

**Okehampton Town Council
Policy and Resources Committee 6th January 2025
Meeting Report**

Date:	28 th December 2024
Name:	Emma James

6.2 St James' Chapel – To consider a proposal from Cllr Fisher that Trustees of St James' Chapel, also known as the Mayor's Chapel, automatically receive an annual grant or donation

OTC currently does not automatically give grants to any groups or organisations. The exception to this being to Okehampton United Charity for the specific funding of the provision, management and maintenance of Allotments for the use of Okehampton Town and Hamlets residents.

The reason for this exception is that Town and Parish Councils have a duty to provide allotments if there is a demand for them ([Small Holding & Allotment Act 1908 s.23](#)). Therefore, if allotments were not provided by others OTC would be obliged to provide, manage and maintain them.

OTC does not have any statutory duty to maintain the Clock or St James' Chapel.

Should the Committee resolve to automatically provide an annual grant or donation to St James' Chapel the amount and how it will be funded should also be resolved.

8.3 Investments – To review financial investments including interest rates

Details	Account No	Interest Rate	Balance @ 30/11/24	% of OTCs funds
Nationwide 95 Day Business	90006997	4.1% (1/12/24) (-0.15%)	£257,543.72	26.5%
Tamar Investments (Ethex)		5%	£5,000.00	0.4%
NatWest	5638321	1.35% Gross (-0.1%)	£9,648.79	1%
NatWest	05624967	Nil	£1,000.00	0.1%
Lloyds	18063468	Nil	£248,015.31	27%
CCLA Investments	PS3126917-001	4.81% (30/11/24) (-0.23%)	£426,981.88	45%
			£948,189.70	

The investment of funds complies with OTCs Treasury & Investment Policy and Strategy which states *'The maximum of the council's cash deposits which may be held with one institution must not exceed 60%. Any exception to this limit must be approved by Full Council.'*

8.4 Reserves – To review the Council's Reserves and consider the amount the council should aim to hold as General Reserves in 2025/26 for recommendation to Full Council as part of the Policy review

Further information about Reserves is available in the Reserves Policy which is also being reviewed at this meeting of the Committee.

Earmarked Reserves (EMR)

EMRs provide a means of accumulating or specifying funds, for use in a later financial year, to meet known or planned initiatives. The purpose of an EMR is to set aside amounts for projects that extend beyond one year or as a contingency against a specific situation occurring.

The current EMRs are listed within the Management Accounts accompanying this report. They have been reviewed during the budgeting progress for the 2025/26 financial year and are listed in the draft budget.

General Reserves

This represents the unallocated balance of Council funds. The main purposes of the General Reserves are firstly to operate as a working balance to help manage the impact of uneven cash flow and secondly, to provide a contingency to cushion the impact of emerging or unforeseen events, or genuine emergencies; a good example of this being the COVID-19 Pandemic. In general, a robust level of reserve should be maintained and take account of operational and financial issues facing the Town Council.

Review of General Reserves (mid-October)

In mid-October a review of the General Reserves was undertaken following completion of the Charter Hall Roofing work:

There is no way of knowing a precise figure until year end as the general reserve figure in the accounts includes all money apart from that which is ringfenced as specific EMRs – so includes unspent budgeted funding.

The best estimate, in mid-October, was that general reserves will be around the £240K mark at year end (31st March 2025).

Councils should hold a minimum of 3 months net revenue expenditure, with additional guidance that those with significant self-generated income should take into account potential loss of this revenue. Income from Waitrose Carpark, likely to be in excess of £100K in 2024/25, could be classed as significant self-generated income.

The draft precept figure for 2025/26 of £452,313, as of the Full Council meeting held on 16th December 2024, would suggest a minimum of £113,079 should be held by OTC as general reserves plus. £80K for potential loss of Waitrose income, as estimated in the draft budget, could be included. This would suggest a minimum General Reserve for 2025/26 of £193,079.

The Internal Auditor has recommended the council should state within the Reserves Policy a number of months funds as General Reserves the council aims to hold. Based on the above

projected figures, the General Reserve figure could be one of following, all of which include a figure of £80,000 projected income from Waitrose carpark:

3 months	£193,079
4 months	£230,771
5 months	£268,464
6 months	£306,157

Recommendations – The Committee is requested to consider resolving the following recommendations to Full Council as part of the Reserve Policy:

- a) The number of months the General Reserve figure is set for 2025/26 plus £80,000 to offset the potential risk of the loss of income from Waitrose carpark. Consideration should be given to the estimated amount, £240,000, that will be in General Reserves at Year end.
- b) That following year end OTC should further review its General Reserves with a view to reallocating funds to an EMR, for example Simmons Park Riverbank repairs for which work is required to be undertaken in 2025/26 or towards the replacement/repair of the Town Hall and building windows repairs/replacement.

8.5 Unity Bank Instant Access Savings Account – To review the opening of an account with for the Mayor’s Charity following information received and charges that would apply

As resolved a Unity Bank Instant Access Savings Account for the purpose of holding funds raised by the Mayor for their chosen charity was applied for. The application is currently on hold following a query:

If OTC only has an Instant Access Savings account with Unity online banking facility will not be available and withdrawal of funds is only by way of CHAPS for which there is a fee of £28 for each transaction.

If OTC also had Current Account with Unity there would not be any charges Instant Access Savings account, but there would be a monthly charge of £6 - £72 p/a for the current account.

The cost of the Lloyds existing account will be £51p/a.

The Unity Instant Access Saving Accounts was attracting interest of 2.6% on 9th December 2024.

Note – The Mayor’s Charity Account is for the holding of funds raised by the Mayor for their chosen Charity. It is not funding that is raised by or for the Council and as such the funds do not form part of OTCs income or expenditure. For this reason, the funds must be kept in a separate account to Council funds.

Recommendations – The Committee is requested to consider resolving the following:

- a) If to continue to open the Unity Instant Access Savings Account or to cancel the application and continue to use the Lloyds Account, and
- b) If it is resolved to continue to use the Lloyds Account, the Committee should also consider resolving a minimum amount that is left in the account at the end of the Mayoral year to ensure there are enough funds to cover the charges for the following year.