

Minutes of the Meeting of the **FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE** held at the Town Hall, Swanage on **MONDAY, 24th OCTOBER 2011** at 9.30 a.m.

PRESENT:- Councillor W.S. Trite (Town Mayor) – Chairman.

Councillor Mrs A. Patrick
Councillor S. Poultney
Councillor M.W. Pratt
Councillor M. Whitwam

Also in attendance:-

Councillor M. Bonfield

Public Participation Time

No members of the public were present at the meeting.

1. **APOLOGIES**

An apology for his inability to attend the Meeting was received from Councillor Suttle.

2. **BUDGET REPORTS**

(a) **Income and Expenditure Report**

Consideration was given to a detailed report setting out the principal sources of the Town Council's income and expenditure.

Overall the financial position at the end of the 2nd quarter 2011/12 showed a favourable surplus of £86,828 above budget. Despite a disappointing return from car park income (not entirely unexpected due to the poor weather experienced during the height of the summer period), the surplus had been achieved as a result of a positive variance in central administration costs and careful monitoring of expenditure across all services.

During the ensuing discussion, reference was made to the loss of income from the Heritage Centre toilets due to the malfunction of the turnstile for a large part of August and September, and the resultant costs incurred for repairs to the equipment. It was agreed that the level of service and facilities provided for public conveniences be considered in conjunction with the Estimates and Capital Programme 2012/13.

(b) **Capital Programme**

Consideration was given to the Monitoring Report of the Capital Programme 2011/12.

It was noted that the roof replacements to the Fishermen's Huts had been completed, and also the re-surfacing of the Boat Park. Reports/quotations were awaited with a view to progressing other projects within the capital programme.

The Report was considered and noted.

3. **TREASURY MANAGEMENT AND INVESTMENT STRATEGY**

The Clerk reported that the Council's £3m term deposit with Lloyds TSB was due to mature on 26th October 2011 and urgent consideration should be given to the re-

investment of the funds, in accordance with the Council's Treasury Management and Investment Strategy.

The Strategy incorporated a counterparty list that was issued by Arlingclose (the Council's advisers) and was subject to revision during the term of the Strategy. It stated term deposits should only be placed with counterparties rated at least A+ (or equivalent). It had been anticipated that the maturing funds would be re-invested with Lloyds TSB, but Arlingclose had recently issued a revised counterparty list following the downgrade of some UK banks by Fitch's rating agency. Only four UK domiciled banks on the counterparty list now remained above the Council's minimum credit rating of A+. These were Santander UK, HSBC, Standard Chartered and Barclays. It was noted that the maximum duration of deposits should be 6 months, with the exception of Santander UK at 3 months (as advised by Arlingclose). They also advised that Lloyds TSB be suspended for new investments, and that notice should be given on all monies held in call or notice accounts, although it was not recommended that term deposits were broken.

Following detailed consideration, it was proposed by the Town Mayor, seconded by Councillor Mrs. Patrick, and **RESOLVED UNANIMOUSLY:-**

That the following investments be made:-

	Term	Interest	Investment
HSBC	6 months	0.85%	£1,500,000
Santander UK	3 months	1.36%	£1,000,000
MMF	daily	0.79%	£ 500,000

In consideration of the sum invested with Barclays maturing in January 2012, it was noted that the sum would be re-invested in an appropriate term deposit.

Consideration was then given to the possible investment of a proportion of the Council's accumulated revenue reserves in equities. During the discussion, it was noted that a term deposit of £350,000 was due to mature on 11th November 2011.

It was proposed by the Town Mayor and seconded by Councillor Poultney:-

That the sum of £200,000 be invested with the Charteris Premium Income Fund.

Upon being put to the Meeting, **THREE** Members voted **IN FAVOUR** of the Proposition and **TWO AGAINST**, whereupon the Proposition was declared **CARRIED**.

It was **FURTHER RESOLVED UNANIMOUSLY:-**

That a Manager from the Charteris Premium Income Fund be requested to address the Council.

4. **AUDITORS' REPORTS 2011/12**

Further to Minute No. 72 of the Council Meeting held on 3rd October 2011, consideration was given to the 'Action Plan' to address the issues raised by BDO, the Council's appointed external auditor.

Two matters had been highlighted for attention:

- Internal Auditor's recommendations.
- Administration of charitable money.

During the ensuing discussion, it was noted that the majority of the recommendations raised by the Internal Auditor were implemented at the point of being raised, but some issues relating to the market needed to be resolved.

It was proposed by Councillor Mrs. Patrick, seconded by the Town Mayor, and **RESOLVED UNANIMOUSLY:-**

That Councillor Mrs. Patrick and the Town Clerk meet with representatives from Ensors with a view to resolving the outstanding issues relating to the market.

It was FURTHER RESOLVED:-

That matters relating to the market (previously dealt with by the Tourism Committee) in future be referred to the Finance and Performance Management Committee.

The potential for ultra vires activity in respect of the administration of charitable money had been highlighted. Consideration was given to the opening of separate bank accounts on behalf of the James Day Trust, Swanage Town and Community Partnership and the Mayor's Fund.

It was proposed by Councillor Mrs. Patrick, seconded by the Town Mayor, and RESOLVED UNANIMOUSLY:-

That options be explored in order to address the concerns raised, and where necessary, separate bank accounts be opened.

5. **ITEMS OF INFORMATION AND MATTERS FOR FORTHCOMING AGENDAS**

There were no matters to report at the present time.

6. **EXCLUSION OF PRESS AND PUBLIC**

Proposed by the Town Mayor, seconded by Councillor Mrs. Patrick, and RESOLVED UNANIMOUSLY:-

That, under Standing Orders Nos. 67 and 68, by reason of the confidential nature of the business to be transacted, it is advisable in the public interest that the press and public be excluded from the Meeting during consideration of the following matters.

7. **AGED DEBTORS**

A schedule summarising the residual debtors from Swanage Bay View Holiday Park, and the action taken by the Council's solicitors, was submitted for information.

It was noted that some debts were being pursued through the County Court, but others were unlikely to be recovered.

Following discussion, it was proposed by Councillor Pratt, seconded by the Town Mayor, and RESOLVED UNANIMOUSLY:-

That debts totalling £558.21 be written off, and that further action be taken to recover the remaining outstanding sums.

8. **DATE OF NEXT MEETING**

It was agreed that the next meeting of the Finance and Performance Management Committee would be held on Monday, 12th December 2011 at 9.30 a.m.

The meeting concluded at 12.35 p.m.