



THE TOWN COUNCIL
OF
ROYAL LEAMINGTON SPA
TOWN HALL, THE PARADE,
ROYAL LEAMINGTON SPA
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ROBERT NASH ACIS DMS
Clerk to the Town Council

Our Ref: RN/

Date: 28TH August, 2018

Dear Councillor,

A meeting of the **POLICY AND RESOURCES COMMITTEE** will be held in Meeting Room 5A, Town Hall, Parade, Royal Leamington Spa on **MONDAY 3rd SEPTEMBER, 2018 at 6.00 pm.**

The business will be as set out below.

Yours faithfully,

CLERK TO THE TOWN COUNCIL

To Councillors: Janet Alty, Sarah Boad, Judith Clarke, Hayley Grainger, David Greenwood, Daniel Howe, John Knight and Ann Morrison.

(All other Members of the Town Council – Agenda for information only)

AGENDA

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

Members of the Committee are invited to declare any interest they may have in items identified for discussion at the Meeting.

3. **PUBLIC FORUM**

To receive representations from members of the public in accordance with the Council's Standing Orders.

4. **MINUTES**

To consider and approve as a correct record the Minutes of the Meeting held on 4th June, 2018 (Report No. 4)

5. MATTERS ARISING FROM THE MINUTES

6. LILLINGTON LIBRARY

Town Clerk to report on arrangements for payment of the support grant for additional hours at Lillington Library and to seek authority for the allocation of an additional £212 to meet the 2018 staff salary award.

7. PRESS AND PUBLIC RELATIONS POLICY

To consider the attached Report (Report No. 7)

8. TOWN HALL ACCOMMODATION WORKING GROUP

To receive the Minutes of the meeting of the Minutes of a meeting of the Accommodation Working Group held on 7th June, 2018 (Report No.8)

9. BANKING ARRANGEMENTS AND INVESTMENT POLICY

To consider the attached Report (Report No.9)

10. BUDGET MONITORING REPORT

To consider the attached Report (Report No.10 to follow).

11. MAYORAL CAR

To approve the new Hire Agreement for the Toyota Prius as the Mayoral Car for the three year period commencing 17th September and authorise the initial rental payment of £756.75.

12. CERTIFICATE I N LOCAL COUNCIL ADMINISTRATION (CILCA)

To approve expenditure in relation to fees associated with the Democratic Support Officer's participation in the CILCA.

13. ACCOUNTS

To approve a schedule of accounts arising for payment since the last meeting.

MINUTES OF A MEETING OF THE POLICY AND RESOURCES COMMITTEE HELD ON 4TH JUNE, 2018 AT THE TOWN HALL, PARADE, ROYAL LEAMINGTON SPA

Present: Councillors Ann Morrison (Chair), Janet Alty, Sarah Boad, Judith Clarke, Hayley Grainger, David Greenwood, and John Knight.

Three members of the public were in attendance.

1. **ELECTION OF CHAIRMAN**

It was proposed by Cllr Clarke, seconded by Cllr Alty, that Cllr Ann Morrison be elected Chairman of the Policy and Resources Committee for the year 2018/19.

There being no further nominations it was

RESOLVED that Cllr Ann Morrison is elected Chairman of the Policy and Resources Committee for the year 2018/19.

2. **ELECTION OF VICE-CHAIRMAN**

It was proposed by Cllr Clarke, seconded by Cllr Alty, that Cllr David Greenwood be elected Vice-Chairman of the Policy and Resources Committee for the year 2018/19.

There being no further nominations it was

RESOLVED that Cllr David Greenwood is elected Vice-Chairman of the Policy and Resources Committee for the year 2018/19.

3. **DECLARATIONS OF INTEREST**

Councillor Grainger declared a non-pecuniary interest in the Electoral Review of Warwick District as a member of the Regulatory Committee of the District Council.

4. **PUBLIC FORUM**

Mr Richard Taulbut was present and wished to make representations to the Committee on the proposals in relation to the Electoral Review of Warwick District. The representations were considered along with the Report on this item (Minute refers)

5. **YOUNG PEOPLE FIRST – YOUTH GRANT**

Mr David Skoppek of Young People First provided the Committee with an appraisal of the project assisted by the Town Council with a grant of £2,250 in 2017.

David outlined the recent organisational change which had seen Warwickshire Association of Youth Clubs reformed as "Young People First" (YPF). This had also entailed a more focussed approach to the needs of young people in the area and collaborative working with other key partners. He thanked the Town Council for its financial assistance with a number of key projects delivered by the Charity.

In answer to questions, David confirmed that the annual turnover of £400,000 was largely funded by grant income and revenue support from various Local Authorities and external agencies though some of these such as the European Erasmus scheme were now of uncertain duration. Building and maintaining strong relationships with local Councils was therefore increasingly important. Members of the Committee were invited to see for themselves examples of the various projects being delivered across the Community.

David noted that closer ties with the Town Council could be of invaluable assistance to YPF through:

- Access to contacts and local knowledge
- Helping to raise the profile of young people and the issues that matter to them
- Assistance with funding applications

The Committee thanked David for his informative presentation and he left the meeting.

6. **LEAMINGTON GATEWAY**

Consideration was given to a Report (Report No. 7) regarding a possible financial contribution by the Town Council to undertaking a feasibility study in relation to improvements to accessibility to Leamington Town Centre from the railway station.

Rebecca Battman of the Leamington Gateway Project was welcomed to the meeting and provided the Committee with a short presentation on the rationale for the study and objective of improving access from the railway station via the present pedestrian underpass. Rebecca explained that proposal was in two parts, both of which were complementary but which could be undertaken independently of one another. The Station underpass was currently a most unwelcoming gateway to the Town which did little to encourage people to walk or cycle from the Station. This could be addressed by making it a safe, clean and well-lit facility that would ultimately assist with regenerating an area of the Town often seen as neglected.

The Committee was advised that the project could not proceed unless a full appraisal was conducted to the satisfaction of the owners of the underpass- Network Rail. The cost of the feasibility study was £4,400. Discussions had taken place with Warwick District Council and its preferred development partner CPD to ensure that there was no conflict between this proposal and the wider development brief for the creative quarter. In terms of timescale, it was envisaged that the project could be completed by 2021 before the Commonwealth Games, which would see large numbers of visitors to the Town. The Local Member of Parliament and business representatives were supportive.

In terms of additional funding partners, the Committee was advised that Warwick District Council and Warwickshire County Councils had been invited to consider the proposal. Waterloo Housing Association, which would be managing the newly constructed apartments at Station Approach, had declined to contribute.

The Committee sought reassurance that the underpass project would be sustainable irrespective of the outcome of discussions in relation to the second phase of the proposal for access through Spencer Yard which was possibly premature in view of other developments that may take place in the area. It was confirmed that phase one of the proposal was self-standing.

Following further discussion it was

RESOLVED

- (i) that the commissioning of a feasibility study for improvements to the pedestrian underpass is supported with a grant of £2,200;
- (ii) that financial provision is made for the grant from the Council's reserves;
- (iii) that the Council's contribution is recognised in future publicity should the project become viable;
- (iv) Leamington Gateway is invited to consider facilitating a representative of the Town Council at meetings of the project group; and
- (v) that the Report is noted.

Rebecca Battman was thanked for her attendance and left the meeting.

Note: Councillor Grainger, having previously declared a non-pecuniary interest in the above item of business, remained in the meeting and took part in the discussion and voting.

7. ELECTORAL REVIEW OF WARWICK DISTRICT

Consideration was given to a Report (Report No. 10) concerning the draft recommendations of the Local Government Boundary Commission (LGBC) for electoral arrangements for Warwick District.

Prior to consideration of this matter, the Committee received representations from Mr Richard Taulbut, a resident of Lillington.

Mr Taulbut referred to his submission to the LGBC in which he advocated the realignment of the boundary between the proposed Leamington Milverton and Leamington North District Wards and the renaming of the latter as Leamington Lillington. He considered that this would both reflect the community identity of the area and observe the Commission's own preference for avoiding "compass point" definitions where more appropriate names existed locally. He referred to the consideration of this matter by a local forum of residents which had endorsed overwhelmingly naming the new Ward "Leamington Lillington".

In relation to the proposed Ward name of Leamington North, the Committee emphasised the importance of avoiding confusion for the electorate which could potentially occur if a different name is applied to the District Ward to that of the corresponding County Division which would remain Leamington "North". It was also noted that part of the District Ward associated mainly with the area of Cubbington rather than Lillington. In the case of coterminous arrangements therefore, the same Ward name should apply to elections for both the County Council and District Council.

The Committee was reminded that at the meeting on 21st May, the Council has resolved that in response to the LGBC recommendations it would support 5 new Wards for Leamington Spa for elections to the Town Council based on the same electoral boundaries as those proposed for District Council Wards. This would ensure that electoral arrangements for all three divisions of Local Government – County, District and Parish -are coterminous. These arrangements would result in the following arrangements for Parish (Town) elections:-

Ward	No of Councillors	2017		2023	
		Electorate	Variance %	Electorate	Variance %
Brunswick	3	8741	+17	9293	+11 *
Clarendon	3	7865	+6	8100	-4
Milverton	3	7063	-5	7188	-15 *
North	3	8653	+16	8653	+3
Willes	3	8037	+8	9083	+8

The reduction in the number of Wards from the current eight wards to five wards, together with the equality of representation contained in the table above, presumed a reduction in the size of the Town Council from the current 16 Members to 15. The Committee regarded the minimum optimum size for the Town Council as 16 Members. It was therefore proposed that in the event of acceptance of the Council's submission by the LGBC, the number of Councillors per Town ward should be 4, thus resulting in a Council comprising 20 Councillors.

The Committee then considered the implications for representation on the Town Council in the event that the Commission rejects the Council's preference for coterminous arrangements and maintains the recommended Parish Ward arrangements as follows:-

Parish Ward	Electorate 2023	No. of Councillors
Brunswick	8034	3
Clarendon	7352	3
College	748	1
Milverton	7092	2
North	7450	3
Victoria Park	1259	1
Willes	8171	3
Total		16

The Committee considered this to be the least desirable alternative in view of the disparity in the elector representational ratio and, in the case of the College Ward particularly, the absence of any community identity. In the case of the Milverton Ward, it was suggested that this could be renamed "Milverton and Lillington village" to better reflect the new Ward arrangement that would embrace the old village and Conservation area of Lillington. The allocation of an additional seat to the largest Ward electorate would enable the Council to expand its total level of representation.

RESOLVED that consistent with the Town Council's agreed recommendation that the electoral arrangements for Leamington Spa are based on 5 Wards, the boundaries of which are coterminous with those of the County Electoral Divisions and District Wards, the following arrangements for Town (Parish) elections are implemented from 2019:

- (i) in the interests of certainty for the voting public, the names of Town Wards are identical to those of the District Wards;
- (ii) that the Town Council is comprised of 20 Councillors as follows:-

Ward	No of Councillors
Brunswick	4
Clarendon	4
Milverton	4
North	4
Willes	4
Total	20

(iii) In the eventuality that the LGBC maintains its preference for seven Town Electoral Wards, the Council's recommended alternative arrangement is as follows:-

Parish Ward	Electorate 2023	No. of Councillors
Brunswick	8034	3
Clarendon	7352	3
College	748	1
Milverton and Lillington Village	7092	2
North	7450	3
Victoria Park	1259	1
Willes	8171	4
Total		17

8. **MINUTES**

RESOLVED that the Minutes of the Meeting of the Policy and Resources Committee held on 9TH April, 2018 are confirmed and signed as a correct record.

9. **GENERAL DATA PROTECTION REGULATIONS**

Consideration was given to a Report (Report No 9) which reported the findings of the audit of the Council's website conducted by the website host In Touch Now Ltd.

The Town Clerk advised that the Town Council had approved expenditure up to £280 to meet the cost of the recommended security improvements to the website and the optional increase in page loading speed. Other additional works to enhance the appearance of the site would be investigated with the website host and reported to the Committee subsequently.

RESOLVED that the website audit report is approved and the recommended changes, including improvements to page loading, are implemented at a cost of £280.

10. **ACCOUNTS**

Consideration was given to a schedule of accounts arising for payment since the last meeting.

RESOLVED that the schedule of accounts in the sum of £30,460.98, including Section 137 expenditure of £16,747, is approved.

The meeting commenced at 6.00 pm and ended at 8.50 pm.

ROYAL LEAMINGTON SPA TOWN COUNCIL -PRESS AND PUBLIC RELATIONS POLICY

1. POLICY OBJECTIVES

1. The Town Council recognises that maintaining a dialogue with the media is an important aspect of communication. In this context the “media” primarily refers to the local press and radio, but can on occasion also embrace regional media outlets where this is relevant and social media.
2. The Policy aims to ensure that opportunities to inform the public about activities and services delivered by the Town Council are exploited. This is an important aspect of the Council’s role especially in view of the difficulties encountered by the general public in understanding the respective roles of the different tiers of local government in Warwickshire. This will aid understanding of the Council’s role and help deliver greater transparency for members of the public and service users.
3. The Policy sets out clear responsibilities for:-
 - the preparation of official statements by the Council;
 - the management of publicity activity through a variety of means including direct communication with the media, the Council website and Social media interaction

2 SCOPE

- 2.1 The Council will routinely produce a press statement in relation to the following activities:
 - Events attended by the Mayor where there is a significant community interest
 - Activities involving other partners where the Town Council is a funding contributor
 - The award of grants or financial assistance by the Town Council
 - Projects which are initiated by the Town Council and are of interest to residents of the Town and likely to attract media interest
- 2.2 In each case a statement to the press and accompanying photographic material will be composed by the Civic Officer or Town Clerk. In most instances a direct quotation will be obtained from the most appropriate Members of the Town Council – Mayor, Deputy Mayor or Chair of Committee- and approval of the content obtained from the quoted source before release to the media.
- 2.3 Such statements will recognise the provisions of the Code of Recommended Practice on Local Authority Publicity in 2011 during the period immediately preceding elections. This will ensure that the release of information to the media observes the following key principles namely:

- There is no publicity which seeks to influence voters;
- No publication or publicity of controversial issues or reporting of views on proposals in a way which identifies them with individual councillors or groups of councillors
- No publicity relating to individuals involved directly in the election, unless expressly authorised by statute.

2.4 Individual Members of the Council wishing to generate articles for release to the local media should do so through the Town Clerk following the processes identified above. The Town Council will not release statements to the media that seek to promote the views of one political party above those of others or the Town Council as a corporate body. Members are however encouraged to submit newsworthy stories from within their respective Wards of community events. Inclusion of these items in the media is assisted if accompanied by photographs. In such instance approval must be obtained beforehand from any person appearing in a photograph that their image can be used.

2.5 Wherever possible articles and press statements will be accompanied by photographic copy to ensure that items are as newsworthy as possible.

2.6 The Town Council will at all times strive to maintain good relations with the local media. This will include linking newsworthy items published via the Council website and social media pages to Press statements and keeping the media informed about Council meetings.

2.7 The Council's social media accounts will be maintained by the Town Clerk and Civic Officer. These will be used for purposes of informing and publishing matters of interest to members of the general public, including events and activities by third parties, and no other purpose.

2.8 Where Members of Council subscribe to their own social media accounts, care should be taken to avoid associating the Town Council with personal opinions and comments which could be construed as being representative of the Town Council.

3. REVIEW

3.1 This Policy will be reviewed by the Policy and Resources Committee on a periodic basis and amended as appropriate.

MINUTES OF A MEETING OF THE ACCOMMODATION WORKING GROUP HELD ON 7th JUNE, 2018 AT THE TOWN HALL, PARADE, LEAMINGTON SPA

Present: Councillors David Greenwood (Chairman) Judith Clarke, Ann Morrison and Amanda Stevens. Robert Nash (Town Clerk).

Also present: Philip Clarke (Projects Manager) and Guy Collier (Projects Officer) Warwick District Council.

6. **DECLARATIONS OF INTEREST**

Councillor Stevens declared a non-pecuniary interest in the accommodation review as a member of Warwick District Council which holds the freehold interest in Leamington Town Hall.

7. **MINUTES**

Consideration was given to the Minutes of the meeting of the Accommodation Working Group held on 18th April, 2018.

RESOLVED that the Minutes of the meeting held on 18th April, are confirmed and signed as a correct record.

8. **ACCOMMODATION REVIEW – TOWN HALL**

The Chairman welcomed Officers of the District Council to the meeting and explained the rationale behind the Town Council's decision to review its previous decision to relocate away from the Town Hall. He emphasised that the Town Hall was an iconic building in the Town which was much valued by many residents. It was the desire of the Town Council to ensure that whatever purpose the Town Hall was used for in the future, there should continue to be an element of public access. The Town Council wished to develop a dialogue with the owners – Warwick District Council- and other interested parties, to ensure that the building was secured for future generations.

Philip indicated that it was opportune for the Town Council to be raising the position of the Town Hall. The District Council was presently considering options for the building when it completes its new Offices at Covent Garden and vacates the Town Hall in approximately two years' time. The Town Hall was a costly building to maintain and the District Council would no longer wish this to be a burden on ratepayers once it no longer occupied the building for official purposes.

Philip stressed that the District Council had no pre-determined view on the potential future use of the Town Hall. Due to its status as a listed building, the District Council would have considered seeking professional advised on options for future use were it not for the work now commissioned through its development partner- Complex Development Projects (CDP) – which was tasked with bringing forward proposals for the regeneration of the creative quarter in South Leamington and options for the Town Hall. CDP would be considering the range of possible uses for the Town Hall.

The District Council was anticipating possible options that were both commercially attractive and economically viable in terms of funding the building in the future. The Town Hall by virtue of its listed status was currently an expensive asset to both maintain and operate. The interior design of the building did not lend itself to modern office use and any changes would need to be made sympathetically respecting its listed status.

Maintaining opportunities for community/social use would also be considered. Philip confirmed that all the current tenants, including the Town Council, would be fully involved in discussions over the future of the Town Hall.

In relation to the preparatory work for the Creative Quarter, Philip advised that CDP was presently engaging with local stakeholders with a view to preparing a masterplan for the area. This would identify key sites which offered the most favourable prospects for development and the Town Hall may possibly be among those sites selected in the assessment. It was envisaged that the masterplan would be completed in time for a report to the District Council at the end of 2018. A formal consultation process would precede consideration and acceptance of any options by the District Council. Following a decision by the District Council, a formal tendering process would apply to the delivery of the preferred options for the Creative Quarter.

The Town Council's continued occupancy of the Town Hall, following the completion of the development of new offices at Covent Garden, would need to be assessed as part of the wider conversation with regard to the alternative uses that might come forward. However, it was important to recognise that the District Council would not wish to seek an early termination of the Town Council's lease.

Members of the Working Group noted that the Town Hall was used by many community organisations for a diverse range of events and that the loss of the meeting space afforded by the building would be keenly felt. The discussions with local residents and stakeholders in connection with the Neighbourhood Plan had identified a strong desire to retain the building as an asset open to the general public. The Town Council was presently considering assessment of alternative models of delivering services at listed and historic buildings – examples included Hebden Bridge, Market Harborough and Brackley.

At Philip's invitation, it was agreed that the Town Council would produce a position statement setting out its key objectives for the Town Hall in terms of both its own accommodation requirements and future accessibility for community use.

Philip and Guy, having been thanked by the Chairman, left the meeting.

9. **BRACKLEY TOWN HALL RESTORATION PROJECT**

The Working Group considered details of a two day seminar on 18th and 19th October at Brackley Town Hall which had been recently restored with assistance of the Heritage Lottery Fund. The seminar, supported by the HLF, would cover issues such

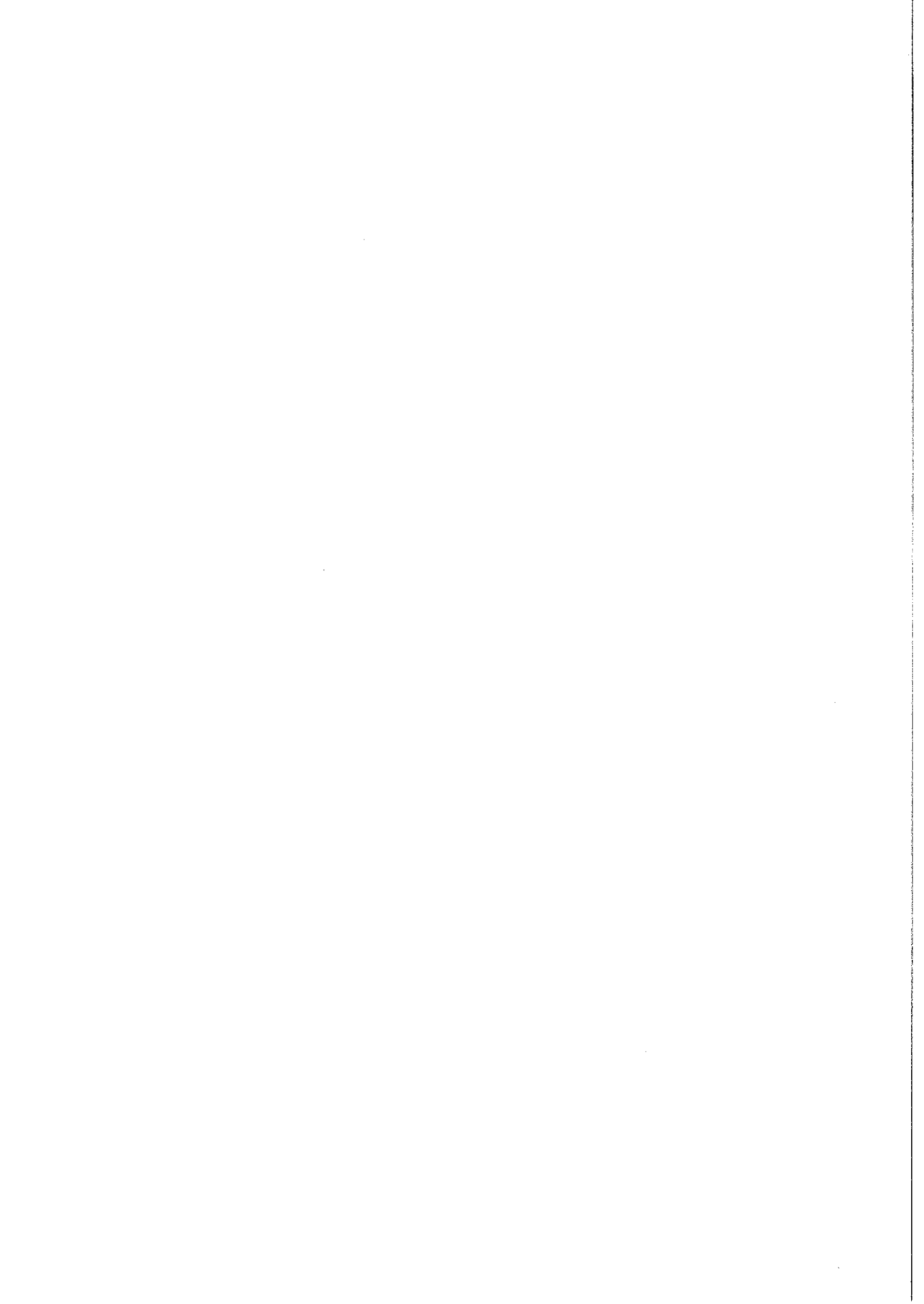
as listed buildings repairs, maintenance, conservation management, funding and support.

It was agreed that Councillors Clarke and Morrison would accompany an Officer to the seminar.

10. **DATE OF NEXT MEETING**

Thursday 6th September 2018 at the Town Hall commencing at **10.30 am**.

The meeting commenced at 10.30 am and ended at 11.35 pm.



ROYAL LEAMINGTON SPA TOWN COUNCIL

POSITION STATEMENT

THE TOWN HALL, LEAMINGTON SPA

1. BACKGROUND

- 1.1 Following the abolition of the former Borough Council of Royal Leamington Spa by the Local Government Act, 1972, Leamington Spa was granted the status of a Charter Town. This created the only Town in Warwick District without a democratically elected Town Council.
- 1.2 Royal Leamington Spa Town Council was constituted in 2002 by Order of the Secretary of State under the provisions of the Local Government and Rating Act 1977 following a successful petition signed by 4090 registered electors of the Town. The Town Council formally came into effect on 1st April, 2002.
- 1.3 Since its inception, the Town Council has occupied office space at the Town Hall. It is a leaseholder having entered into a 25 year lease with the landlord - Warwick District Council -on 1st September 2002.

2. POLICY POSITION

- 2.1 The Town Council is aware of the considerations arising from the decision of Warwick District Council to develop new office accommodation at Covent Garden and to vacate both its current offices at Riverside House and the Town Hall. The Town Council recognises that this decision has implications for the future ownership, use and management of Leamington Town Hall.
- 2.2 The Town Council has considered options in relation to its future accommodation requirements. It also has regard to the future use of the Town Hall which is seen by many residents and users as an iconic building of both architectural and community significance. The Council is well placed to harness the considerable enthusiasm within our Town to develop a long term sustainable use for a building which occupies an important place in the history of Leamington Spa. The Council is passionate in its commitment to retain this building as an asset to which the community can continue to have access.
- 2.3 The Council has therefore resolved as follows:-
 - (i) that the Council's preferred option is to remain as an occupant of Leamington Town Hall; and
 - (ii) that the opportunities to develop the Town Hall as a facility accessible for a range of civic and community uses are explored with all relevant parties including Warwick District Council, current tenants and community and voluntary organisations;

- 2.4 Warwick District Council has appointed a development partner to assess opportunities within a defined area of the Town with a view to bringing forward proposals for a number of key assets including Leamington Town Hall. The Town Council welcomes the opportunity afforded by this review and wishes to assist the process of dialogue with all interested parties.
- 2.5 The Town Council is presently embarked on a Neighbourhood Plan. This has generated considerable interest in the potential for use of the Town Hall as an asset of community value and a place where people can meet.
- 2.6. The Town Council's own accommodation needs are flexible and the Council is open to meaningful discussion with all parties on options which maximise the use of the building for the benefit of the wider community of Leamington Spa and which maintain public access.
- 2.7 The Town Council will begin to actively investigate examples of successful multi-use of public buildings, seeking advice from Town Councils and other bodies which have secured funding and third party support for future development and maintenance and the facilitation of a smooth asset transfer. This analysis will be shared with Warwick District Council and its development partner.

7TH June, 2018

Royal Leamington Spa Town Council

Town Hall
Parade
Leamington Spa
CV32 4AT

REPORT TO A MEETING OF THE POLICY AND RESOURCES COMMITTEE TO BE HELD ON 3rd SEPTEMBER 2018

BANKING ARRANGEMENTS AND INVESTMENT POLICY

1. **PURPOSE OF THE REPORT**

To consider arrangements for the Council's current account banking and short term investments.

2. **INTRODUCTION**

2.1 The Council considered a report at the meeting on the 10th July, 2017 regarding the options for diversifying the Council's investments in deposit accounts and other secure products. The rationale for this review was to:-

- 1) Ensure that the Council's investments are diversified to benefit from the Financial Services Compensation Scheme which is limited to £85,000 of eligible deposits with each investing institution; and
- 2) Improve, where possible, the rate of return on the Council's investments.

2.2 The discussion at the meeting was subsequently broadened into a consideration of ethical standards that might possibly apply to the Council's investment decisions and it was subsequently resolved that a Working Group is convened to consider the Council's investment policy with specific regard to investment products that are ethical and supportive of environmental sustainability. The Working Group subsequently met on 4th August and its recommendations, which were reported to this Committee on 4th September, were as follows:-

"that investigation is undertaken of available banking and investment opportunities through web-based search engines having regard to the following:-

- *Security*
- *Accessibility (liquidity)*
- *Rate of return*
- *Automated banking*
- *Bank charges*
- *Environmental and ethical investment "*

2.3 The Working Group did not wish to place a weighting on the above aspects therefore they have been treated equally for the purpose of this Report.

2.4 Councillor Alty subsequently obtained access to cost free advice from a financial adviser who met with the Town Clerk to outline options for diversifying the Council's investments. This report updates the Committee on progress in the period since that meeting.

3. CURRENT INVESTMENT ARRANGEMENTS

3.1 At the commencement of the current financial year the Council's banking arrangements and balances were as follows:-

HSBC Current account	£47,945.09
BOS/Lloyds :	
Call account instant access	£6,815.58
Over call deposit	£15,502.82
32 day Bond	£90,862.40
CCLA – Public Sector Deposit Fund	£75,000.00

3.2 The Council decided in November 2017 to divert investment of £75,000 from Bank of Scotland to the Public Sector Deposit Fund managed by CCLA Investment Management. This is a Company with products dedicated to the public sector and charities. During the period since the investment was opened the Deposit Fund Account has accrued £209 interest which represents an annual rate of return of approximately 0.45%. This is marginally below the best rates available but competitive given that the account is subject to immediate withdrawal. This is an invested fund however and yields can fluctuate according to market conditions. By comparison, the rate of interest currently payable on the 32 day notice money held with Bank of Scotland is 0.82% which yields an additional £45 per year for each £10,000 invested.

3.3 Following discussion with the financial adviser it was evident that the Council's strategy of diversifying investment was sound and the following advice was proffered:-

*That the CCLA investment be increased to £85,000
That if the Council wished to invest in institutions with a higher ethical profile, consideration is given to placing funds with Building Societies which as mutual institutions offer a greater focus on non-commercial considerations such as environmental and ethical investment.*

3.4 Subsequent discussions with a number of mutual Societies has indicated that they are not open to investment by the public sector and local authorities. This option has therefore not been pursued further.

3.5 A more ethical source of investment lies with the Unity Trust Bank. This Bank is based on a strong social investment principle and sells to the not for profit sector with a premium on social investment and support for community based organisations. As with all UK Banks it is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

3.6 The Bank currently offers an instant access savings account which offers an interest rate of 0.40% AER which is comparable with the rate being earned on the CCLA Deposit Fund.

4.0 **CURRENT ACCOUNT BANKING**

4.1 Whilst the Council's initial review was based on identifying options for investment income, this was broadened to include the Council's current bank account arrangements which for many years have been operated with HSBC.

4.2 Following the withdrawal of the Co-operative Bank from public sector banking the alternative options to the main commercial banks are limited. It is also necessary for the Council to have regard to the following when considering a movement to another current account provider:-

- Accessibility. Though cash and cheque transactions are declining the Council currently processes some payments via cheque from groups such as the Allotment Associations. Sole reliance on telephone or internet banking would raise issues concerning these traditional forms of payment.
- Bank charges – The Council currently benefits from free banking and almost all the alternative providers do not offer this service. For example Unity Trust Bank charges approximately £11 a month to operate its current bank account.
- Bankers Automated Clearing Services (BACS). The Council has not yet moved to a BACS system of payment but this is now the expected norm for most businesses and therefore any alternative to the current banking arrangement will need to accommodate automated payment.
- Support for the local Branch network. The Council may see its continued use of a bank with a local branch presence to be an important consideration.

5. **RECOMMENDATION**

5.1 The Council reserves are presently allocated between two principal sources:-

Bank of Scotland/Lloyds	-	£106,000	
CCLA	-	£75,000	<u>£181,000</u>

5.2 The interest that currently accrues on the two 32 day notice investment accounts with Bank Scotland is 0.82%. It is therefore suggested that if investment in an account which satisfies ethical criteria is to be preferred the balance of funding above could be apportioned as follows:-

Unity Trust	- £85,000 (interest AER 0.40%)	£320
CCLA	- £85,000 (Interest -.0.40%)	£320
Bank of Scotland	- £11,000 (interest 0.82%)	£90

It should be noted that arising from the transfer of funds to the two preferred accounts, where interest paid is lower than current rates, will result in a yearly loss of interest of approximately £400.

- 5.3 With regard to current account banking, it is recommended that the Council continues to maintain a current account locally with HSBC and those transactions are in future processed via BACS in accordance with the arrangements set out in the Council's Financial Regulations.