, for investments with maturity of 6 months or less the receiving body or investment scheme should generally have a short-term credit rating of not less than A2 or equivalent as indicated by Standard and Poors, Moody's Investors Services or Fitch Ratings. For investments with maturities over 6 months, the long-term credit rating should be A- or equivalent. The Committee may take other information into account in assessing creditworthiness (eg sovereign support). In the case of (c) and (f) above, where ratings are available, such credit rating should be not less than A or equivalent, and subject to prior approval by the Finance and General Purposes Committee.

Ratings are to be monitored not less than quarterly and if the rating of any Council investment has fallen below the appropriate rating, the Council will take the earliest opportunity to withdraw the investment and re-invest the proceeds appropriately, depending on the best rates of return on offer at the time.

Category (f) should include any investment via Sevenoaks District Council of deferred payment of the half-yearly precept.

[2] For example the Public Works Loans Board, or the treasury departments of a county or district local authority.