

## **Minutes of the meeting of Belbroughton Parish Council Finance Committee held on 19 September 2011**

**Present:** Councillors J Bradley, C Hine, T Jones, J Kitson, D Roberts, C Scurrrell and Acting Clerk Kay Stone

### **287/11 Apologies**

Apologies were received and accepted from Councillors K Green, S MacDonald and P Shotton

### **288/11 Declarations of interest**

No interests were declared.

### **289/11 Minutes of the meeting on 15 August 2011**

The approval of the Minutes was proposed by Cllr Hine, seconded by Cllr Scurrrell and signed by Cllr Kitson as a true record.

### **290/11 Accounts for payment**

The approval of the payments for September was proposed by Cllr Scurrrell and seconded by Cllr Jones.

### **291/11 Finance strategy**

There was a query regarding the date of April 2010 in paragraph 16 – should this read April 2011. If so, this needs to be corrected and then the Finance Committee was happy to put forward the strategy as a recommendation to the full Council. There was also a suggestion that this document should be dated.

### **292/11 Investments**

The Council's investments were reviewed. The Council's current investments are:

1. Scottish Widows Bank 7 days notice account. £92,061 earning 1.85% pa
2. Santander 1 year Business Bond £51,375 earning 2.75%. Invested September 2011
3. Investec FTSE 5 year deposit plan
  - a) Deposit Taker - Investec Bank. Initial Investment £25,028 Matures September 2015 and returns 32.5% growth (6.5% pa) if FTSE increases. No return if equal or lower.
  - b) Deposit Taker – Royal Bank of Scotland. Initial Investment £25,028. Matures September 2015 and returns 27.5% growth (5.5%pa) if FTSE increases. No return if equal or lower.

Investment made 7<sup>th</sup> September 2010 when FTSE 5407.82. At 31 May 2011 5989.99 when reviewed, but subsequently fallen to circa 5040.

4. Gartmore MultiManager Absolute Return Fund (Now Henderson MultiManager A.R.F)

Initial Investment £50,000 17<sup>th</sup> Feb 2011 which after initial charges £48,473.84. Units held 38,636.8882. Value September 2011 £47,748.06 and showing loss of £752 since initial investment.

The views of the Finance Committee were that:

the Council should maintain the current cash investments in accordance with the investment strategy although it was noted that inflation is currently in excess of our interest return and we are not increasing value in real terms.

the Investec Bond is a 5 year deposit and no action is appropriate.

the Henderson Fund is considered to be a long term investment. Initial losses are disappointing. The Committee considered an e-mail from Mark Pritchard the Council's financial advisor from Prosperity Corporate Consultancy who commented

- The fund has dropped 1.55% since investment against the average cautious fund loss of 3-4%
- FTSE has dropped 10% in the same time
- Fund has increased in size from £100m to £120m showing investors like the fund.

Mr Pritchard's advice was 'I remain convinced that this investment is correct for the Parish Council and the investment fund will do what it says on the tin if left invested for the medium to long term.'

Bearing this advice in mind the Committee did not consider that any action was appropriate.

It was suggested that it would be easier to monitor investments if the Council had separate Scottish Widows accounts for current and investment funds. To be discussed with the Clerk on her return from holiday.

### **293/11 Grants**

Cllr Scurrrell proposed and Cllr Bradley seconded a grant of £100 from the current budget to be given to WRVS Rural Rides and that WRVS are advised by the Clerk that the Finance Committee will keep their letter dated 1 September 2011 as a request for a grant from the 2012/2013 budget. It was also suggested that the grant and also the WRVS statistics should appear in the Parish Magazine and the next newsletter.

### **294/11 Maintenance items**

- i. It was agreed that a second cut of the meeting room hedge was not required
- ii. Cllr Scurrrell proposed and Cllr Jones seconded that the refurbishment to the bus shelter in Hartle Lane should be carried out and it was agreed that the Chairman of the Finance Committee and the Clerk will discuss further with Hartle Lane Wood Yard.

The meeting closed at 8.29pm

Signed ..... Chairman