

POLICY & RESOURCES CABINET BOARD

24TH JULY 2014

FINANCE & CORPORATE SERVICES

REPORT OF THE HEAD OF FINANCIAL SERVICES – DAVID REES

INDEX OF REPORT ITEMS

PART 1 - Doc.Code: PRB-240714-REP-FS-DR

SECTION A – MATTERS FOR DECISION		
1. Council Tax and Business Rates – Representation at Magistrates Court Proceedings	2-4	All
2. Bank Tender Evaluation	5-7	All
SECTION B – MATTERS FOR INFORMATION		
3. Treasury Management Monitoring	8-11	All

SECTION A - MATTERS FOR DECISION

ITEM 1

COUNCIL TAX AND BUSINESS RATES – REPRESENTATION AT MAGISTRATES COURT PROCEEDINGS

1. Purpose of Report

1.1 To update the list of staff who are authorised to represent the Authority at Magistrates Courts proceedings.

2. Background

2.1 Following changes in the staffing of the Council Tax Section there is a need to update the list of staff who are authorised to represent the Council at Magistrates Courts proceedings for the recovery of Council Tax.

3. Proposal

3.1 In pursuant to Section 223 of the Local Government Act 1972, Lesley Lewis be authorised to represent the Authority in proceedings before a Magistrates Court for the purpose of the recovery of Council Tax and Lynda Griffiths be removed from the list of authorised personnel.

4. Current list

- Mrs A Hinder
- Mrs P Hill
- Mrs R Stanbury
- Mrs S MacFarlane
- Mr A MacFarlane
- Mrs A Greenway
- Miss V Edwards
- Mrs L Griffiths
- Mrs P Roberts
- Mrs I Smith

5. Recommendation

5.1 It is recommended that Lesley Lewis be authorised to represent the Authority in proceedings before a Magistrates Court for the purpose of the recovery of Council Tax, and that Lynda Griffiths be removed from the list of authorised people.

5.2 Recommended revised list of people to represent the Authority in proceedings before a Magistrates Court for the purpose of the recovery of Council Tax and Business Rates-

Ms A Hinder
Mrs P Hill
Mrs R Stanbury
Mrs S MacFarlane
Mr A MacFarlane
Mrs A Greenway
Miss V Edwards
Mrs L Lewis
Mrs P Roberts
Mrs I Smith

Reason for Proposed Decision

To confirm officers authorised to represent the Authority at Magistrates Courts proceedings.

List of Background Papers

None.

Wards Affected

All.

Officer Contact

Mr Dave Rees - Head of Financial Services
Tel No: 01639 763634
E-mail: d.rees1@npt.gov.uk

Mrs Ann Hinder - Principal Council Tax Officer
Tel No: 01639 763908
E-mail: a.hinder@npt.gov.uk

COMPLIANCE STATEMENT

COUNCIL TAX AND BUSINESS RATES – REPRESENTATION AT MAGISTRATES COURT PROCEEDINGS

Implementation of Decision

The decision is proposed for implementation after the 3 day call-in period.

Sustainability Appraisal

Community Plan Impacts:

Economic Prosperity	No impact
Education and Lifelong Learning	No impact
Better Health and Well Being	No impact
Environment and Transport	No impact
Crime and Disorder	No impact

Other Impacts:

Welsh Language	No impact
Sustainable Development	No impact
Equalities	No impact
Social Inclusion	No impact

Consultation

There has been no requirement under the Constitution for external consultation on this item.

ITEM 2

BANK TENDER EVALUATION

1. Purpose of Report

- 1.1. The purpose of this report is to seek Member approval to award a contract for the provision of the Council's banking services.

2. Bank Contract

- 2.1 The Council has recently undertaken a competitive tender process in line with European Commission regulations for the provision of its banking services
- 2.2 Tenders were received from both Barclays and Santander; Santander being the Council's existing provider of banking services.
- 2.3 The tenders were evaluated on both costs and quality of service, with the final scoring mechanism taking both elements into account
- 2.4 In terms of the final evaluation, over the five year period of the contract, Santander's costs were lower than Barclays and they also scored marginally higher than Barclays in respect to the quality of service delivery. As a result the overall score combining both cost and quality was in favour of Santander.

3. Recommendation

- 3.1 It is recommended that Members approve the award of the contract for the provision of banking services to Santander for an initial period of five years commencing on the 1st November 2014.

Reason for Proposed Decision

To agree arrangements for the ongoing provision of banking services.

List of Background Papers

Bank Contract renewal 2013 file.

Wards Affected

All

Officer Contact

For further information on this report item, please contact:

Mr David Rees - Head of Financial Services

Tel No: 01639 763634

E-mail : d.rees1@npt.gov.uk

Mrs Alison Davies – Group Accountant, Finance and Corporate Services

Tel No: 01639 763210

E-mail: a.l.davies@npt.gov.uk

Mrs Diane Mulligan – Group Accountant, Finance and Corporate Services

Tel No: 01639 763603

E-mail: d.mulligan@npt.gov.uk

COMPLIANCE STATEMENT

BANK TENDER EVALUATION

(a) **Implementation of Decision**

The decision is proposed for implementation immediately after consultation with the relevant Scrutiny Committee

(b) **Sustainability Appraisal**

Community Plan Impacts:

Economic Prosperity	No impact
Education and Lifelong Learning	No impact
Better Health and Well Being	No impact
Environment and Transport	No impact
Crime and Disorder	No impact

Other Impacts:

Welsh Language	No impact
Sustainable Development	No impact
Equalities	No impact
Social Inclusion	No impact

(c) **Consultation**

There has been no requirement under the Constitution for external consultation on this item.

MATTERS FOR INFORMATION

ITEM 3

TREASURY MANAGEMENT MONITORING 2014/15

1. Purpose of Report

1.1 This report sets out treasury management action and information since the previous report.

2. Rates of Interest

2.1 Bank base rates continue to be at an all time low of 0.5% (since 5th March 2009) and detailed below are the changes in the bank base rate since April 2008.

Effective Date	Bank Rate
10 April 2008	5.00%
08 October 2008	4.50%
06 November 2008	3.50%
04 December 2008	2.00%
08 January 2009	1.50%
05 February 2009	1.00%
05 March 2009 to date	0.50%

2.2 The following table provides examples of external borrowing costs as provided by the Public Works Loans Board as at 9th July 2014.

	Equal Instalments of Principal		Annuity		Maturity	
	Previous 05 June 2014	Current 09 July 2014	Previous 05 June 2014	Current 09 July 2014	Previous 05 June 2014	Current 09 July 2014
	%	%	%	%	%	%
5-5.5 years	2.22	2.40	2.23	2.41	2.99	3.08
10-10.5 years	2.99	3.08	3.03	3.12	3.82	3.79
20-20.5 years	3.82	3.79	3.91	3.88	4.34	4.31
35-35.5 years	4.27	4.24	4.36	4.32	4.42	4.38
49.5-50 years	4.41	4.37	4.43	4.39	4.38	4.34

3. General Fund Treasury Management Budget

- 3.1 The following table sets out the treasury management budget for 2014/15 and consists of a gross budget for debt charges i.e. repayment of debt principal and interest, and interest returns on investment income.

2013/14 Actual £'000		2014/15 Original Budget £'000
15,017	Principal and Interest charges	16,890
2,176	Contribution to Treasury Management Equalisation Reserve to fund SSIP and other Capital Programme over the next 3 years.	
17,193	Subtotal Expenditure	16,890
	Investment Income	
(778)	- Total	(654)
189	- less allocated to other funds	200
(589)	Subtotal Income	(454)
16,604	Net General Fund	16,436

NB: Other funds include Trust Funds, Social Services Funds, Schools Reserves, Bonds etc.

4. Borrowing

- 4.1 No borrowing has been carried out since the last report.

5. Investment Income

- 5.1 Members should note that the majority of investments are classified as 'specified' i.e. up to 12 months and are currently with the major banks including Barclays, Lloyds Group, Bank Santander, Clydesdale, RBS and Nationwide BS.
- 5.2 The Council policy will allow investments up to a maximum of £25m for periods of more than 1 year and up to 5 years, and this will be considered when decisions on investing surplus funds are made.

- 5.3 No additional long term investments have been carried out since the last report. The Council currently has £10m invested for periods in excess of 12 months:

Counterparty	Value £'000	Period	Maturity	Rate %
Eastbourne Borough Council	4,000	4.5 Years	June 18	2.2
Peterborough City Council	6,000	5 Years	Dec 18	2.1

Icelandic Bank Update

- 5.4 Members should note the following position in relation to the recovery of monies from investments in Icelandic related banks.
- 5.5 There have been no further dividends received since the last report. The tables below show the amounts outstanding.

Table 1 – Original Investments

Bank	Original Investment	Amount of Principal Repaid	Current Outstanding Investment
	£'000	£'000	£'000
Heritable	9,000	8,597	403
KSF	3,000	2,516	484
	14,000	13,113	887

Table 2 – Investments Held in Escrow Accounts – Icelandic Kroner

Bank	Investment (Sterling Equivalent) £'000	Amount Repaid £'000	Outstanding Investment £'000
New Glitnir	387	0	387

- 5.6 Some of the investments matured by the old Glitnir have resulted in cash being held in the form of Icelandic Kroner. In line with Icelandic law, the Kroner is not tradable and can only be spent within Iceland. The Local Government Association is pursuing ways of transferring these investments to realise repayments into Sterling. These new investments with the new bank are held in an Escrow Account in the name of the local authority and generating interest in excess of 4%.

Appendix

None

List of Background Papers

Treasury Management Files

PWLB Notice Number 262/14

Wards Affected

All

Officer Contact

For further information on this report item, please contact:

Mr Dave Rees – Head of Financial Services

Tel. No: 01639 763646

E-mail: d.rees1@npt.gov.uk

Mr Huw Jones – Chief Accountant, Capital, Treasury, FIS and Projects

Tel. No: 01639 763575

E-mail: h.jones@npt.gov.uk

Mr Chris Rees – Senior Accountant

Tel. No: 01639 763590

E-mail: c.rees@npt.gov.uk