

MINUTES OF THE POLICY & RESOURCES COMMITTEE

18th July 2022, 7.30pm
The Guildhall

Present:

Cllr T Martin

Cllr Saunders

Cllr Perkin

In Attendance:

Louise Bareham (Town Clerk)

Public Participation:

Following queries concerning the Month End Report from Maria Newman, the Town Clerk clarified the following points:

- The £7000 in 4500 grants consists of 3 payments. Kent Creative £1000 previously agreed and now drawn as the event went ahead. £5000 to Hop Festival, £1000 to Perry Court residents for Jubilee Grant – paid via us from Swale BC.
- The Crime Research first payment of £6211 has been taken from EMR.
- The £10,000 in 4851 is the agreed budget for any mitigations from the research.
- The £2000 in 1200 Grants received consists of 2 x £1000 Jubilee Grants from Swale BC, one for the Council and one for Perry Court residents.
- PWL is in 4 payments per year
- Rates are budgeted on the assumption that Faversham Society leasing the majority of the building and are now paying rent for a concession.
- Climate & Biodiversity 4867 requires a movement from EMR, this will be checked to ensure it has been processed.

393. Apologies for Absence

Received from Cllrs Barker, Rowlands, Henderson, Cavanagh, and Hook

It was noted that Cllr Hook had been substituted by Cllr Perkin.

394. Declarations of Interest

None

395. Minutes of Previous Minutes and Matter Arising

The Minutes were proposed by Cllr Martin, seconded by Cllr Saunders and on being put to the meeting it was **RESOLVED to accept the Minutes of the Policy and Resources Committee Meeting dated 20th June 2022.**

396. Month End Report

It was proposed by Cllr Martin, seconded by Cllr Saunders and on being put to the meeting it was **RESOLVED to accept the Month End Report for May 2022.**

397. Treasury Management

The paper providing investment options was received. The Town Clerk advised Rob Gibbs had researched the options available and provided this report.

It was proposed by Cllr Martin, seconded by Cllr Saunders and on being put to the meeting it was **RESOLVED for the Town Clerk to investigate the option of the Co-op Bank 95-day notice account as recommended in the meeting paper and provide a formal proposal for the next meeting.**

398. Safeguarding Policy and DBS Checks

Due to the number of apologies received for the meeting it was proposed by Cllr Martin, seconded by Cllr Saunders and on being put to the meeting it was **RESOLVED to defer further discussion on the draft Safeguarding Policy until the next meeting.**

It was proposed by Cllr Martin, seconded by Cllr Perkin and on being put to the meeting it was **RESOLVED to seek for all elected Councillors, staff and volunteers to agree to undertake either a basic or enhanced DBS Check.**

399. Project Template

It was proposed by Cllr Martin, seconded by Cllr Saunders and on being put to the meeting it was **RESOLVED to defer the Project Template project until the next budget process.**

400. Welcome Letter to Residents

Cllr Saunders suggested the letters show which Councillors were also elected as KCC or Swale BC Councillors using an asterisk in a similar way to the Newsletter.

The Town Clerk advised Cllr Hook had provided details of two companies that the mail merging, printing, and posting could be outsourced to. This was better value for money than carrying out the whole process in house.

Cllr Perkin queried with the Town Clerk whether the Communications budget could be used to fund the letter. The Town Clerk advised it could, but it would need the agreement of this Committee.

It was proposed by Cllr Martin, seconded by Cllr Perkin and on being put to the meeting it was **RESOLVED to fund the letter from the Communications budget, amend the letter to show Councillors also elected to KCC and SBC, and to outsource the mail merging, printing, and posting to one of the companies identified.**

401. 2023/2024 Budget

It was proposed by Cllr Martin, seconded by Cllr Perkin and on being put to the meeting it was ***RESOLVED to hold a budget workshop in early September to give the opportunity for all Councillors to formulate the process and for this to return to the Policy & Resources Committee.***

402. Items for Report

None

Appendix A

Investment options available to Faversham Town Council

At its last meeting the Policy and Resources Committee discussed spreading the Council's investments to reduce risk. The Financial Services Compensation Scheme protects investments up to £85,000 per customer per bank or building society.

The Council currently has investments with the Natwest Group, Lloyds Banking Group plc and Nationwide Building Society, so alternative options have been researched below. The interest rates being offered were correct as of 6th July 2022.

Bank and Building Society Business Saving Accounts

Bank	Account	Access	Minimum Balance	Management	Interest Rate
Barclays	Business Premium	Instant	£0	Online, branch, phone	0.10 (up to £1m)
Barclays	Treasury Deposit	Fixed Term	£100,000	Online, phone	Dependent on amount invested
Co-op Bank	Instant Access	Instant	£1	Online, phone	0.12
Co-op Bank	35 Day Notice	35 days' notice	£0	Phone	0.28
Co-op Bank	95 Day Notice	95 days' notice	£0	Phone	0.34
HSBC	Business Money Manager Monthly Interest	Instant/30 Days/60 Days	£0	Online, branch, phone	0.03 (if 30 Day Access rate is 0.04 on £100,000) (if 60 Day Access rate is 0.05 on £100,000)

HSBC	Business Money Manager Quarterly Interest	Instant/30 Days/60 Days	£0	Online, branch, phone	0.02 0.04 (30 days' notice) 0.05 (60 days' notice)
Santander	Business Everyday Saver	Instant	£0	Online, branch, phone	0.10
Santander	Business Reward Saver	Interest lowered if withdrawals made	£1	Online, branch, phone	0.20 (lowered to 0.10 if withdrawals made)
Santander	Fixed Rate Business Bond	Fixed Term	£5000	Phone, post	0.30

Government Bonds (Gilts)

Government bonds are known as Gilts in the UK and are an investment vehicle that provides a fixed rate of return until their expiry. Gilts are a loan from the bondholder to the government. The issuing government pays a fixed interest rate to the investor until the bond reaches its maturity date. When the maturity date is reached, the government pays the bondholder the face value of the bond.

Government bonds pay a steady income from the gilt's coupon rate (the fixed payment of interest) to the investor. They also provide insight into the market sentiment for the issuing country, as interest rates, inflation rates and currency strength all impact bond prices.

The two common types of Gilts available in the UK are:

Conventional Gilts – The most common form of Government Bond is available, a standard Gilt issued by the UK Government pays a fixed interest rate every six months until the bond reaches its maturity date. At this point the Gilt holder receives both the interest and the original capital invested.

Index-Linked Gilts – Index-linked Gilts differ from Conventional Gilts by having a variable interest rate based on the UK's primary rate of inflation, the Retail Price Index (RPI). This type of Gilt is aimed to shelter investments from the effects of inflation.

Risks associated with Gilts

Gilts are considered to be a low to medium risk. As interest rates influence the price of a bond, rising interest rates can cause the bond market to fall in value. Careful consideration needs to be given to the duration of a bond and interest rate projections when looking to purchase or trade in bonds.

Similarly, when inflation rises, it can cause interest rates to increase therefore lowering the bond's value.

Like any market, liquidity can affect the ability to trade bonds effectively. Government bonds are less likely to carry liquidity risks when compared to other types of bonds. However, if liquidity risks are present, sellers may be forced to accept a lower-than-expected price, causing the market's value to fall.

Recommendations

1. Interest rates on instant access accounts are at the present time, still very low. If the amount to be invested is not required for instant access, then the 95 Day Notice Account offered by Co-op Bank, or the Santander Fixed Rate Business Bond would offer the higher interest return from the options available from the banks.
2. Gilts are a further investment option but do have associated risk. With inflation currently rising it would be important to seek financial advice before looking at this option.

Appendix B

DBS Checks

Background

This policy complies with the exception to the Rehabilitation of Offenders Act 1974 and with the Disclosure and Barring Service Code of Practice.

This policy replaces all previous policies, decisions and/or precedents relating to criminal records checks for Faversham Town Councillors and coopted members.

General Principles

Faversham Town Council is committed to protecting the wellbeing of the public and those individuals in its care who are considered to be especially vulnerable or at risk - children, and vulnerable adults.

We will undertake:

- not to knowingly employ in regulated activity or use as a volunteer a barred person
- to refer individuals who have been dismissed, or we cease to use, to the Disclosure & Barring Service if we believe they have harmed or pose a risk of harm to children or vulnerable adults (this will be carried out in accordance with the referral process outlined by the DBS).
- The principles of this policy apply to all employees, volunteers, applicants, and others engaged in council service provision with children or vulnerable adults. The council has a statutory duty of care to vulnerable members of society; this duty will be carried out with due regard to all other relevant legislation, and the council undertakes to treat all individuals fairly.

Costs

Quotes have been sourced from various providers. Because Councillors will be helping in a voluntary capacity, only an administration charge would normally be payable. As an example, TotalCRB have provided a quote of £16 per candidate for an enhanced DBS check and have an online facility for the Town Council to be able to upload the required information.

Recommendation

That all staff and elected councillors on Faversham Town Council agree to a basic or enhanced DBS check