

## **WEST SWINDON PARISH COUNCIL**

### **FINANCE & STAFFING COMMITTEE**

#### **1. Investments Report**

##### **1. Background**

1.1 West Swindon Parish Council had reserves at £832,701 at the end of the last financial year. Of these there are earmarked reserves for future projects totalling £79,000.

**General Reserves 2020-21 are** £753,701.00

1.2 The Parish Council has two savings accounts. The balances are as follows:

- Nationwide Building Society - £153,721.35
- Virgin Money (former Yorkshire & Clydesdale) - £150,844.51

1.3 The remainder of the Reserves £449,135.14 is deposited in the Barclays Current Account.

##### **2. Council Resources and Operational Costs**

2.1 Whilst it is possible that the Parish Council may have unforeseen expenditure which it might seek to take from its reserves, the general operating costs are reasonably covered by the annual Precept income.

2.2 The Parish Council has factored in future operating costs such as replacement machinery and vehicles within its annual budget.

#### **3. Investment Options**

##### **CCLA Long-term Investment Fund**

3.1 Following dialogue with other Parish Clerks in Swindon, the most preferred investment route is with CCLA. CCLA is one of the UK's largest charity fund managers according to the latest Charity Finance Survey. This company manages investments for charities, religious organisations and the public sector.

3.2 The Local Authorities Property Fund is only available to eligible local authority investors, sustainability checks will apply. A factsheet is attached.

3.3 A financial adviser would be recommended – an advisor must be involved in the application process of any long-term investment decision - £795 one-off fee for the application with a suitability report issued to check eligibility on application.

3.4 A continuous minimum period of 5 years is advisable to achieve best potential yield. Earlier withdrawal is possible to involve high-cost consequences and a period of 90

days' notice is required.

#### **4. Potential Financial considerations**

- 4.1 The level of yield may not be reliable or sufficient to warrant the investment. The Parish Council could consider investing more into the Nationwide Building Society Savings Account.
- 4.2 The Income Generation have considered other forms of income generation such as direct property investment.
- 4.3 Establishing a permanent base for the long term future of the Parish Council depot may be a prime determinant for how the Parish Council invests its reserves.

#### **5. Recommendation:**

- 5.1 To note the report and the information pack to consider the future investments of the Council.
- 5.2 To consider a recommendation to the Income Generation Working Party in order to progress an investment recommendation by the next Finance & Policy Committee.
- 5.3 To consider the appointment of a recommended Financial Adviser to assist the Working Party.