



Established 1894

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**MINUTES OF THE MEETING OF THE GOVERNANCE & OVERSIGHT COMMITTEE
HELD IN ANGMERING VILLAGE LIBRARY ON WEDNESDAY 5 FEBRUARY 2019 AT 7:30pm**

Present: Councillors John Oldfield; David Marsh; Lee Hamilton-Street (Chair); Sylvia Verrinder and Nikki Hamilton-Street

In attendance: Katie Herr – Parish Clerk, Tracy Lees – Committee Clerk

Acronym: Angmering Parish Office: APC

AGENDA ITEM	MINUTE NO.		ACTION FOR
1	19/037	APOLOGIES FOR ABSENCE Apologies were received and approved for Cllr. Rhys Evans.	
2	19/038	DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTERESTS IN ITEMS ON THE AGENDA. None.	
3	19/039	APPROVAL OF MINUTES Approval of the minutes of the meeting of the committee from Wednesday 6 November 2019 were agreed and subsequently signed by the Chair.	
4	19/040	PUBLIC CONSULTATION None.	
5	19/041	THE COMMITTEE CLERK'S REPORT ON ANY MATTERS NOT INCLUDED ON THIS AGENDA The Clerk reported that a lot of work was being done on Polices, which she would comment more on under Item 8 in this agenda. The APC Office had also been sorting through on-line files and bringing then up to date.	

Cllr. L Hamilton-Street talked through the list and asked if there were any questions.

It was commented that the APC Newsletter which can be found in the centre pages of the All About Angmering magazine was working well.

A question was asked regarding the new SharePoint system that will be used to store documents etc. for Councillors to use and when this would be ready.

The Clerk advised that she had been in a recent discussion with the IT provider and that this should be ready very soon. A discussion then took place around the contents to be held in the SharePoint.

The Clerk had been looking into the number of Councillors a Parish should have and how this was worked out. She reported that no criteria or formula was set so was unable to give a clear answer. The Clerk had also approached some neighboring Parish's to understand how many Councillors they had compared to Parishioners and reported these figures. A discussion then took place with particular reference being made to potential new Wards and how this would affect the amount of Councils APC would need to have in the future.

Action: Continue to investigate how many Councilors APC are permitted and talk to ADC regarding wards.

Clerk

It was reported that a Workplace Inspection was going to take place on Thursday 6 February 2020. The outcome would be reported at the next meeting.

6 19/042 HEALTH AND SAEFTY

There was nothing to report.

7 19/043 RISK REGISTER

The Clerk explained what had happened since the last meeting and talked through the register. A discussion then took place, talking through each item.

Cllr. L Hamilton-Street had concerns regarding the Landspeed possible withdrawal and what might happen if they decided to pull out. Cllr. N Hamilton-Street asked if this would be added to the list. A discussion then took place.

A discussion took place regarding the Risk Register and if it should be made public. Cllr. L Hamilton-Street commented that he was happy that it remains as a closed item and discussed at this meeting (Governance & Oversight Committee) and then reported on at the next Full Parish Committee meeting. If any issues arose outside of these meetings then an email should be sent to the Clerk, the Clerk would then risk assess the issue and decide if it should go on the register.

Cllr. Verrinder asked if the following words could be added to the top of the document: Operational, Legal Financial and Reputational.

Action: Wording to be added.

Clerk

It was suggested that under Document Updates, and once all updates had been made this could come off in the next 6 months.

8 19/044 POLICIES NEEDING UPDATES IN THE NEXT 3 MONTHS

The Clerk talked through the list and what needed to be worked on in 2020. She commented that she would like to add a 'No Sale' policy.

Cllr. N Hamilton-Street asked if a version number could be added. All agreed this was a good idea.

9 **19/045 BUSINESS CONTINUITY**

The supporting papers were looked at and a discussion took place. The Clerk had looked at other Parish Councils policies as had Cllr. Oldfield. It was agreed that if these policies could be blended together, this would then form a good policy for APC.

Action: Produce an APC Business Continuity policy by the next meeting which is taking place on Wednesday 6 May 2020.

TL

10 **19/046 STAFF CONTRACT UPDATE**

The Clerk and Cllr. N Hamilton-Street have been working on this item and reported back on the current status. HR Services have reviewed the contracts and they are happy with the content and that it meets all the necessary requirements. All contracts will be made relevant to each member of staff and a final review undertaken by HR Services before issuing.

Cllr. Verrinder commented that she had noticed that under Item 6, Probationary period, points 6.2 and 6.3 had been repeated and could this be removed.

Action: Item 6 to be amended.

Clerk

Cllr. N Hamilton-Street asked if the contracts could be issued by the new financial year, the Clerk confirmed that this was the plan.

11 **19/047 FIRE POLICY, LOGBOOK AND RISK ASSESMENT**

The Committee Clerk talked through the document, explaining each section.

The option to have an outside risk assessment was discussed, Cllr. L Hamilton-Street suggested that this would be a good option and then a follow-up in 3 years' time. All agreed that this would be a good idea and that an assessment should be booked as soon as possible.

RESOLUTION: Cllr. L Hamilton-Street **PROPOSED** that an external Fire Risk Assessment be commissioned, Cllr. Oldfield **SECONDED**, and **ALL AGREED**.

The Committee Clerk also commented that the APC Office were looking into fire training for the APC Office Team. This will hopefully happen before the end of March 2020.

Cllr. N Hamilton-Street thanked the Committee Clerk for all the work that had been done on this project.

12 **19/048 REQUEST TO CHANGE HOURS – STAFF MEMBER**

The Clerk talked through the supporting paper and the rational for the request. A discussion took place.

It was agreed that the staffing budget should not change i.e. remain at 5 full time roles.

Cllr. L Hamilton-Street requested that a trial period of 6 months be put in place, all agreed.

After discussion it was agreed by all for a trial period to go ahead from April 2020 for 6 months.

RESOLUTION: Cllr. L Hamilton-Street **PROPOSED** that a trial be put in place from April 2020 for 6 months, Cllr. Marsh **SECONDED**, and **ALL AGREED**.

At this point Cllr. L Hamilton-Street thanked everyone for their support over the year as this was the last meeting, he would Chair due to the Committee re-elections taking place in May.

DATE OF NEXT MEETING

The Committee's next meeting will be held in the Community Room at Angmering Library on **Wednesday 6 May 2020** at 19:30.

Cllrs. L Hamilton-Street and N Hamilton-Street gave their apologies in advance as they are unable to attend this meeting.

The meeting concluded at 20.24

..... Date.....
Chairman

Meeting Date	Agenda No:	Minute No:	Title	Action Required	Action to be taken	Comments & Next steps	Delegated To
22.05.19	8	19/008	Chairman's File	Cllrs. to suggest items to be included in the File.	Suggested items to be sent into the Office for collation	Tracy to collate information sent in. Nothing received. Waiting for sharepoint. Asked for update 28/01/2020. Still nothing sent in - reclarify during 05/08/2020 meeting	Cllrs.
22.05.19	11	19/011	General Policy Updates - Annual Investment Strategy	Agree a date to review it	Date to be set	Information to be taken to Governance August 2020	KH
05-Feb	5	19/041	Clerks Report	Continue to investigate how many councillors APC are permitted and talk to ADC re wards.	Email ADC re wards	No set numbers - investigate further?	KH
05-Feb	9	19/045	Business Continuity	Produce an APC Business Continuity policy by the next meeting - 06/05/2020	Produce document	Document has been produced and is waiting review and approval. To be taken to the August 2020 Governance Meeting	TL
05-Feb	10	19/046	Staff Contract Update	Contract to be updated.	Amend contract and distribute	Final version sent to HT Partnership - Awaiting response 24/07/2020	KH

Key

Task has been started
Task to remian on the list
Completed
Task not yet started

Completed Actions have been moved to another tab



General Council Risks

General Council Risks - Operational, Financial, Legal and Reputational.

Risk	Areas of Concern	Severity	Likelihood	Level	Mitigation/Action	Severity	Likelihood	Level
Neighbourhood Plan	Volunteers lose interest	3	4	12	Employ AiRS to guide and keep on track.	2	3	5
Neighbourhood Plan	Delays caused by COVID-19	4	5	20	Asses situation and gather information as to impact. Weigh up delays vs spend vs gain.	3	3	9
Risk	Areas of Concern	Severity	Likelihood	Level	Mitigation/Action	Severity	Likelihood	Level
COVID-19	Office space and restrictions imposed	4	3	12	Screens to be added to desks. Masks to be worn by visitors. Staff to wear a visor when visitors are in the office. Hand sanitiser on entrance. Infrared thermometer to be used. Section of floor marked on front office floor for visitors to stand in.	4	2	8
Risk	Areas of Concern	Severity	Likelihood	Level	Mitigation/Action	Severity	Likelihood	Level
Mayflower Way Ownership	Responsibilities regarding the road	3	3	9	Find out responsibilities and update all	1	3	3
Risk	Areas of Concern	Severity	Likelihood	Level	Mitigation/Action	Severity	Likelihood	Level
Legal Updates	Legal updates that effect the council	3	3	9	All legal updates regarding the council are sent through via email from SALCC	3	1	3
Risk	Areas of Concern	Severity	Likelihood	Level	Mitigation/Action	Severity	Likelihood	Level
Documentation Updates/Amendments	Council documents being out of date	2	3	6	List of documents and renew dates now kept	1	2	2
Risk	Areas of Concern	Severity	Likelihood	Level	Mitigation/Action	Severity	Likelihood	Level
Staffing	Staff member leaves	3	3	9	Cross training across the office	2	3	5
Risk	Areas of Concern	Severity	Likelihood	Level	Mitigation/Action	Severity	Likelihood	Level
Social Media	Facebook - Councillor Use	3	3	9	Councillors are advised regarding political views on FB etc	3	2	6
Social Media	Facebook - Office Use	3	2	6	APC do not make comments on social media posts.	1	1	1

Severity (S)	Likelihood of harm occurring (L)	Risk rating = L x S
1 = Negligible	1 - Very low	0 - 4 = Insignificant
2 = Minor	2 = Very unlikely	5 - 9 = Low risk
3 = Moderate	3 = Unlikely	10 - 15 = High risk
4 Major	4 = Likely	16+ = High risk
5 = Catastrophic	5 = Very likely	

Risk Assessment Completed	29-Jul-20
Take to Full Council	11-Aug-20
Next Governance Meeting Update	04-Nov-20



GOVERNANCE & OVERSIGHT COMMITTEE (GOC)

TERMS OF REFERENCE

Objectives

1. To monitor the work of the Parish Council Officers to ensure the annual Governance Statement is fully compliant.
2. To monitor the parish council **Staffing** matters, including disciplinary and grievance procedures, and make recommendations to full council.
3. To monitor **Professional Standards** in all aspects of parish council activities, including both staff and councillors.
4. To monitor that the Council has up to date **Policies and Procedures** in place to meet the demands of the future and advise officers if deficiencies are found.

Membership

5. The membership of the committee is to be set at the Annual Parish Council Meeting in May of each year, or at a Full Council during the course of the year, if necessary.
6. Membership of the GOC should be no more than 5 in number.
7. The Chairman of the Parish Council may sit on the Governance & Oversight Committee, but may not be its Chairman.

Meetings

8. Meetings should be quarterly, and at other times if deemed necessary by Full Council. Sub committees can be set up under GOC.

Detailed Role

Governance

9. To implement financial internal control systems that monitor to prevent and detect fraud and corruption and review their effectiveness.
10. To monitor that there are effective arrangements of financial management and that the accounting statements are produced in accordance with the latest set of Accounts & Audit Regulations.

- 11.To monitor and make recommendations so that the parish council has the relevant power to fulfil its responsibilities and that it has complied with proper practices.
- 12.To monitor and make recommendations so that all persons interested can have access to whatever financial information is required within the law.
- 13.To monitor and make recommendations so that appropriate risk assessments are carried out and Parish Council staff are suitably trained in Health and Safety.
- 14.To employ an appropriately qualified and experienced person to carry out internal audit, and to monitor that action suggested by either internal or external auditors is acted upon.
- 15.To monitor that where appropriate, all financial matters that are disclosed.
- 16.To monitor that the budget is prepared and presented to Council in a timely and understandable manner, representing the financial position of agreed policies and plans.
- 17.Overall monitoring of financial matters and use of reserves against the approved budget for the Council.
- 18.To monitor the Initial consideration of the Final Accounts and Annual Return, prior to the Clerk advising the Full Council on their contents.

Staffing & Personnel

- 19.To monitor staffing matters, in conjunction with the Clerk, and to make recommendations to the full council where necessary.
- 20.To consider unresolved employee Disciplinary & Grievance matters as the final stage as laid down in both policies.
- 21.To monitor the committee and sub-committee support workload on the Parish Clerk and his team, and make recommendations to the Full Council if any concerns arise.
- 22.To monitor and assist with the co-option process of new Councillors.

Professional Standards

- 23.To make recommendations to the Full Council to encourage and facilitate the development of all councillors' individual knowledge, experience and capability across the full spectrum of Parish Council responsibilities.
- 24.To consider matters of compliance with the Code of Conduct.
- 25.Subject to the restrictions made necessary under data protection and confidentiality controls, the GOC is able to ask for any required information.

Policies & Procedures

- 26.The GOC should monitor the Parish Council's Standing Orders & Financial Regulations.
- 27.The GOC should monitor the Parish Council's committee structure and make recommendations to the Full Council for appropriate changes.
- 28.The GOC should monitor the reviewing of the other policies of the Parish Council, making recommendations for their adoption, and monitoring their compliance.

Scheme of Delegation

- 29.The Full Council delegates the above roles to the GOC on the basis that the resultant work is being undertaken for the Parish Council as a whole.
- 30.The GOC is to advise the Full Council on the necessary steps required to ensure the continuing probity and legality of its actions.

Definition

To **monitor**: to periodically sample various pieces of work to help build a picture of the efficiency, productivity and compliance of the Council.



ANGMERING PARISH COUNCIL DOCUMENT RETNETION SCHEME 2020

**ANGMERING PARISH COUNCIL
Authored by: Tracy Lees
Date Updated: July 2020
Version: 1**

Contents

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Introduction

Angmering Parish Council recognises the need to retain documentation for audit purposes, staff management, tax liabilities and the eventuality of legal disputes and proceedings.

In agreeing a document retention scheme, Angmering Parish Council has addressed these needs, and taken into account its obligations under the following acts:

- the Local Government Act 1972
- the Audit Commission Act 1998
- the Public Records Act 1958
- the Data Protection Act 1998
- the Employers' Liability (Compulsory Insurance) Regulations 1998
- the Limitation Act 1980, the Employment Rights Act 1996
- the Local Authorities Cemeteries Order 1977
- the Local Government (Records) Act 1962
- the Freedom of Information Act 2000
- the Lord Chancellor's Code of Practice on the Management of Records Code 2002
- the Civil Rights Act 1964

Retention of documents for legal purposes

Most legal proceedings are governed by the Limitation Act 1980. The 1980 Act provides that legal claims may not be commenced after a specified period. The specified period

varies, depending on the type of claim in question. The table below sets out the limitation periods for the different categories of claim.

CATEGORY	LIMITATION PERIOD
Negligence (and other torts)	6 years
Defamation	1 year
Contract	6 years
Leases	12 years
Sums recoverable by statute	6 years
Personal Injury	3 years
To recover land	12 years
Rent	6 years
Breach of trust	None

Some types of legal proceedings may fall into two or more categories. In these circumstances, the documentation should be kept for the longest of the differing limitation periods.

As there is no limitation period in respect of trusts, the council will never destroy trust deeds and schemes and other similar documentation.

Some limitation periods can be extended. Examples include:

- where individuals first become aware of damage caused at a later date (e.g. in the case of personal injury);
- where damage is latent (e.g. to a building);
- where a person suffers from a mental incapacity;
- where there has been a mistake or where one party has defrauded another or concealed relevant facts.

In such circumstances, the council will weigh up (i) the costs of storing relevant documents and (ii) the risks of:

- claims being made;
- the value of the claims; and
- the inability to defend any claims made should relevant documents be destroyed.

Document retention schedule

Angmering Parish Council has agreed a minimum document retention schedule, based on the obligations under the previously named acts, codes, orders and regulations.

DOCUMENT	MINIMUM RETENTION PERIOD	REASON
Minute books	Indefinite	Archive
Scale of fees and charges	6 years	Management
Receipt and payments account(s)	Indefinite	Archive
Receipt books of all kinds, including ledgers	6 years	VAT
Bank statements, including savings/deposit accounts	Last completed audit year	Audit
Bank paying-in books	Last completed audit year	Audit
Cheque book stubs	Last completed audit year	Audit
Quotations and tenders	6 years after completion of contract	Limitation Act 1980
Paid invoices	6 years	VAT
Paid cheques	6 years	Limitation Act 1980
VAT records, P60s and P45s	6 years	VAT, Tax
Petty cash, postage and telephone books	6 years	Tax, VAT, Limitation Act 1980
Timesheets	Last completed audit year	Audit
Wages books	12 years	Superannuation
Insurance policies	While valid	Management
Certificates for insurance against liability for employees	40 years from date on which the insurance commenced or was renewed	Employers' Liability (Compulsory Insurance) Regulations 1998, Management
Investments	Indefinite	Audit, Management
Title deeds, leases, agreements, contracts	Indefinite	Audit, Management
Members allowances register	6 years	Tax, Limitation Act 1980
Correspondence and emails	1 year	Limitation Act 1980

DOCUMENT	MINIMUM RETENTION PERIOD	REASON
Annual accounts and asset registers	Indefinite	Archive
Pension contribution records	6 years	Pensions Act 2014
Personnel records, including SSP and maternity records	6 years	Limitations Act 1980
Asbestos and hazardous materials records	Indefinite	Asbestos Regulations
Job applications	1 year	The Civil Rights Act of 1964
Previous versions of policies, standing orders, schemes of delegation	3 years	Data Protection Act 1998
For halls, centre, recreation grounds <ul style="list-style-type: none"> • Application for hire • Lettings diaries • Copies of bills to hirers • Record of tickets issued 	6 years	VAT
For allotments <ul style="list-style-type: none"> • Register and plans 	Indefinite	Audit, Management

The need to retain any documents not included in the above schedule should be considered on an individual basis.

As a guide, and in the absence of any prevailing act, code, order or regulation to the contrary, documents may be destroyed if they are no longer of use or relevant.

If in any doubt, advice should be sought from the Clerk.



ANGMERING PARISH COUNCIL BUSINESS CONTINUITY POLICY 2020

**ANGMERING PARISH COUNCIL
Authored by: Katie Herr/Tracy Lees
Date Updated: February 2020
Version: 1**

Contents

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Introduction

Angmering Parish Council has recognised the importance of producing and maintaining a Business Continuity Plan for implementation in the event of disruptions to the day to day running of the Council. This plan identifies the instances of disruption, the immediate responses, the procedures to follow to maintain continuity of service and the follow-up procedures and necessary changes to service delivery, where such services are disrupted by factors within Angmering Parish Council's area of responsibility.

This Plan includes the response to some key risks which have been identified.

The document should be reviewed twice yearly and at every change in personnel, and at this time all previous versions (including electronic copies) should be destroyed or replaced.

Every staff member will hold a telephone number contact list listing numbers of all other staff members for emergency use and individual members are responsible for keeping this up to date.

Training: Selected aspects of the Plan are to be discussed regularly.

General Responsibilities

The Clerk is responsible for:

- Reviewing the plan at agreed intervals
- Updating the plan as changes occur (e.g. in personnel)
- Distributing the plan to all staff at each update
- Holding a hard-copy and a copy on SharePoint.
- Ensuring that the parishioners, if relevant, receive up to date information regarding the situation by the designated means (see below)
- Liaising with the Arun District Council bodies / services

Councillors:

Responsible for:

- Holding a hard-copy of the plan at work/home and via SharePoint
- Contributing to the plan content
- Initiating response / recovery action as detailed below
- Liaising with the press / media if appropriate

Staff:

Responsible for:

- Contributing to the plan content
- Advising the Clerk of changes to personal circumstances to allow the plan to be updated.
- Dealing with parishioner enquiries.

This plan will be distributed to the Councillors and staff at each update, and contributions or comments will be invited from everyone.

The Clerk and the Councillors as a collective body will be responsible for implementing the plan in the event of a recovery situation.

Core Business of Angmering Parish Council

The Council provides local services to its electorate which includes the provision of:

- Website, notice boards, newsletter information and the use of other social media to communicate important and relevant matters
- Parks and Open Spaces including 7 play areas
- Skate Bowl and BMX Track
- Benches
- Waste bins in the play areas
- Angmering Community Centre
- Christmas trees and lights in the High Street
- War Memorial
- Issuing of grants
- Acting as a statutory consultee on planning applications
- Managing the finances of the Council and using the precept for the benefit of the community
- Liaising with the District and County Councils and other partner organisations on issues that affect the parish

Potential causes of disruption

Damage caused by:

- a) Storm, flood and snow
- b) Fire
- c) Terrorism

Failures to:

- a) Equipment
- b) Public services

Losses of:

- a) Staff through death, illness or injury or resignation, whilst on or off Council duty
- b) Cllrs by any reason which leaves the Council inquorate

EVENT	MINIMISE	IMMEDIATE ACTION	CONTINUITY	LONGER TERM
LOSS OF CLERK Loss of Clerk due to death, sudden/ long term illness, incapacity or resignation	<p>Ensure staffing team are aware of their responsibilities.</p> <p>Ensure rolling program is up to date and all key Chairpersons and Vice-Chairpersons to be informed. Chairperson to Inform Council. Call SALC for a temporary replacement. Seek and employ permanent Clerk. Review procedures to ensure minimal impact from loss.</p> <p>Access to log ins and passwords are available via the IT consultant.</p>	<p>Chairman and Vice-Chairman to be informed. Chairman to Inform Council.</p> <p>Call extraordinary meeting to confirm appointment of temporary cover, recruitment is started as appropriate for event.</p>	<p>Recruit temporary replacement. Seek and employ permanent Clerk.</p>	<p>Review procedures to ensure minimal impact from loss.</p>
DEATH OR INJURY Death or serious injury to member of staff whilst carrying out Council duties Prolonged absence or resignation or dismissal of staff.	<p>Having others trained or acquainted with the duties of all members of staff.</p> <p>Written procedures are in place for tasks such as Planning Committee, play area risk assessments, website, agenda and minutes, newsletter, Basic finances.</p>	<p>Clerk to be informed who will report to the Council.</p> <p>Clerk to inform the insurance company.</p> <p>Clerk to inform HSE if necessary.</p>	<p>Seek temporary help.</p> <p>Start recruitment procedures to seek replacement.</p>	<p>Review procedures to ensure improvements.</p>

EVENT	MINIMISE	IMMEDIATE ACTION	CONTINUITY	LONGER TERM
COUNCILLORS Loss of Cllrs due to multiple resignations (causing Council to be inquorate).	Co-option of Cllrs who may be in reserve.	Clerk to inform remaining Cllrs and employees of the Council. Clerk to inform the Returning Officer at Arun District Council.	Arun District Council to decide on temporary working strategy for Council business to be maintained followed by the instigation of a by election or co-option procedure	Council to review procedures for recruitment of Cllrs.
DOCUMENTATION Loss of Council documents due to fire, flood or other causes.	Scan important documents and store on computer. Provide secure storage of paper documents.	Clerk to inform Council and insurance company if necessary.	Council to discuss at next meeting.	Review procedures to ensure improvements and security.
IT & WEBSITE Loss of Council electronic data due to fire, fault or breakdown.	The regular backup is carried out by the IT provider. Full specifications of all IT equipment on the premises including system details and software is held by the IT supplier.	Clerk to inform Council and insurance company if necessary. The IT provider has Angmering Parish Council passwords in a secure place off site and a back-up plan if anything should happen to him.	Instigate use of stored material.	Review procedures to ensure procedures are in place and to research improvements to the system.

EVENT	MINIMISE	IMMEDIATE ACTION	CONTINUITY	LONGER TERM
EQUIPMENT Loss of Council equipment due to theft, fault or breakdown.	Back up data to the server. Clerk has Council laptop at her home.	Report theft to police and insurance company. Decide on immediate replacement.	Replace in accordance with current financial regulations.	Review procedures to ensure improvements.
TELEPHONE SYSTEM Loss of Parish Office phone system.	Maintain phone system and update on a regular basis. Phones supplied by Spike at Wire Wizard on 0844 880 7680.	Contact SCS on 01273 874200 for the fault to be investigated. Account number: SC2083 APC Staff to inform Cllrs and employees of the Council.	Update website with current situation, DO NOT give out personal mobile numbers.	Review procedures to ensure improvements.
PREMISES Damage to Parish office.	Maintain adequate insurance cover. Carry out fire risk assessment. Review Resilience Plan regularly.	Clerk to inform insurance company. Ensure building is locked. Set alarms if electricity still available. Post sign on the front door explaining the situation and give contact details (a pre-prepared sign to be ready).	Use alternative premises for administrative work or admin team to work from home. Update website with current situation, regularly.	Review risk assessment.

EVENT	MINIMISE	IMMEDIATE ACTION	CONTINUITY	LONGER TERM
STAFF Staff unable to get to work due to adverse weather conditions.	<p>The Clerk to access the SharePoint from home.</p> <p>If there is a warning, the council has a spare laptop that another member of staff could take home to allow them to work from home.</p> <p>Staff that live locally can walk to work.</p> <p>All staff have contact details for each other.</p>	<p>Clerk to update the website to advise residents that the parish office may be closed.</p> <p>Staff to contact the Clerk if they are unable to get to work.</p> <p>Clerk to advise the Chairman of the situation.</p>	<p>Clerk to carry out any urgent work.</p>	<p>Review procedures to ensure improvements.</p>
LOSS OF POWER Loss of electricity within the building.	<p>Regular inspection and testing of all electrical equipment to minimize risk.</p>	<p>Check the main fuse box (located in IT cupboard within the middle office). If not call Electricity Plus Supply Ltd. to report the issue on 0800 783 8866.</p> <p>Call 105 for emergency help and advice.</p> <p>Inform PM Security on 07887 771961 to re-set the alarm when power restored.</p>	<p>All electrical items to be switched off at the socket to prevent damage when the power is restored.</p>	<p>Review procedures to ensure improvements.</p>

EVENT	MINIMISE	IMMEDIATE ACTION	CONTINUITY	LONGER TERM
LOSS OF GAS Loss of gas within the building.	Regular inspection and testing to minimize risk.	Call Gas Plus Supply Limited to report an issue on 0800 111 999.		Review procedures to ensure improvements.
LOSS OF WATER Loss of water supply	If a flood has occurred (e.g. burst pipe) close off effected area.	<p>Clerk to inform insurance company.</p> <p>The stop valve for the water supply can be found under the sink in the kitchen area.</p>	<p>While the water supply is off, water should be conserved. Toilet flushing should be reduced (disinfectant used rather than flushed where possible). Anti-bacterial soap (which cleans hands without the need for water) should be placed beside all washbasins.</p> <p>Bottled water should be available for drinking</p>	Review procedures to ensure improvements.

Important documents to be scanned

Important documents to be scanned and stored in a secure location on the server include, but not limited to:

- Staff contact details
- Staff next of kin details
- External contacts – including the accountants and auditors’ details
- Land registry documents
- Leases/tenancy agreements
- Bank account details

Contact Lists

Staff

NAME	MOBILE
Katie Herr (Clerk)	07535 026 068
Tracy Lees (Office Manager)	07976 614 021
Roy Squires (Groundman)	07824 553 438
Sam Fraser (Administrator)	07830 755 109
Tara Gambling (Administrator)	07791 203 220

Councilors

NAME	MOBILE
Nikki Hamilton-Street	07889 267 757
Alison Reigate	07946 346 037
John Oldfield	07850 731 894
Lee Hamilton-Street	07912 022 856
Rhys Evans	07989 740 097
Mike Jones	07512 086 707

Paul Bicknell	07719 208 048
Sharlan Woodason	07955 783 870
Norma Harris	01903 786 741
David Marsh	07482 804 848
Sylvia Verrinder	07873 818 811

JNR Computers Business Continuity Plan for Angmering Parish Council

Business continuity regarding access to documents, email and other data for day-to-day running of the office and administration is provided through our cloud-based strategy. All documents, email and other data are stored in the cloud, where possible and can be accessed anywhere via the Internet and secured with personal user accounts.

In the event of a severe incident preventing physical access to office computers or such related equipment or Internet failure, access to email, documents and data is provided through Microsoft Exchange, OneDrive and SharePoint and can be securely accessed online.

Financial data is held onsite however, backups are taken at the end of each session and stored in the Office 365 cloud. These can be restored onto a remote computer and accessed through secure logins.

Our phone lines can be temporarily transferred to either a personal mobile or land line so communication can continue.

Microsoft cloud data is dual located in the UK with data centres in the Kent, and Somerset. Microsoft has its own Business Continuity planning and the capability of transferring the data outside of the UK should the need arise.

ANNUAL INVESTMENT STRATEGY 2018/2019

1. This strategy has regard to the DCLG Guidance on Local Government Investments and CIPFA's Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes.
2. This Annual Investment Strategy states which investments the Council may use for prudent management of its treasury balances during the financial year.
3. The current MHCLG Guidance expands the definition of an **investment** to include both financial and non-financial assets, but the parish council does not have any that are considered as non-financial. This report will, as a result, consider just financial investment.

Investment Objectives

4. All investments will be in Sterling.
5. The policy objective is the prudent investment of its treasury balances to achieve the maximum yield possible.
6. The investment priorities for the year are firstly the security of the reserves and secondly the liquidity of the investments.
7. In addition, the security of investments is considered when the deposits are placed, because the aim is to restrict the balance in bank deposits to a maximum of £85,000. This is done to ensure that as much of the investments are covered by the **Financial Services Compensation Scheme (FSCS)** up to the maximum of £85,000 per bank/financial institution.
8. Only when the security and liquidity are determined will reference be made to the Yield achieved from an investment.
9. The borrowing of money by the Parish Council purely to invest is not legal and this Council will not undertake such activities.

Investment Balances and Liquidity

10. The current cash flow forecasts for 2018/2019 indicate that the balances available for investment during the year will range from £430,000 to £500,000.
11. The Council has considered the current level of balances and estimated levels through the year and the required liquidity and its spending provisions. The Council believes that there is continued scope for some investments to be greater than one year, but are to restrict this to the CCLA Property Development Fund.
12. Surplus funds will be managed through the Lloyds Business Instant Access and Treasury accounts, which provide a secure, if very low, rate of interest.
13. Use will be made of interest earning accounts in British Banks with access limited by a known notice period, typically 90 or 100 days. The funds will be available immediately, the consequence of early withdrawal being a loss of interest.
14. Investment will also be made in the CCLA Public Sector Deposit Fund, again an instant access facility with a low rate of interest.
15. Further Investment will be made in the CCLA Local Authorities' Property Fund, provided it retains the current AAA_{mmf} Fitch rating. This provides access when liquidity is required, but with an expectation of the investment being retained for at least two years.
16. The detail of the various amounts within which the investments are currently made are as follows:-

AGENDA ITEM 11

Account/Investment Fund	Amount in Investment £	Interest Rate %	Estimated Interest/Dividend £
CCLA Local Authorities' Property Fund (Continuation)	200,000	4.50 Plus capital growth	9,000
Hampshire Trust Bank	70,000	1.00	700
United Trust Bank	80,000	1.25	1,000
CCLA Public Sector Deposit Fund	25,000	0.25	60
Lloyds Bank Deposit Account	Balancing Amount estimated to be in range 93,000 to 238,000	0.05	75
Lloyds Bank Current Account Target	20,000	0.00	0
Suggested Course of Action - £80,000 from Lloyds Deposit Account			
?? Bank	80,000	1.00	800

17. It is apparent that, without further investment considerations, there will be a total within the two Lloyds Bank accounts that will exceed the £85,000 covered by the FSCS, so it would be prudent to consider a further investment of around £80,000, possibly in an account similar to those offered by the two Trust Banks.

Risk Assessment

18. The Council needs to adopt a prudent approach to investments.
19. The DCLG guidance indicates that the Council needs a SLY policy, firstly concentrating on Security, secondly on Liquidity and thirdly on Yield, in that order. This Parish Council will adopt that approach.
20. There are four investment organisations included in the strategy, with two commercial banks, one a High Street bank and the other a well-respected property investment fund. Lloyds Bank has a Moodies A rating and, whilst this continues to be the case no further action needs to be taken. Investment of this nature will be allowed with any such bank with a similar rating.
21. CCLA has an AAA_{mmf} Fitch rating, which will be monitored over time. If the rating falls below this level then the continuation of investments in the product will be reviewed and reported back to the Council.
22. The two commercial banks are respected, although they are not rated by any of the credit agencies. They do both subscribe to the FSCS scheme, which means that all investments of less than £85,000 will be covered.
23. The unpredictability and uncertainties in investments made in the money market, stocks and shares are too high for investment by the Parish Council and these will not feature, as a result.
24. For these reasons, the Clerk/RFO suggests that the security of the investments is protected in the event of a future banking meltdown.
25. Future investments will be limited to commercial banks with each one limited to less than £85,000.

AGENDA ITEM 11

26. The security, liquidity and yield of investments made will be monitored by the council and reports prepared by the Clerk/RFO periodically. If change is needed, then a revised strategy will be adopted during the financial year.

Reporting

27. The Clerk/RFO will report to the Council the performance of the investments at the year-end, as a minimum.

Rob Martin

27 March 2018

Angmering Parish Council Reserves - 2017/2018 Cash Flow

Month	Opening Balance	Monthly Income	Staffing Expenditure	Other General Expenditure	Extraordinary Items	Running Total	Month	CCLA Property	Lloyds Fixed Term Deposit	Extra 100 Day a/c	2nd 90 Day a/c	CCLA Deposit Instant Access	Lloyds Deposit	Lloyds Current	Imprest	Running Total
	£	£	£	£	£	£		£	£	£	£	£	£	£	£	£
Mar-17	394,256.55	160,591.85	(13,703.56)	(5,361.43)	-	394,256.55	Mar-17	200,000.00	150,000.00	-	-	25,000.00	60.74	19,081.17	114.64	394,256.55
Apr-17	535,783.41	8,172.31	(15,240.18)	(12,137.89)	-	535,783.41	Apr-17	200,000.00	150,000.00	-	-	25,000.00	110,652.59	50,033.58	97.24	535,783.41
May-17	516,577.65	3,282.77	(13,714.95)	(7,124.28)	-	516,577.65	May-17	200,000.00	-	-	-	25,000.00	262,536.64	28,912.51	128.50	516,577.65
Jun-17	499,021.19	35,482.03	(13,737.72)	(74,475.96)	-	499,021.19	Jun-17	200,000.00	-	-	-	25,000.00	212,552.41	61,448.75	20.03	499,021.19
Jul-17	446,289.54	859.20	(13,766.74)	(30,097.95)	-	446,289.54	Jul-17	200,000.00	-	-	70,000.00	25,000.00	136,335.77	14,831.93	121.84	446,289.54
Aug-17	403,284.05	159,304.55	(13,720.64)	(2,858.94)	-	403,284.05	Aug-17	200,000.00	-	80,000.00	70,000.00	25,000.00	14,839.82	13,389.04	55.19	403,284.05
Sep-17	546,009.02	13,209.55	(13,709.25)	(6,493.84)	-	546,009.02	Sep-17	200,000.00	-	80,000.00	70,000.00	25,000.00	163,244.37	7,744.50	20.15	546,009.02
Oct-17	539,015.48	2,522.04	(14,039.46)	(14,452.03)	-	539,015.48	Oct-17	200,000.00	-	80,000.00	70,000.00	25,000.00	115,805.93	48,145.65	63.90	539,015.48
Nov-17	513,046.03	10.98	(13,744.66)	(6,862.51)	-	513,046.03	Nov-17	200,000.00	-	80,000.00	70,000.00	25,000.00	115,814.84	22,091.66	139.53	513,046.03
Dec-17	492,449.84	5,906.79	(13,773.99)	(6,604.75)	-	492,449.84	Dec-17	200,000.00	-	80,000.00	70,000.00	25,000.00	65,825.82	51,536.04	87.98	492,449.84
Jan-18	477,977.89	11.63	(16,725.62)	(8,550.18)	-	477,977.89	Jan-18	200,000.00	-	80,000.00	70,000.00	25,000.00	68,123.77	34,803.70	50.42	477,977.89
Feb-18	452,713.72	-	(14,000.00)	(9,000.00)	-	452,713.72	Feb-18	200,000.00	-	80,000.00	70,000.00	25,000.00	68,135.40	9,484.24	94.08	452,713.72
Mar-18						429,713.72	Mar-18	200,000.00	-	80,000.00	70,000.00	25,000.00	19,163.72	35,500.00	50.00	429,713.72

Legal Fees & Lighting
Legal Fees

Angmering Parish Council Reserves - 2018/2019 Cash Flow

Month	Opening Balance	Monthly Income	Staffing Expenditure	Other General Expenditure	Extraordinary Items	Running Total	Month	CCLA Property	Lloyds Fixed Term Deposit	Extra 100 Day a/c	2nd 90 Day a/c	CCLA Deposit Instant Access	Lloyds Deposit	Lloyds Current	Imprest	Running Total
	£	£	£	£	£	£		£	£	£	£	£	£	£	£	£
Mar-17	429,713.72	167,750.00	(14,000.00)	(9,000.00)	-	429,713.72	Mar-17	200,000.00	-	80,000.00	70,000.00	25,000.00	19,163.72	35,500.00	50.00	429,713.72
Apr-17	574,463.72	3,000.00	(14,000.00)	(9,000.00)	-	574,463.72	Apr-17	200,000.00	-	80,000.00	70,000.00	25,000.00	179,313.72	20,000.00	150.00	574,463.72
May-17	554,463.72	-	(14,000.00)	(9,000.00)	-	554,463.72	May-17	200,000.00	-	80,000.00	70,000.00	25,000.00	159,313.72	20,000.00	150.00	554,463.72
Jun-17	531,463.72	-	(14,000.00)	(9,000.00)	-	531,463.72	Jun-17	200,000.00	-	80,000.00	70,000.00	25,000.00	136,313.72	20,000.00	150.00	531,463.72
Jul-17	508,463.72	3,000.00	(14,000.00)	(9,000.00)	-	508,463.72	Jul-17	200,000.00	-	80,000.00	70,000.00	25,000.00	113,313.72	20,000.00	150.00	508,463.72
Aug-17	488,463.72	167,750.00	(14,000.00)	(9,000.00)	-	488,463.72	Aug-17	200,000.00	-	80,000.00	70,000.00	25,000.00	93,313.72	20,000.00	150.00	488,463.72
Sep-17	633,213.72	-	(14,000.00)	(9,000.00)	-	633,213.72	Sep-17	200,000.00	-	80,000.00	70,000.00	25,000.00	238,063.72	20,000.00	150.00	633,213.72
Oct-17	610,213.72	3,000.00	(14,000.00)	(9,000.00)	-	610,213.72	Oct-17	200,000.00	-	80,000.00	70,000.00	25,000.00	215,063.72	20,000.00	150.00	610,213.72
Nov-17	590,213.72	-	(14,000.00)	(9,000.00)	-	590,213.72	Nov-17	200,000.00	-	80,000.00	70,000.00	25,000.00	195,063.72	20,000.00	150.00	590,213.72
Dec-17	567,213.72	-	(14,000.00)	(9,000.00)	-	567,213.72	Dec-17	200,000.00	-	80,000.00	70,000.00	25,000.00	172,063.72	20,000.00	150.00	567,213.72
Jan-18	544,213.72	3,000.00	(14,000.00)	(9,000.00)	-	544,213.72	Jan-18	200,000.00	-	80,000.00	70,000.00	25,000.00	149,063.72	20,000.00	150.00	544,213.72
Feb-18	524,213.72	-	(14,000.00)	(9,000.00)	-	524,213.72	Feb-18	200,000.00	-	80,000.00	70,000.00	25,000.00	129,063.72	20,000.00	150.00	524,213.72
Mar-18	501,213.72	-	(14,000.00)	(9,000.00)	-	501,213.72	Mar-18	200,000.00	-	80,000.00	70,000.00	25,000.00	106,063.72	20,000.00	150.00	501,213.72

STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS

(3rd Edition)

Issued under section 15(1)(a) of the *Local Government Act 2003* and effective for financial years commencing on or after 1 April 2018

POWER UNDER WHICH THE GUIDANCE IS ISSUED

1. The following Guidance is issued by the Secretary of State under section 15(1)(a) of the *Local Government Act 2003*. Under that section local authorities are required to “have regard” to “such guidance as the Secretary of State may issue”.

DEFINITION OF TERMS

2. In this guidance the **2003 Act** means the *Local Government Act 2003*.
3. **Local authority** has the meaning given in section 23 of the *2003 Act*. To the extent that this guidance applies to parish councils and charter trustees (see paragraph 11) a reference to a local authority includes those councils and trustees.
4. The definition of an **investment** covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.
5. For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party. The term does not include *pension funds* or *trust fund investments*, which are subject to separate regulatory regimes and therefore are not covered by this guidance.
6. A **credit rating agency** is one of the following three companies:
 - Standard and Poor's;
 - Moody's Investors Service Ltd; and
 - Fitch Ratings Ltd.
7. For the purposes of this guidance a **loan** is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

8. The **Treasury Management Code** means the statutory code of practice issued by CIPFA: *"Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, 2017 Edition"*.
9. The **Prudential Code** means the statutory code of practice, issued by CIPFA: *"The Prudential Code for Capital Finance in Local Authorities, 2017 Edition"*.
10. The **Capital Strategy** is the strategy required by the updates to the Prudential Code and Treasury Management Code.

APPLICATION

Effective date

11. This guidance applies for financial years commencing on or after 1 April 2018. It supersedes all previous editions of the Statutory Guidance on Local Authority Investments.
12. Strategies presented to Council or equivalent before 1 April 2018 but relating to 2018-19 and future financial years do not need to include all of the additional disclosures required by this edition of the guidance should it not prove practical or cost effective to do so. If a local authority chooses not to include the new disclosures in its 2018-19 Strategy, it must include the disclosures in full in the first Strategy presented to full Council or equivalent after 1 April 2018.

Local authorities

13. This guidance applies to all local authorities in England.
14. This guidance applies to parish councils and charter trustees, providing their total investments exceed or are expected to exceed £100,000 at any time during the financial year. Where a parish council or charter trustee expects its total investments to be between £10,000 and £100,000, it is encouraged to adopt the principles in this guidance.

KEY PRINCIPLES

Transparency and democratic accountability

15. For each financial year, a local authority should prepare at least one Investment Strategy ("the Strategy"). The Strategy should contain the disclosures and reporting requirements specified in this guidance.
16. The Strategy should be approved by the full council. For authorities without a full Council, the Strategy should be approved at the closest equivalent level. The

Secretary of State recommends that the Strategy should be presented for approval prior to the start of the financial year.

17. Where a local authority proposes to make a material change to its Strategy during the year a revised Strategy should be presented to full council or equivalent for approval before the change is implemented.
18. The Strategy should be publicly available on a local authority's website. Where a parish council or charter trustee does not maintain its own website, they should post a public notice detailing how local residents can obtain a copy of the Strategy, free of charge.
19. Where a local authority prepares a Capital Strategy in line with the requirements of the Prudential Code, a Treasury Management Strategy in line with the requirements of the Treasury Management Code, or any other publicly available document, the disclosures required to be included in the Strategy can be published in those documents instead of in the Strategy.

Contribution

20. Investments made by local authorities can be classified into one of two main categories:
 - Investments held for treasury management purposes; and
 - Other investments.
21. Where local authorities hold treasury management investments, they should apply the principles set out in the Treasury Management Code. They should disclose that the contribution that these investments make to the objectives of the local authority is to support effective treasury management activities. The only other element of this Guidance that applies to treasury management investments is the requirement to prioritise Security, Liquidity and Yield in that order of importance.
22. Local authorities should disclose the contribution that all other investments make towards the service delivery objectives and/or place making role of that local authority. It is for each local authority to define the types of contribution that investments can make and a single investment can make more than one type of contribution.

Use of indicators

23. The Strategy should include quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. This should include how investments are funded and the rate of return

received. Where investment decisions are funded by borrowing the indicators used should reflect the additional debt servicing costs taken on.

24. Local authorities should consider the most appropriate indicators to use, given their risk appetite and capital and investment strategies. Whilst this guidance does not prescribe specific indicators or thresholds, the indicators used should be consistent from year to year and should be presented in a way that allows elected members and the general public to understand a local authorities' total risk exposure from treasury management and other types of investment.
25. Where a local authority has entered into a long term investment or has taken out long term debt to finance an investment the indicators used should allow Councillors and the general public to assess the risks and opportunities of the investment over both its payback period and over the repayment period of any debt taken out.

Security, Liquidity and Yield

26. A prudent investment policy will have two underlying objectives:
- **Security** – protecting the capital sum invested from loss; and
 - **Liquidity** – ensuring the funds invested are available for expenditure when needed.
27. The generation of **yield** is distinct from these prudential objectives. However, this does not mean that local authorities are recommended to ignore potential revenues. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with these priorities.
28. When entering into treasury management investments, local authorities should consider security, liquidity and yield in that order of importance.
29. When entering into other types of investments local authorities should consider the balance between security, liquidity and yield based on their risk appetite and the contribution(s) of that investment activity.

Security

Financial Investments

30. Financial investments can fall into one of three categories:
- **Specified investments;**
 - **Loans;** and
 - Other **Non-specified investments.**

Specified Investments

31. An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option.
- The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended]*.
- The investment is made with a body or in an investment scheme described as high quality (see paragraph 33 or with one of the following bodies:
 - i. The United Kingdom Government;
 - ii. A local authority in England or Wales (as defined in section 23 of *the 2003 Act*) or a similar body in Scotland or Northern Ireland; or
 - iii. A parish council or community council.

32. For the purposes of paragraph 32 the Strategy should define high credit quality. Where this definition incorporates ratings provided by credit rating agencies paragraph 42 is relevant.

Loans

33. A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.

34. Local authorities can make such loans whilst continuing to have regard to this guidance if they can demonstrate in their Strategy that:

- Total financial exposure to these type of loans is proportionate;
- They have used an allowed “expected credit loss” model for loans and receivables as set out in International Financial Reporting Standard (IFRS) 9 *Financial Instruments* as adopted by proper practices to measure the credit risk of their loan portfolio;
- They have appropriate credit control arrangements to recover overdue repayments in place; and
- The local authority has formally agreed the total level of loans by type that it is willing to make and their total loan book is within their self-assessed limit.

Non-specified investments

35. A non-specified investment is any financial investment that is not a loan and does not meet the criteria to be treated as a specified investment.
36. For non-specified investments (i.e. those not meeting the criteria in paragraph 31), the Strategy should:
- Set out procedures for determining which categories of investments may be prudently used (and where these procedures involve the use of credit ratings, paragraph 32 is relevant).
 - Identify which categories of investments have been defined as suitable for use.
 - State the upper limits for the maximum amounts both individually and cumulatively that may be held in each identified category and for the overall amount held in non-specified investments and confirm that investments made have remained within those limits.

Non-financial investments

37. As defined in paragraph 4 of this guidance non-financial investments are non-financial assets that the organisation holds primarily or partially to generate a profit. Where a local authority holds a non-financial investment, it will normally have a physical asset that can be realised to recoup the capital invested. Local authorities should consider whether the asset retains sufficient value to provide security of investment using the fair value model in *International Accounting Standard 40: Investment Property* as adapted by proper practices.
38. Where the fair value of non-financial investments is sufficient to provide security against loss, the Strategy should include a statement that a fair value assessment has been made within the past twelve months, and that the underlying assets provide security for capital investment.
39. Where the fair value of non-financial investments is no longer sufficient to provide security against loss, the Strategy should provide detail of the mitigating actions that the local authority is taking or proposes to take to protect the capital invested.
40. Where a local authority recognises a loss in the fair value of a non-financial investment as part of the year end accounts preparation and audit process, an updated Strategy should be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

Risk Assessment

41. The Strategy should state the local authority's approach to assessing risk of loss before entering into and whilst holding an investment, making clear in particular:

- How it has assessed the market that it is/will be competing in, the nature and level of competition, how it thinks that the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements.
- Whether and, if so how, a local authority uses external advisors be they treasury management advisors, property investment advisors or any other relevant persons.
- How the local authority monitors and maintains the quality of advice provided by external advisors.
- To what extent, if at all, any risk assessment is based on credit ratings issued by credit ratings agencies.
- Where credit ratings are used, how frequently they are monitored and the procedures for taking action if credit ratings change.
- What other sources of information are used to assess and monitor risk.

Liquidity

42. For financial investments that are not treasury management investments or loans the Strategy should set out the procedures for determining the maximum periods for which funds may prudently be committed and state what those maximum periods are and how the local authority will stay within its stated investment limits.
43. For non-financial investments the Strategy should set out the procedures for ensuring that the funds can be accessed when they are needed, for example to repay capital borrowed. It should also state the local authority's view of the liquidity of the investments that it holds, recognising that assets can take a considerable period to sell in certain market conditions. Where local authorities hold non-financial investment portfolios they can choose to assess liquidity by class of asset or at a portfolio level if appropriate.

Proportionality

44. Where a local authority is or plans to become dependent on profit generating investment activity to achieve a balanced revenue budget, the Strategy should detail the extent to which funding expenditure to meet the service delivery objectives and/or place making role of that local authority is dependent on achieving the expected net profit. In addition, the Strategy should detail the local authority's contingency plans should it fail to achieve the expected net profit.
45. The assessment of dependence on profit generating investments and borrowing capacity allocated to funding these should be disclosed as a minimum over the life-cycle of the Medium Term Financial Plan. However, an assessment of longer term risks and opportunities is recommended.

Borrowing in advance of need

46. Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.
47. Where a local authority chooses to disregard the Prudential Code and this Guidance and borrows or has borrowed purely to profit from the investment of the extra sums borrowed the Strategy should explain:
- Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and
 - The local authority's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.

Capacity, skills and culture

48. The Strategy should disclose the steps taken to ensure that those elected members and statutory officers involved in the investments decision making process have appropriate capacity, skills and information to enable them to take informed decisions as to whether to enter into a specific investment, to assess individual assessments in the context of the strategic objectives and risk profile of the local authority and to enable them to understand how the quantum of these decisions have changed the overall risk exposure of the local authority.
49. The Strategy should disclose the steps taken to ensure that those negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.
50. Where appropriate the Strategy should comment on the corporate governance arrangements that have been put in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the local authority's corporate values.

ANNEX A – INFORMAL COMMENTARY ON THE STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS

Power under which this Guidance is issued [paragraph 1]

1. The **Local Government Act 2003**, section 15(1), requires a local authority "...to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify...".
2. The guidance on investments in the main part of this document is issued under section 15(1) of the 2003 Act and authorities are therefore required to have regard to it. This part (**Annex A**) contains an informal commentary ("the commentary") on the Statutory Guidance.
3. Two codes of practice issued by the *Chartered Institute of Public Finance and Accountancy* (CIPFA) contain investment guidance which complements the MHCLG guidance. These publications are:
 - *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*
 - *The Prudential Code for Capital Finance in Local Authorities*
4. Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] as amended*.

Objectives in updating the Guidance

5. The 2nd edition of this Guidance, which was issued in 2010, reflected concerns raised by the CLG and Treasury Select committees as part of their enquiries into the financial crash of 2007-8. The key areas of focus were:
 - The practice of investing for yield, especially in Icelandic Banks;
 - The need for transparent investment strategies; and
 - The use of Treasury Management advisors.
6. The changes made to the 3rd edition of this Guidance reflect changes in patterns of local authority behaviour. Some local authorities are investing in non-financial assets, with the primary aim of generating profit. Others are entering into very long term investments or providing loans to local enterprises or third sector entities as part of regeneration or economic growth projects that are in line with their wider role for regeneration and place making.

7. In addition, the National Audit Office and the Public Accounts Committee have raised a number of concerns about local authority behaviour that this guidance aims to address. These are:

- Local authorities are exposing themselves to too much financial risk through borrowing and investment decisions;
- There is not enough transparency to understand the exposure that local authorities have as a result of borrowing and investment decisions; and
- Members do not always have sufficient expertise to understand the complex transactions that they have ultimate responsibility for approving.

Effective Date [paragraphs 11-12]

8. This Guidance applies from 1 April 2018. It supersedes all previous editions of the Guidance.

9. The Guidance requires local authorities to produce a number of additional disclosures. Many local authorities already produce these as part of internal reporting and risk management procedures. However, if these disclosures are not currently produced, then local authorities do not need to prepare them in full for Strategies presented to full Council or equivalent before 1 April 2018. Those local authorities who do not include the required disclosures in their 2018-19 strategies, should present them for approval the first time the relevant Strategy is updated or superseded.

Local Authorities [paragraphs 12-13]

10. This Guidance applies to all local authorities, who hold or during the next financial year intend to hold financial or non-financial investments, solely or in part to generate revenue income.

11. It applies to parish councils whose investments exceed the thresholds set out in paragraph 14. The decision to lower the financial threshold for parish councils has been taken in recognition that some parishes have begun to engage in commercial ventures. As parish councils tend to be fairly small and to obtain a greater percentage of their funding directly from council tax payers than other types of local authority, it is right that they demonstrate that they have carefully considered the expertise that they need to manage the risks arising from their strategy.

Transparency and democratic accountability [paragraphs 15-19]

12. The Government believes that local authorities need to be better at explaining “why” not just “what” they are doing with their investment activity. That means that the sector needs to demonstrate more transparency and openness and to

make it easier for informed observers to understand how good governance and democratic accountability have been exercised.

13. The additional disclosures required by the Guidance should be included in a single document presented to full Council or the equivalent. Although the Guidance refers to an Investment Strategy, providing that all of the disclosures are easy for interested parties to find and are in or linked from a single document, a separate Strategy does not need to be prepared. The Strategy should be updated at least annually.
14. Subject to the provisions in paragraph 35 and 36 of the commentary, local authorities can exclude specific non-financial investments from the required disclosures on grounds of commercial confidentiality. The Government expects that non-disclosure on grounds of commercial confidentiality will be an exceptional circumstance. A local authority should only determine that it would breach commercial confidentiality to include an investment in the disclosures on receipt of appropriate professional advice, using the same criteria as would be used to exclude the public from a Council meeting. Local authorities should reassess whether the commercial confidentiality test is met every time a new Strategy is presented to full Council or the equivalent.
15. Under Regulation 17 of the *The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012* as amended overview and scrutiny committee members have right of access to any confidential information relating to any decision by any committee or any member of the executive of their council. Nothing in this Guidance has the power to override this regulation.
16. Assets that generate revenue income solely through fees and charges for discretionary services levied under Section 93 of the *Local Government Act 2003* should not be classified as non-financial investments for this purpose.
17. If disclosures are already produced in another document that is publicly available then a local authority can provide a link to the disclosures from the Strategy rather than reproducing them. The exception is disclosures contained in the Statutory Accounts, which do not meet the requirements of this Strategy. This is because local authority statutory accounts can be complex and difficult for users who are not familiar with local government accounting to understand and statutory accounts are prepared to a higher level of materiality than local authorities should use for internal risk management.

Contribution [paragraphs 20-22]

18. Local authorities may have several different objectives, when deciding to acquire an asset. If an asset is not solely held for yield, then a local authority may have a different risk appetite or be willing to accept a lower return than it otherwise would.

19. Each local authority should determine how it categorises different types of contribution, and each investment can have more than one type of contribution.

A non-exhaustive list of types of contribution include:

- Yield/profit
- Regeneration
- Economic benefit/business rates growth
- Responding to local market failure
- Treasury management

20. Where a local authority classifies an investment as contributing to regeneration or local economic benefit, it should be able to demonstrate that the investment forms part of a project in its Local Plan.

Use of indicators [paragraphs 23-25]

21. Local authorities should present a range of indicators to allow members and other interested parties to understand the total exposure from borrowing and investment decisions. The indicators should cover both the local authority's current position and the expected position assuming all planned investments for the following year are completed. The indicators do not need to take account of Treasury Management investments unless these are expected to be held for more than 12 months.

22. The Guidance requires local authorities to develop quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. We recommend that, the indicators in the table below are used. Where local authorities have a different risk appetite or different expectation of returns depending on the contribution(s) each type of investment makes, they should consider presenting the indicators, classified by type of contribution or risk appetite.

Debt to net service expenditure (NSE) ratio	<i>Gross debt as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>
Commercial income to NSE ratio	<i>Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.</i>
Investment cover ratio	<i>The total net income from property investments, compared to the interest expense.</i>
Loan to value ratio	<i>The amount of debt compared to the total asset value.</i>
Target income returns	<i>Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.</i>
Benchmarking of returns	<i>As a measure against other investments and against other council's property portfolios.</i>
Gross and net income	<i>The income received from the investment portfolio at a gross level and net level (less costs) over time.</i>
Operating costs	<i>The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.</i>
Vacancy levels and Tenant exposures for non-financial investments	<i>Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is productive as possible.</i>

23. Where appropriate, local authorities should consider including targets or limits set by members alongside the outturn. Where there has been a significant change in year on year performance against any of the indicators presented local authorities should include an explanation in the Strategy.

24. Local authorities can choose to present additional indicators in the Strategy should they believe that it would enhance understandability and transparency to do so.

Security, liquidity and yield [paragraphs 26-29]

25. For treasury management and other financial investments local authorities should continue to prioritise **SECURITY, LIQUIDITY** and **YIELD** in that order of importance.

26. Whilst consideration of **security** and **liquidity** is important for loans and non-financial investments, the relative balance between objectives may be different depending on the nature and objectives in making a specific investment.

Security and liquidity

Loans [paragraphs 33 – 34, 40]

27. Loans to joint ventures, local SMEs or third sector bodies, and wholly owned companies fall within the scope of the Guidance. When considering security and liquidity of loans local authorities should set limits for their total exposure and apply the expected loss model in line with the requirements of *IFRS 9 Financial Instruments*.

Non-financial investments [paragraphs 37-40, 43]

28. Where a local authority has a non-financial investment, it will have an asset that can be realised to recoup the sums invested. Therefore, the Guidance requires local authorities to consider security by reference to the value of the asset relative to purchase price and to set out the plans to recoup the investment if realising the asset would not recoup the sums invested. In the period immediately after purchase, it is normal for the directly attributable costs of purchasing a non-financial investment to be greater than the realisable value of the asset. In this scenario, all the Strategy needs to disclose is how long the local authority expects it to take for the increase in asset values to provide security for the sums invested and the assumptions underpinning that expectation.

29. Non-financial investments are by their nature illiquid. However, this does not mean that the local authority does not need to plan for realising a part of its non-financial investment portfolio, for example to repay debt. The liquidity of the non-financial investment portfolio should be considered over the repayment period of any debt taken out to acquire assets, which could be very long term. Given current trends such as the scale and pace of technology driven change, there is no guarantee that non-financial investments will continue to deliver value over their lifetime. To manage this risk, local authorities need to have plans to realise the capital tied up in non-financial investments if required. In addition, the Strategy should consider the trade-offs between accepting capital loss and refinancing debt incurring additional debt servicing costs by doing so, if appropriate.

Proportionality [paragraphs 44-45]

30. Local authorities need to consider the long term sustainability risk implicit in becoming too dependent on commercial income or in taking out too much debt relative to net service expenditure.

31. In addition, whilst under statute, local authority debt is secured on the revenues of that authority, in practice, there is no realistic prospect of the revenues of any local authority being sufficient to pay back debt equating to many multiples of the sum of NNDR and Council Tax Income, without a pervasive and long term impact on service delivery. It is unclear whether local authorities who have adopted a debt financed commercial investment strategy have realistic plans to manage failure. Whilst the Government recognises the importance of local authorities taking on debt to enhance service provision, irrespective of the source of finance, it does not believe that it should do the same for commercial investments.
32. For this reason, the Guidance introduces a new requirement that in every local authority, full council or its nearest equivalent, sets limits that cannot be exceeded for gross debt compared to net service expenditure, and for commercial income as a percentage of net service expenditure.
33. If a local authority has exceeded these limits through investments taken out prior to the introduction of this Guidance, it does not need to dispose of investments currently held. However, authorities who have exceeded their self-assessed limits should not enter into any further investments, irrespective of how these are financed, other than short term investments required for efficient treasury management.

Borrowing in advance of need [paragraphs 46-47]

34. The Prudential Code, issued by CIPFA has always contained a statement that local authorities should not borrow more than, or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The purpose of repeating that statement in this Guidance is to make it clear that it extends to borrowing taken on to finance the acquisition of non-financial as well as financial investments.
35. Local authorities can still finance the acquisition of financial on non financial investments from capital receipts generated from the sale of surplus assets. However, they should not repurpose receipts allocated to the acquisition of assets that contribute to service delivery to fund the purchase of investments, solely to avoid the requirements against borrowing in advance of need.
36. If exceptionally a local authority, chooses not to have regard to the provision on borrowing to fund investment activity the Guidance requires them to explain, in their Strategy, the rationale for this decision.
37. The purpose of this disclosure is to allow external auditors, tax payers and other interested parties to understand why the local authority has chosen to disregard

the Guidance, and to hold the authority to account should they believe there is not sufficient reason for doing so.

Capacity, Skills and Culture [paragraphs 48-50]

38. In the Public Accounts Committee report of 18 November 2016¹, members raised concerns that, locally elected members may not always have the background and expertise to understand the risks associated with the decisions that they are being asked to make. For this reason the Guidance extends the requirements on capacity and skills to members and any statutory officers involved in or responsible for signing off on investment decisions.
39. Members do not necessarily need formal training in understanding investment risks to satisfy the requirements of the Guidance. Depending on their level of expertise a presentation setting out the risks and opportunities of an investment strategy/specific investment in terms a layman would understand, may be sufficient to meet the new requirements.
40. The Government is aware that many local authorities have brought in outside expertise to identify and negotiate investment opportunities. Whilst this can be an effective method of risk management, it is important that those negotiating deals understand that they are not operating in a purely commercial environment and that the prime purpose of a local authority is to deliver statutory services to local residents. Therefore, the Strategy should comment on how they have been made aware of this.

¹ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2015/financial-sustainability-local-authorities-16-17/>

AER : 1.35%

Gross : 1.35%

Account Available From: 25/01/2018

Notice/Term: 95 Day

Account Type: Business Variable

Interest Type: Variable Rate

Rate	AER
1.35% paid at £10K	1.35% paid at £10K

RATES

Interest Paid: : Anniversary

Minimum Opening Amount: £10,000

Maximum Investment: £1,000,000

Introductory Bonus: -

ACCESS

Withdrawals Allowed: ✓

Early Access Allowed: ✗

Access Note: No earlier access.

Further Additions Allowed: ✓

MANAGE YOUR ACCOUNT

Post: ✓

Branch: ✗

Internet: ✓

Telephone: ✓

APPLICATION CRITERIA

Minimum turnover: n/a

Maximum turnover: n/a

Available to:

- Limited Company
- Limited Liability Partnership
- Not for profit organization
- Partnership
- Public Limited Company
- Sole Trader
- Charities
- Clubs

INFORMATION

Min Age: 0 years

Max Age: N/A

Taxation:

HOW SAFE IS YOUR MONEY



AER :	1.20%
Gross :	1.20%
Account Available From:	01/10/2017
Notice/Term:	90 Day
Account Type:	Business Variable
Interest Type:	Variable Rate

Rate	AER
1.20% paid at £1K	1.20% paid at £1K

RATES

Interest Paid: :	Yearly
Minimum Opening Amount:	£1,000
Maximum Investment:	£1,000,000
Introductory Bonus:	-

ACCESS

Withdrawals Allowed:	✓
Early Access Allowed:	✗
Access Note:	N/A
Further Additions Allowed:	✓

MANAGE YOUR ACCOUNT

Post:	✓
Branch:	✗
Internet:	✗
Telephone:	✗

APPLICATION CRITERIA

Minimum turnover:	n/a
Maximum turnover:	n/a

Available to:

- Limited Company
- Limited Liability Partnership
- Partnership
- Charities
- Clubs

INFORMATION

Min Age:	0 years
Max Age:	N/A
Taxation:	

HOW SAFE IS YOUR MONEY

The first £85,000 per person, per UK banking licence, is protected by the Financial Services Compensation Scheme (FSCS). If you have also borrowed from the failed bank or building society, the compensation will not be reduced to repay your debt. Separate arrangements will be made for this. Some banks and building societies share

AER : 1.10%

Gross : 1.10%

Account Available From: 01/10/2017

Notice/Term: 100 Day

Account Type: Business Variable

Interest Type: Variable Rate

Rate	AER
1.10% paid at £1K	1.10% paid at £1K

RATES

Interest Paid: :	Yearly
Minimum Opening Amount:	£1,000
Maximum Investment:	£500,000
Introductory Bonus:	-

ACCESS

Withdrawals Allowed:	✓
Early Access Allowed:	✗
Access Note:	N/A
Further Additions Allowed:	✓

MANAGE YOUR ACCOUNT

Post:	✓
Branch:	✓
Internet:	✗
Telephone:	✗

APPLICATION CRITERIA

Minimum turnover:	n/a
Maximum turnover:	n/a

Available to:

- Limited Company
- Limited Liability Partnership
- Partnership
- Sole Trader
- Clubs

INFORMATION

Min Age: 0 years

Max Age: N/A

Taxation:

HOW SAFE IS YOUR MONEY

The first £85,000 per person, per UK banking licence, is protected by the Financial Services Compensation Scheme (FSCS). If you have also borrowed from the failed bank or building society, the compensation will not be reduced to repay your debt. Separate arrangements will be made for this. Some banks and building societies share

AER :	1.05%
Gross :	1.05%
Account Available From:	25/08/2016
Notice/Term:	100 Day
Account Type:	Business Variable
Interest Type:	Variable Rate

Rate	AER
0.15% paid at £1K	0.15% paid at £1K
0.20% paid at £5K	0.20% paid at £5K
1.05% paid at £10K	1.05% paid at £10K
1.15% paid at £50K	1.15% paid at £50K
1.25% paid at £100K	1.25% paid at £100K

RATES

Interest Paid: :	Yearly
Minimum Opening Amount:	£1,000
Maximum Investment:	£1,000,000
Introductory Bonus:	-

ACCESS

Withdrawals Allowed:	✓
Early Access Allowed:	✗
Access Note:	No earlier access.
Further Additions Allowed:	✓

MANAGE YOUR ACCOUNT

Post:	✓
Branch:	✓
Internet:	✗
Telephone:	✗

APPLICATION CRITERIA

Minimum turnover:	n/a
Maximum turnover:	n/a
Available to:	<ul style="list-style-type: none"> Limited Company Limited Liability Partnership Not for profit organization Partnership Public Limited Company Sole Trader

INFORMATION

Min Age:	0 years
Max Age:	N/A
Taxation:	

HOW SAFE IS YOUR MONEY

AER :	1.00%
Gross :	1.00%
Account Available From:	05/10/2017
Notice/Term:	90 Day
Account Type:	Business Variable
Interest Type:	Variable Rate

Rate	AER
1.00% paid at £1K	1.00% paid at £1K

RATES

Interest Paid: :	Yearly
Minimum Opening Amount:	£1,000
Maximum Investment:	£500,000
Introductory Bonus:	-

ACCESS

Withdrawals Allowed:	✓
Early Access Allowed:	✗
Access Note:	N/A
Further Additions Allowed:	✓

MANAGE YOUR ACCOUNT

Post:	✓
Branch:	✗
Internet:	✗
Telephone:	✗

APPLICATION CRITERIA

Minimum turnover:	n/a
Maximum turnover:	n/a

Available to:

- Limited Company
- Limited Liability Partnership
- Public Limited Company
- Clubs

INFORMATION

Min Age:	0 years
Max Age:	N/A
Taxation:	

HOW SAFE IS YOUR MONEY

The first £85,000 per person, per UK banking licence, is protected by the Financial Services Compensation Scheme (FSCS). If you have also borrowed from the failed bank or building society, the compensation will not be reduced to repay your debt. Separate arrangements will be made for this. Some banks and building societies share the same banking licence. Where this is the case, your deposit protection is across all the companies sharing the licence, not each individual company. Deposits of small

Nominal Ledger Details

Nominal A/c 1080 Investment Income					Annual Budget	8,000.00
Centre 100 Income					Committed Exp	0.00
Month	Date	Reference	Source	Transaction	Debit	Credit
Opening Balance					0.00	0.00
1	30/04/2020	BGC	Cashbook	Inv Income April 2020		12.57
1	30/04/2020	BGC	Cashbook	Inv Income April 2020		2,148.55
2	04/05/2020	BGC	Cashbook	Inv Income May 2020		8.04
3	02/06/2020	BGC	Cashbook	Inv Income June 2020		7.18
Account Totals					0.00	2,176.34
Net Balance Month 5						2,176.34