



Town Council Offices
Maison Dieu House
Biggin Street
Dover
CT16 1DW

DATE OF ISSUE:
10th July 2024

DOVER TOWN COUNCIL

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the FINANCE & GENERAL PURPOSES COMMITTEE will be held at the Town Council Offices on **MONDAY 15TH JULY 2024 at 6pm** when the business shown on the agenda below will be transacted.

Any member of the public who requires further information, wishes to make representations to the Committee, or has any special requirements in respect of this meeting please contact Ms Allison Burton, Town Clerk, on 01304 242625.

Allison Burton
TOWN CLERK

The Press and Public are welcome to attend.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence. *Prior to a meeting Councillors' apologies, with a reason for absence from that meeting, should be submitted to the Clerk.*

2. DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary and/or other interests as required by law. *(Guidance for Councillors concerning disclosable pecuniary and/or other interests is attached for your information). (Pages 1 to 2).*

3. MINUTES

To note that the Minutes of the meeting of the Finance & General Purposes Committee held 10th June 2024 were approved at the Full Town Council Meeting on 10th July 2024.

4. TOWN COUNCIL FINANCIAL INFORMATION

- 4a) To note that the schedule of payments made by the Town Council for May & June 2024 were approved at the Town Council's Meeting on 10th July 2024.
- 4b) To consider the budget out-turn to the 30th June 2024 (Copy attached). (Pages 3 to 6)

5. COUNCILLORS' WARD GRANTS

To note the current situation with Councillors Ward Grants (to follow).

6. GOVERNANCE & ACCOUNTABILITY

To consider the Chairperson of the Committee's report dated 8th July 2024 concerning the review of the Investment Strategy for 2024/25 (Copy attached). (Pages 7 to 14)

7. DATE OF NEXT MEETING

To note that the next meeting of the Finance and General Purposes Committee will be held on Monday 21st October 2024 @ 6pm.

NOTE: A COPY OF THIS DOCUMENT IN LARGER TYPE MAY BE OBTAINED ON REQUEST FROM THE COUNCIL OFFICES, MAISON DIEU HOUSE, BIGGIN STREET, DOVER.

COPIES OF THE DOCUMENTS MENTIONED IN THIS AGENDA ARE AVAILABLE FOR INSPECTION FROM THE TOWN COUNCIL OFFICES - MONDAY TO FRIDAY - 9.30am to 4.30pm. COPIES MAY BE REQUESTED GIVING 1 WORKING DAYS NOTICE AND WILL BE CHARGED AT £1 PER COPY.

DECLARATIONS OF INTEREST

Disclosable Pecuniary Interest (DPI)

Where a Member has a new or registered DPI in a matter under consideration, they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest' explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and subject to any dispensations, withdraw from the meeting. Members should remember that a finding of a breach of the law with regard to DPI's carries a fine of up to £5,000 and a criminal record.

Other Significant Interest (OSI)

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

Voluntary Announcement of Other Interests (VAOI)

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone they should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

Notes:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representatives on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer etc would both probably constitute either an OSI or in some cases a DPI.

	Actual Year To Date	Current Annual	Variance Annual	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
Finance & General Purposes							
<u>101 Premises and Services</u>							
1050 Misc Income	75	0	(75)			0.0%	
Premises and Services :- Income	<u>75</u>	<u>0</u>	<u>(75)</u>				<u>0</u>
4010 Loan Interest	9,180	18,360	9,180		9,180	50.0%	
4011 Rates	4,227	18,415	14,188		14,188	23.0%	
4012 Water/Sewerage	133	1,200	1,067		1,067	11.1%	
4014 Electricity	988	6,000	5,012		5,012	16.5%	
4015 Town Vehicles	3,352	15,500	12,148		12,148	21.6%	
4025 Insurance - premises	2,243	12,000	9,757		9,757	18.7%	
4034 Contract Cleaning	2,416	7,500	5,084		5,084	32.2%	
4035 Window Cleaning	285	2,150	1,865		1,865	13.3%	
4036 Premises Maintenance	282	30,000	29,718	2,700	27,018	9.9%	
4037 Gas - heating	2,502	7,500	4,998		4,998	33.4%	
4038 Service/Maint Alarms	1,291	2,400	1,109		1,109	53.8%	
4039 Lift Servicing	69	2,000	1,931		1,931	3.5%	
4045 War Memorial Maintenance	326	2,000	1,674	157	1,517	24.2%	
4046 Town Workshop	2,752	10,000	7,248	1,338	5,909	40.9%	
4414 Pencester Pavilion Maintenance	265	1,500	1,235	1,050	185	87.6%	
Premises and Services :- Indirect Expenditure	<u>30,310</u>	<u>136,525</u>	<u>106,215</u>	<u>5,246</u>	<u>100,969</u>	<u>26.0%</u>	<u>0</u>
Net Income over Expenditure	<u>(30,235)</u>	<u>(136,525)</u>	<u>(106,290)</u>				
<u>102 Staff Costs</u>							
4018 Staff costs	91,019	367,200	276,181		276,181	24.8%	
Staff Costs :- Indirect Expenditure	<u>91,019</u>	<u>367,200</u>	<u>276,181</u>	<u>0</u>	<u>276,181</u>	<u>24.8%</u>	<u>0</u>
Net Expenditure	<u>(91,019)</u>	<u>(367,200)</u>	<u>(276,181)</u>				
<u>103 Administration</u>							
1076 Precept	469,500	939,000	469,500			50.0%	
1096 Bank Interest	3,614	4,500	886			80.3%	
Administration :- Income	<u>473,114</u>	<u>943,500</u>	<u>470,386</u>			<u>50.1%</u>	<u>0</u>
4020 Publications	0	500	500		500	0.0%	
4021 Telephone	1,363	6,000	4,637		4,637	22.7%	
4022 Postage	161	2,300	2,139		2,139	7.0%	
4023 Office Supplies	1,358	3,300	1,942		1,942	41.2%	
4024 Insurance - general	3,410	17,000	13,590		13,590	20.1%	

	Actual Year To Date	Current Annual	Variance Annual	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4028 Photocopier	180	1,500	1,320		1,320	12.0%	
4029 Clerk's Meeting Costs	57	600	543		543	9.5%	
4030 Travel & Subsistence Officers	168	700	532		532	24.0%	
4031 Staff Development	168	8,000	7,832		7,832	2.1%	
4032 Recruitment	0	1,000	1,000		1,000	0.0%	
4042 Permits	2,238	3,600	1,362		1,362	62.2%	
4051 Bank Charges	83	300	217		217	27.8%	
Administration :- Indirect Expenditure	9,185	44,800	35,615	0	35,615	20.5%	0
Net Income over Expenditure	463,928	898,700	434,772				
104 Professional Fees & Subs.							
4054 Subscriptions	3,639	4,000	361		361	91.0%	
4056 Legal & Valuation Advice	13,347	50,000	36,653		36,653	26.7%	
4057 Audit Fee	4,570	5,000	430		430	91.4%	
4058 Payroll Fee	456	3,000	2,544		2,544	15.2%	
4059 Computer Support	7,783	15,000	7,217		7,217	51.9%	
Professional Fees & Subs. :- Indirect Expenditure	29,795	77,000	47,205	0	47,205	38.7%	0
Net Expenditure	(29,795)	(77,000)	(47,205)				
105 Town Council							
4070 Councillors External Expenses	0	500	500		500	0.0%	
4071 Councillors Training	0	1,500	1,500		1,500	0.0%	
4072 Gifts & Presentations	85	500	415		415	16.9%	
4073 Elections/Town Poll	0	12,000	12,000		12,000	0.0%	
4075 TC Functions & Gen Hospitality	189	2,000	1,811		1,811	9.4%	
4076 Parish Basic Allowance	5,400	10,800	5,400		5,400	50.0%	
Town Council :- Indirect Expenditure	5,674	27,300	21,626	0	21,626	20.8%	0
Net Expenditure	(5,674)	(27,300)	(21,626)				
106 Grants & Projects							
4060 Councillor Ward Grants	1,900	9,000	7,100		7,100	21.1%	
Grants & Projects :- Indirect Expenditure	1,900	9,000	7,100	0	7,100	21.1%	0
Net Expenditure	(1,900)	(9,000)	(7,100)				
199 Capital Expenditure							
4091 Office Equipment	0	5,500	5,500		5,500	0.0%	
Capital Expenditure :- Indirect Expenditure	0	5,500	5,500	0	5,500	0.0%	0
Net Expenditure	0	(5,500)	(5,500)				

Detailed Income & Expenditure by Budget Heading 08/07/2024

Month No: 3

Committee Report

	Actual Year To Date	Current Annual	Variance Annual	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>501 Marketing & Publicity</u>							
4501 Communications/Consultations	2,427	5,000	2,573	1,999	574	88.5%	
Marketing & Publicity :- Indirect Expenditure	<u>2,427</u>	<u>5,000</u>	<u>2,573</u>	<u>1,999</u>	<u>574</u>	<u>88.5%</u>	<u>0</u>
Net Expenditure	<u>(2,427)</u>	<u>(5,000)</u>	<u>(2,573)</u>				
Finance & General Purposes :- Income	473,189	943,500	470,311			50.2%	
Expenditure	170,311	672,325	502,014	7,245	494,769	26.4%	
Movement to/(from) Gen Reserve	<u>302,878</u>						
Grand Totals:- Income	473,189	943,500	470,311			50.2%	
Expenditure	170,311	672,325	502,014	7,245	494,769	26.4%	
Net Income over Expenditure	<u>302,878</u>	<u>271,175</u>	<u>(31,703)</u>				
Movement to/(from) Gen Reserve	<u>302,878</u>						



DOVER TOWN COUNCIL

Report to: Finance and General Purposes Committee
Meeting date: 15th July 2024

From: Cllr Gordon Cowan, Chairperson of the Finance & General Purposes Committee
Date written: 8th July 2024

Subject: Review of Investment Strategy

1. INTRODUCTION

Council is required by the Accounts and Audit Regulations 2015 to review its Investment Strategy regularly.

2. INFORMATION

The Investment Strategy and the nature of Dover Town Council's investments have not changed since last municipal year because there has been no change to legislation or change in circumstances which would necessitate alterations. In the case of this strategy and the arrangements for the investment of Town Council funds, I recommend to you that these remain as they are and a copy of the Investment strategy has been attached to this report for your detailed review.

3. DECISION

Committee is asked to RESOLVE TO RECOMMEND to Council that:

- a. The Investment Strategy for 2024/25 be adopted;
- b. To note the Council's investments are unchanged.

Statutory Powers – Local Government Act 1972; JPAG 2024; Dover Town Council Risk Register and Financial Regulations.

DOVER TOWN COUNCIL

ANNUAL INVESTMENT STRATEGY 2024-25

(Adopted by Town Council TBC – Minute No. TBC)

INTRODUCTION

Dover Town Council acknowledges the importance of prudently investing all funds held on behalf of the community by the Council.

This Strategy complies (as appropriate) with legislation including the revised requirements set out in the Guidance on Local Government Investments issued by the Secretary of State for Housing Communities and Local Government in 2018 for periods after 1 April 2018.

KEY PRINCIPLES

In accordance with Section 15(1) of the Local Government Act 2003 Act, the Council will have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify.

Investments are defined as all the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit.

The Council's investment policy is prudent and has two underlying objectives

- Security (protecting the capital sum invested from loss)
- Liquidity (ensuring the funds invested are available for expenditure when needed)

The Council is committed to transparency and openness in reporting and to making it easy for informed observers to understand how good governance and democratic decision accountability have been exercised.

The Council is not allowed in law to borrow more than, or in advance of, their need purely in order to profit from an investment which may be in financial or non-financial assets.

The Council will take account of and seek to invest, where appropriate, to support high social, environmental and other ethical standards.

Transparency and democratic accountability

An Annual Investment Strategy will be prepared each year and presented to a meeting of the Full Council for approval ideally before the start of the financial year.

Material changes to the Strategy during the year will be included in a Revised Strategy and presented to a meeting of the Full Council prior to implementation.

The Strategy will contain the disclosures and reporting requirements specified in the Statutory Guidance.

The Strategy will be publicly available on the Town Council's website.

Contribution

The Council holds investments to support effective treasury management activities.

The Council's investment priorities are first the security of reserves (protecting the capital sum invested from loss), second the liquidity of its investments (ensuring the funds invested are available for expenditure when needed) and thirdly yield (where consistent with proper levels of security and liquidity).

Use of indicators

The Council will monitor the risk of loss on investments by reviewing credit ratings on a monthly basis and more often if necessary and by any other appropriate means. The Council will aim to only invest in institutions of high credit quality. Reference will be made in the assessment of credit worthiness to the general economic and political environment in which institutions operate. All significant sources of information will be scrutinised including information from the credit rating agencies including Fitch Ratings Ltd, Moody's Investors Service Ltd, and Fitch Ratings Ltd. The Council should aim for "A" ratings. Investments will be spread over different providers where appropriate to minimise risk. Significant changes in credit ratings will be immediately reported to the Town Council and the Proper Officer is delegated to take such action as necessary to protect Town Council assets.

Members and other interested parties should be able to understand the total exposure of the Council from borrowing and investment decisions using appropriate indicators where necessary in relation to the Council's financial position. It is recognised however that certain indicators may be more relevant to the larger financial portfolios of Local Authorities.

The Town Council will provide specific training for treasury management appropriate to the Council's circumstances.

Security

Financial Investments

Financial Investments comprise Specified Investments, Loans and Non-Specified Investments.

Specified investments

Specified Investment are those offering high security and high liquidity, made in sterling with a maturity of no more than a year and not defined as capital expenditure under relevant regulations. Such short-term investments made with a body or investment scheme of high credit quality (including the UK Government or a local authority or town/parish council) will automatically be Specified Investments.

The Council will only make specified investments.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use:

- Deposits with UK banks, UK building societies, Local Authorities or other authorised public authorities

Investments will be made after appropriate assessment of the market in line with the key principles.

The Council does not use external advisors as it is not considered necessary given the prudent risk-averse nature of the authorised investments.

Loans

The Council may choose to make loans to appropriate organisations as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.

The Full Town Council will consider and authorise every that loan on a case-by-case basis demonstrating in each situation:

- Total financial exposure to these types of loans is proportionate;
- Use of an "expected credit loss" model for loans and receivables as set out in International Reporting Standard 9 Financial Instruments as adopted by proper practices to measure the credit risk of the loan portfolio;
- Appropriate credit control arrangements to recover overdue repayments are in place;
- That the Council has formally agreed the total level of loans by type that it is willing to make and the total loan book is within the self-assessed limit.

Non-Specified investments

These investments do not meet the criteria to be classified as a specified investment. In general, they have greater potential risk – examples include investment in the money market, stock and shares.

Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment.

Non-Financial Investments

Non-financial investments are non-financial assets that the organisation hold primarily of partially to generate a profit. The asset will normally be a physical asset that can be realised to recoup the capital invested.

Investments in non-financial assets are not considered able to meet the two underlying key principles of the Investment strategy - security and liquidity.

The Town Council will not invest in non-financial assets.

Capacity, skills and culture

The Council is committed to ensuring that those elected members and statutory officers involved in the investments decision making process have appropriate capacity, skills and information to enable them to take informed decisions as to whether to enter into a specific investment, to assess individual assessments in the context of the strategic objectives and risk profile of the Council and to enable them to understand how the quantum of these decision have change the overall risk exposure of the Council.

This will be achieved by

- Appropriate training of members and officers;
- Use of appropriate expert external advisors;
- Reporting to Council in the most open, clear, understandable and transparent way possible;
- The use of existing regular communication procedures between senior members and officers to facilitate constantly improved capacity, skills and information exchange.

2024/25 INVESTMENT PLAN

The Co-Operative bank and HSBC are the Town Council's Bankers. Funds not required for immediate use are currently invested in interest bearing accounts at HSBC. Amounts will be invested for up to one year. It is envisaged that these arrangements will continue during the year. The Council's banker for normal day to day transactions is the Co-Op Bank and a facility exists to transfer money in the current account and the end of the banking day into an overnight deposit account to earn interest.

The Council has some investments in the Public Sector Deposit Fund scheme through CCLA and earns a good rate of interest currently.

The Town Council and senior officers will review the position on a regular basis as set out above and take action as appropriate to deal with any change in circumstances.

The Council does not anticipate borrowing monies for spending needs during the year.

Given the low absolute level of funds to be invested and the low level of interest rates it is not anticipated that the use of private sector treasury management advisors would benefit the Council.

The Council took out a loan of £360,000 in 2004 from the Public Works Loan Board to finance the purchase of Maison Dieu House (used as Council offices and meeting rooms). The loan principle will be repayable after 30 years and a transfer £12,000 per year to a repayment reserve is made to ensure funds are in place to meet the liability when it falls due. The reserve at the end of 2023/24 will be £238,000. The Council has no other debts (except for normal trade creditors).

Officers and Councillors responsible for Treasury Management will receive training as offered by the National Association of Local Councils and other appropriate bodies.

Adopted by Town Council - TBC

