

Recreation, Leisure & Open Spaces DATE :- 7th October 2020
Planning, Town & Environment DATE:- 2nd October 2020
Policy & Finance DATE:- 21st October 2020
RECOMMENDATION:- F/5840 (see agenda item 7)

6. PLANNING APPLICATION

To consider observations to be submitted to NFDC in respect of:-
Planning application: 20/11034 Ringwood Town Football and Social Club
Proposal: Variation of condition 2 of Planning Permission 99/NFDC/65533 to allow the upgrade of lighting to meet requirements of The Institute of Lighting Professionals [view online here](#)

7. BANKING ARRANGEMENTS AND INVESTMENT STRATEGY (TREASURY MANAGEMENT)

To consider a recommendation from Policy and Finance Committee (*F/5840 refers*) that the current banking arrangements and Treasury Management Policy be endorsed (*Report A*)

8. CHRISTMAS DECORATIONS

To consider a proposal from the Mayor regarding cooperation with volunteers to enhance the Town Centre decorations

9. GRANT AID AWARDS

To note Grant Aid awards to Poulner Infant School (£750) and FORIS (Friends of Ringwood Infants School) (£2,000) and future arrangements for presentations

10. SPORTS DEVELOPMENT PROJECT AT LONG LANE

To receive a report from Cllr Loose (the Council's representative on the Steering Group) or Cllr Briers (deputy) on project developments

11. To receive such communications as the Town Mayor may desire to lay before the Council (Councillors are reminded that no decision taking may take place as a result of this item)

12. To Receive Reports from Ringwood Town Councillors (Councillors are reminded that no decision taking may take place as a result of this item)

13. To receive Reports from County and District Councillors (Councillors are reminded that no decision taking may take place as a result of this item)

14. Forthcoming Meetings – to note the following dates:

Recreation, Leisure & Open Spaces	7.00pm	Wednesday 4 th November 2020
Planning, Town & Environment	10.00am	Friday 6 th November 2020
Policy & Finance	7.00pm	Wednesday 18 th November 2020
Full Council	7.00pm	Wednesday 25 th November 2020

If you would like further information on any of the agenda items, please contact Mr Chris Wilkins, Town Clerk, on 01425 484720 or chris.wilkins@ringwood.gov.uk

Council Members:

Chairman: Cllr Tony Ring, Town Mayor
Vice-Chairman: Cllr Philip Day, Deputy Mayor
Cllr Andy Briers
Cllr Gareth DeBoos

Student Advisors:

Cllr Hilary Edge
Cllr Rae Frederick
Cllr John Haywood
Cllr Jeremy Heron
Cllr Peter Kelleher
Cllr Darren Loose
Cllr Gloria O'Reilly
Cllr Steve Rippon-Swaine
Cllr Glenys Turner

REPORT TO POLICY & FINANCE COMMITTEE – 21st OCTOBER 2020**RINGWOOD TOWN COUNCIL TREASURY MANAGEMENT****1. BACKGROUND**

- 1.1 The Town Council has a treasury management policy which was approved in 2010 and updated in February 2019. The policy governs the way in which Council funds are managed.
- 1.2 The cash balances held by the Council at the end of March 2020 amounted to £518,000 and with the first instalment of the precept later in April, cash balances increased to around £750,000.
- 1.3 A working balance of between £50,000 and £100,000 is maintained in the main imprest account with a further £50,000 held in an interest bearing instant access business account, but the bulk of funds are currently invested with the CCLA.
- 1.4 The Treasury Management policy has been in place for just over 18 months and this report summarises the performance in that time.

2. INVESTMENTS WITH THE CCLA

- 2.1 The CCLA was created in 1987 following the introduction of financial services regulation, although the organisation can trace its origins back to 1958. It is one of the largest UK charity fund managers and manages funds solely for Churches, Charities and Local Authorities. Authorised and regulated by the Financial Conduct Authority, the CCLA currently manages funds in excess of £11.3 billion
- 2.2 The Town Council began investing funds with the CCLA at the end of 2018/19. In that year, funds had generated interest payments of £1,508. In the first full year using the CCLA facility, interest receipts of £3,353 were generated.
- 2.3 Interest rates have fallen to historically low levels but nevertheless, the CCLA continues to provide a return on investment at levels that the banks will not match. The yield at September 2020 was 0.1166%. In 2020/21 to date, interest receipts of £754 have been received.
- 2.4 As a fund manager, rather than a bank, the CCLA is a more secure investment option than any single financial organisation. Any funds that are invested through the CCLA in the deposit fund are held on the investor's behalf by the constituent banks and in the unlikely event that anything causes the CCLA to go into liquidation or otherwise cease operating, the investments remain secure.
- 2.5 The 2019 update to the policy included at section 4.2 the statement : "The Council will consider longer term investments only as part of a wider investment strategy designed to enable specific planned future capital projects. Any such investments will require scrutiny and prior approval by the Council". The CCLA have an additional facility, the Local Authority Property Fund, in which funds are invested for growth in the longer term. With the depression in interest rates, the LAPF may offer a higher, if riskier, return on investment.
- 2.6 The LAPF may not be appropriate at this time but is worthy of further consideration in the future and whilst it is outside the parameters of the current treasury management policy, it may be a useful facility in future to help grow funds for a specific purpose.

3. Treasury Management Policy Statement

- 3.1 The current treasury management policy statement which was approved in 2019 is included at Appendix 1.
- 3.2 No further amendments are proposed at this time.

A

4. RECOMMENDATION

It is **recommended** that:-

- 4.1 Members endorse the current Treasury Management Policy.
- 4.2 Members consider whether investment in the LAPF should be explored further.

For further information please contact:

Rory Fitzgerald, Finance Manager or

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For further information please contact:

Chris Wilkins, Town Clerk

Tel: 01425 484720

Chris.wilkins@ringwood.gov.uk

POLICY AND FINANCE COMMITTEE**TREASURY MANAGEMENT POLICY STATEMENT****1. DEFINITION OF THE APPROVED ACTIVITIES OF THE TREASURY MANAGEMENT OPERATION**

- 1.1 Responsibility for the activities of the treasury management operation has been delegated to the Finance Manager, who is the Responsible Financial Officer (RFO) under Section 151 of the Local Government Act 1972.
- 1.2 The activities of the treasury management operation cover the following:
 1. analysing internal and external information, cash flow management and methods of transmitting money, i.e. by cheques, bank transfers, Bank Automated clearing system (BACS), Clearing House Automated Payments System (CHAPS) and Direct Debit.
 2. investing temporary surpluses in approved investments and financing capital expenditure by approved borrowing instruments.
 3. ensuring that the repayment dates for the Council's borrowing are reasonably spread out. i.e. the borrowing profile.
 4. dealing with other financial institutions such as banks and the Public Works Loan Board. (PWLB)
 5. ensuring that effective security and controls are in place and an effective operation is reviewed and adhered to.
 6. ensuring that adequate banking arrangements are made and monitored for the Council.

2. FORMULATION OF TREASURY MANAGEMENT STRATEGY

- 2.1 The Council will formulate a strategy that covers the raising of capital finance, investment of surplus money and managing cash flow. Treasury management activities in the year should be conducted in accordance with the strategy

3. DEFINITION OF APPROVED SOURCES OF BORROWING

- 3.1 The following list specifies which borrowing instruments the Council may use:

PWLB

Money Market Loans - Temporary (loans up to 364 days)

Local temporary borrowing

Bank Overdraft

Council's own internal funds (capital receipts and revenue balances)

Leasing

3.2 No other instrument other than those listed above may be used.

4. APPROVED INSTRUMENTS FOR INVESTMENTS

4.1 The Council will use short-term, i.e. from 1 to 364 days, cash deposits in sterling in approved financial organisations for investments. The Council may use a fund manager such as the CCLA to spread investments across multiple financial organisations so long as the maximum amount that can be invested with any one such financial organisation is £250,000 and all of the organisations satisfy the requirements set out in section 5.1.

4.2 The Council will consider longer term investments only as part of a wider investment strategy designed to enable specific planned future capital projects. Any such investments will require scrutiny and prior approval by the Council.

5. DEFINITION OF APPROVED ORGANISATIONS FOR INVESTMENTS

The following organisations constitute the counterparties with whom temporary investments will be made.

5.1 Banks or building societies which are UK clearing banks or which are incorporated in the UK and which have at least a short term credit rating of F1, according to FITCH the International Rating Agency, will be used for temporary investments

5.2 Other Local Authorities

The Council may invest temporarily with all other local authorities. The maximum each one may borrow is £250,000 for up to 364 days.

5.3 Accidental Breach of Limits

The Council will operate “daylight exposure”. This is a technique that ensures that in no circumstances can limits be exceeded. Normally, in calculating the amount of investment, the Finance Manager is entitled to assume that a sum due back from an organisation will be received on the due date before making a further investment with that organisation. If for some technical reason the repayment does not arrive in the Council’s bank account it is possible that, after a new investment is made with the same organisation, limits will be exceeded.

5.4 In addition, transfers between the Council’s current and deposit accounts shall be permitted up to a maximum of £100,000 per day, to maximise interest earnings on surplus funds that cannot be placed in time deposits (usually for a minimum of one month)

6. POLICY ON DELEGATION

- 6.1 The RFO is authorised by the Council to exercise the investment and borrowing powers of the Council in accordance with Council Policy, The Chartered Institute of Public Finance and Accountancy's (CIPFA) Standard of Professional Practice on Treasury Management, and professional codes of practice.
- 6.2 The RFO may delegate the operations of Treasury Management to the Deputy Town Clerk and the Finance Officer in connection with the approved activities of Treasury Management.
- 6.3 Any changes to delegated powers will be approved by Policy and Finance Committee..

7. REVIEW REQUIREMENTS AND REPORTING ARRANGEMENTS

- 7.1 The Finance Manager will report to the Policy and Finance Committee on Treasury Management as follows: -
 - FEBRUARY - for the strategy and borrowing limits report for the next financial year.
 - MAY - for the annual report for the previous year.