



# **BOGNOR REGIS TOWN COUNCIL**

## **TREASURY MANAGEMENT POLICY**

**Adopted by the Council at its Meeting held on 9<sup>th</sup> January 2017**

## **Bognor Regis Town Council**

### **Treasury Management Policy (updated Dec 2016)**

#### **Introduction**

The Town Council currently (i.e. as at 8<sup>th</sup> December 2016) has some £654,500 of Reserve Funds (excluding current year unspent balance) plus £789,000 Unspent Loan Funds available for the Picturedrome Expansion Project.

In summary the Reserves break down as follows:

General Reserve	183,500
Rolling Capital	30,000
Economic Development Reserve	298,000
Other Earmarked Funds	143,000

In total these balances currently attract interest at a rate of the order of £6,000 per annum, reflecting the current very poor rate of return on such significant sums. This amount is set to reduce significantly in the coming year as the Council's currently preferred Investment Vehicle, consisting of a judicious mix of Fixed Term Treasury Deposits (3, 6 and 12 month terms) will no longer be available from the Council's Bankers (Co-Op Bank Ltd) nor are meaningful rates achievable from other Commercial Banks.

#### **Suggested Strategy**

Whilst the current Strategy is undoubtedly to be preferred, it is recommended that an alternative Investment Vehicle should be adopted unless and until Fixed Term Treasury Deposits are again available, and at meaningful rates of return. The Town Clerk and Assistant Town Clerk received a presentation from CCLA of their Public Sector Deposit Fund. The rate currently achievable (as at today) is 0.2643% on Total Balances (this is net of Management Charges). The Investment qualifies as a Revenue Investment for Annual Return purposes and deposits/withdrawals do not fall for classification as Expenditure/Income in the Annual Return. Equally, the end of year balance is included with Bank and Cash balances (as a Short Term Investment) in the Annual Return. The rates would appear to be competitive in today's low-interest environment. It is further recommended that the Picturedrome Funds be placed on a "No 2" Account for draw-down as and when expenditure is required.

#### **Approval and Mechanism**

Although the transactions do not represent expenditure/payment by council for accounting purposes, instructions to Co-Op Bank to make investments will still require signature by two councillors, unless (or until) the current Bank Mandate is amended to allow transfers to (specifically) CCLA to be made on the e-mail instruction of the Town Clerk.

20<sup>th</sup> December 2016

**Bognor Regis Town Council**

**Treasury Management Policy (updated Dec 2016)**

**Note**

The above is in line with the resolution of Policy and Resources Committee on 5<sup>th</sup> December 2016.

**Disclaimer**

DCK Beavers is not authorised to provide investment advice under the Financial Conduct Authority, and nothing in the revised Strategy should be so construed.

The Policy and Resources Committee requested that alternative vehicles should be investigated. In the light of this disclaimer, we are unable to assist in this regard.