

HAVERHILL TOWN COUNCIL



FINANCE COMMITTEE

Dear Councillor,

You are hereby summoned to attend the meeting of Haverhill Town Council Finance Committee to be held in The Studio, Town Hall, High Street, Haverhill, on Monday 16th November 2015 commencing at 7.00pm for the purpose of transacting the following business:

CONSTITUTION:	Chair: Town Mayor	B McLatchy
	Town Councillors:	J Burns
		A Bramwell
		A Brown
		M Byrne
		P Hanlon
		I McLatchy
		B Robbins

This Meeting is open to the Press and Public

AGENDA

1. **Welcome**
2. **Apologies for Absence**
Please notify the office by 5.00 p.m. on the day of the meeting if you are unable to attend.
3. **Declarations of Pecuniary Interest and requests for Dispensations**
Members to declare any interests they may have on the agenda and agree any dispensations to stay.
4. **Minutes of the Last Meeting**
To approve the minutes of the meeting held 15th September 2015.
5. **Matters Arising**
To note actions taken as a result of, and any matters arising from the minutes of the meeting held 15th September.
6. **Public Forum**
For the public to speak on matters within the remit of the Finance Committee.
7. **Report from the Responsible Financial Officer**
Haverhill Town Council budget report to 30th September

HAVERHILL ARTS CENTRE, HIGH STREET, HAVERHILL, CB9 8AR

Tel: 01440 712858 Fax: 01440 718931

Email: admin@haverhill-tc.gov.uk Web: <http://www.haverhill-tc.gov.uk>

- a. Narrative to Budget Report
- b. Budget Report
- c. Bank Reconciliation
- d. Payments
- e. Debtors and Creditors
- f. General Report

Report to follow

8. First Draft Budget 2016/17

To discuss the working paper produced by the Clerk and consider adopting it (as amended) as the First Draft Budget, for publication.

To follow – As a working paper this document is exempt from FOI until after adoption as a draft.

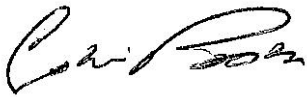
9. Investments

To consider recommending to Full Council an investment of £500,000 into the CCLA Public Sector Property Fund.

10. Date of Next Meeting

12th January 2016.

11. Closure



Colin Poole
Haverhill Town Clerk

Date: 11th November 2015

Item 9 CCLA Property Fund Investment

Following on from item F15/017b, when the RFO advised the Council it was likely to miss its target for investment income, the RFO has investigated alternative investments. Lloyds Bank have confirmed that the current rates being paid on deposits are the best they can offer. High interest offers from banks and building societies are not available to public bodies, being restricted to personal banking customers and some charities.

CCLA, an investment body for public authorities created by the Local Government Association, is currently offering extremely good rates. The following example provided by their local representative is real, and there are no typos:

“A council invested £1 million in the Local Authorities Property Fund at the end of August 2014. At that time the Offer price was 266.64p so they acquired 375.038 units at that time. If this council had sold in August 2015 (12 months later) at the Bid price then of 280.8801p they would have achieved a total sum of £1,053,407.11. Therefore a **capital gain on their original investment of £53,407.11.**

Also during this period the client received quarterly Dividends of £5030.38, £12,850.30, £12,806.04 and £12,188.35 **so a total dividend figure of £42,875.07 over the year.**”

We are not able to invest £1m as we are embarking on a significant spend on the Arts Centre refurbishment and may also be investing in other property. But we could invest at least £0.5m safely for the foreseeable future – certainly +12 months. The figures quoted above are past performance, which is not a guarantee of future performance but are part of a sustained pattern. If the Council made such an investment, we should still achieve our target investment income for 2015/16. We are currently forecasting missing our investment target by £6k due to the low interest rates we can achieve. Such an investment would get us back on target, achieve the secondary goal of spreading our risk and set up a far better investment income prediction for 2016/17. The longer we leave it in, the better capital gain we could achieve. In the immediate short-term, capital value would drop through the bid-offer spread but as things stand this has also been a sustained upward path. Nevertheless, this investment should be considered as a minimum 12 month investment.

Locally, Mid Suffolk, Babergh, Braintree and Leiston are all members.

The Committee is asked to agree to recommend an immediate investment of £0.5m to Full Council.