

## **BLYTH TOWN COUNCIL**

**Finance Committee Meeting Thursday 13 March 2014**

**Agenda Item 4.5 Arrangements for Precept 2014-15**

### **RECOMMENDATION:**

It is recommended that the Finance Committee consider the following information regarding the: -

1. 2014-15 Precept
2. The anticipated surplus for 2013-14
3. Investment Accounts
4. Forecast Expenditure

This is with a view to advising the full Council of the best way in which to ensure effective use of all available Blyth Town Council monies including:

-

5. Recommendation regarding Payment of Partnership Agreement contribution
6. Recommendation regarding Investment of reserves and cash surplus

### **REPORT:**

1. The Council has agreed a Precept totalling £993,745.00.
  - This figure reflects the agreed utilisation of £87,000.00 of reserved funds.
  - Northumberland County Council transfer funds to Blyth Town Council in two instalments – early April and October annually.
  - These payments will equate to £496,872.50 each.
2. It is anticipated that there will be a surplus at the end of 2013-14 financial year of approximately £140,000.00. An underspend is forecast against the budget in a number of key areas such as: -
  - Allotments £14,702.76
  - Assets £71,680.55
  - Events £11,366.91
  - Members Expenses £12,900.09

**Subject to ratification**

(See Revised Management Accounts for Finance Committee)

3. Investment Accounts are as follows: -

- Fixed Rate Deposit Account (1) = £100,377.08
- Fixed Rate Deposit Account (2) = £ 25,000.00
- Fixed Rate Deposit Account (3) = £ 25,000.00
- 95 Day Deposit Account = £151,424.98  
£301,802.06

4. Forecast expenditure for 2014-15 has been set at £1,080,745.00.

- A detailed cash flow forecast will be worked up once the Councillors have discussed and agreed their preferred method/frequency of payments and investments.
- A major part of this increase relates to the Partnership Agreement being set up between Blyth Town Council and Northumberland County Council for the delivery of a programme of services in Blyth. This partnership agreement will cost £224,500 for the year plus expenditure by the Assets Committee for additional work on planting, etc.
- This contribution can be paid in a number of ways and my preference would be to make two payments each of £112,250.00 on receipt of the Precept payments from NCC.
- Alternatively Version 6 of the draft partnership agreement states that Blyth Town Council will make monthly payment of £18,708.33.

5. Payment in two instalments would ensure that the current account was better managed and, at the current rate of interest, there would be little or no financial benefit from investing this money.

6. Investment of the remaining Precept is recommended. This could take the form of: -

- Investing in the two types of accounts we are currently investing in at the Co-operative Bank
- Short/medium term investments in other organisations/institutions with Average Equivalent Rate (AER) of between 1.25 and 3%.
- Investing in Local Government
- Investing in the Stock Market
- Investing in community organisations such as the Credit Union

**Subject to ratification**

Blyth Town Council should adopt a formal Investment Policy as a matter of some urgency and if investments in Local Government, Stock Market or Community led organisations are desired professional advice should sought to ensure the efficacy and legality of such activities.

**SUE NODDINGS**  
**TOWN CLERK (CORPORATE SERVICES)**  
10 March 2014