

Minutes of the **EXTRAORDINARY MEETING**
of the Swanage Town Council held at the Town Hall,
Swanage on **MONDAY, 29th NOVEMBER 2010** at
3.30 p.m.

PRESENT:-

Councillor W.S. Trite (Town Mayor) – Chairman

Councillor C.R. Bright
Councillor L. Gloyn-Cox
Councillor M. Hadley
Councillor Mrs. A. Patrick
Councillor M.W. Pratt
Councillor A. Wiggins

Also in attendance: Mr. John Kelly (Local Authorities' Property Fund)
(from 4.00 p.m.)

There was one member of the public in attendance at the Meeting, but he did not wish to speak on any matters.

107. **APOLOGIES**

Apologies for their inability to attend the Meeting were received from Councillors Audley, Mrs.Marsh, Poultney, Suttle and Whitwam.

108. **TREASURY MANAGEMENT STRATEGY 2010/11**

Further to Minute No. 3 of the Finance and Performance Management Committee meeting held on 6th September 2010, and subsequent consultation with the Council's treasury management advisers, consideration was given to the revised Treasury Management Strategy for 2010/11.

During the ensuing discussion, it was agreed that on page 7, under the heading "Specified and Non Specified Investments" item 2 be deleted from the document, and that item 2 on page 10 also be deleted.

It was proposed by Councillor Gloyn-Cox, seconded by Councillor Pratt, and RESOLVED UNANIMOUSLY:-

That the Treasury Management Strategy 2010/11
be approved and adopted, subject to the above
amendments.

Attention was drawn to two long term loans that the Council has with PWLB. One is due to mature on 8th July 2011 (Ref: 477899), the other has a maturity date of 8th January 2029 (Ref: 174568). It was noted that the principal outstanding on this loan at 1st April 2010 was £619.62, but should the Council decide to "pay off" the loan, a premature repayment rate would apply.

Following further discussion, it was acknowledged that should an early redemption be made, the Council would have the benefit of being debt free in July 2011.

It was proposed by Councillor Bright, seconded by Councillor Wiggins, and RESOLVED, with ONE ABSTENTION:-

That early redemption of the PWLB loan
(Ref: 174568) due to mature on 8th January
2029 be approved.

109. **INVESTMENT PROPOSALS**

Further to Minute No. 89 of the Extraordinary Meeting of the Council held on 25th October 2010, it was reported that, in accordance with advice received, the sum of £3 million had been invested with Lloyds TSB for one year at an interest rate of 2.5 per cent, and a further £4 million had been invested in two money market funds.

Bearing in mind that interest rates of 0.6 per cent and 0.8 per cent were being paid on the money market funds, urgent consideration was given to the Council's longer-term investments in order to minimise the loss of interest.

The Council's treasury management advisers had drawn attention to a Barclays' 1 year account paying 2.2 per cent, and having regard to the Council's need to diversify its investments, consideration was given to this option.

Members had also previously expressed an interest in investing in property, and following the presentation of various options by the Council's treasury management advisers on 1st November, further consideration was given to the possible investment in the Local Authorities' Property Fund (LAPF). The current yield was anticipated to be between 5 per cent and 7 per cent per annum. However, because of expenses incurred in the purchase and management of property, costs would be incurred in making such an investment and would not, therefore, be suitable as a short term investment.

At this point, the Town Mayor welcomed Mr. John Kelly from CCLA for Local Authorities, (Fund Managers of LAPF) to the Meeting. He invited him to make a presentation on the Property Fund in order to assist the Council in its decision making process.

Following the presentation, and a detailed question and answer session, the Town Mayor thanked Mr. Kelly for the beneficial information provided. Mr. Kelly withdrew from the Meeting at 4.55 p.m.

110. **ITEMS OF INFORMATION AND MATTERS FOR FORTHCOMING AGENDAS**

(a) Clarification was sought regarding the notification of Members' apologies for their inability to attend Meetings. It was noted that these should be reported to the Town Hall prior to the meeting by either telephone, e-mail or text message.

(b) The date for the meeting to set the precept for 2011/12 would be determined after the Finance & Performance Management Committee meeting on 13th December 2010.

111. **EXCLUSION OF PRESS AND PUBLIC**

Proposed by the Town Mayor, seconded by Councillor Mrs. Patrick, and
RESOLVED UNANIMOUSLY:-

That, under Standing Orders Nos. 67 and 68, by reason of the confidential nature of the business to be transacted, it is advisable in the public interest that the press and public be excluded from the Meeting during consideration of the following matters.

112. **INVESTMENT PROPOSALS**

Further to Minute No. 109 above, and the presentation given by Mr. John Kelly of CCLA, detailed consideration was given to the Council's future investment proposals.

Details of CCLA for Local Authorities had been circulated to all Members prior to the meeting, together with calculations of the potential investment return from various investment portfolios.

Following further discussion, during which the importance of security and liquidity ahead of yield was again acknowledged, it was proposed by the Town Mayor, seconded by Councillor Bright, and RESOLVED UNANIMOUSLY:-

That the sum of £2 million be invested in the CCLA
Local Authorities Property Fund.

It was then proposed by Councillor Pratt, seconded by Councillor Bright, and RESOLVED UNANIMOUSLY:-

That the sum of £1.5 million be invested with
Barclays for a one year term.

It was FURTHER RESOLVED:-

That delegated authority be given to the Mayor
and Deputy Mayor to act in matters relating to
the above investment proposals, if necessary.

The meeting concluded at 5.40 p.m.
