



Established 1894

Angmering Parish Council

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MINUTES OF THE MEETING OF ANGMERING PARISH COUNCIL HELD IN THE KING SUITE OF THE ANGMERING VILLAGE HALL ON MONDAY 12 MARCH 2018

Present: Councillors Rhys Evans; Lee Hamilton-Street; Nikki Hamilton-Street; Mike Hill-Smith; Mike Jones; David Marsh; Norma Harris; Steven Mountain; Paul Bicknell, John Oldfield (Vice-Chairman).

In Attendance: Rob Martin, Parish Clerk; David Hussey, Deputy Clerk; Dudley Wensley, District Councillor; 4 members of the public

Action

17/197

ELECTION OF CHAIRMAN

Due to the recent resignation of Chairman Francis, Councillor Bicknell proposed that Councillor Oldfield fill the vacancy of Chairman until May 2018. This was seconded by Mike Jones, and agreed by unanimous vote.

Councillor Marsh was elected Vice-Chairman, also by unanimous vote; having been proposed by Councillor Harris and seconded by Mike Jones. The Committee recorded a vote of thanks for the hard work of Chairman Susan Francis.

17/198

RESIGNATION OF SUSAN FRANCIS, CURRENT CHAIRMAN

The Committee discussed the Chairman Francis's formal representation of on other groups (such as JEAAC, ADA, VHMC and EWG). The Clerk advised that Chairman Francis was content to remain a Village Hall Trustee and was available to provide written reports as necessary. The Committee agreed that clarity, regarding group representation, would be needed early in the new financial year.

17/199

APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillor Roger Phelon; District Councillor Andy Cooper; and County Councillor Deborah Urquhart.

17/200

DECLARATIONS OF PECUNIARY OR NON-PECUNIARY INTERESTS IN AGENDA ITEMS

No declarations were made.

17/201

APPROVAL OF THE MINUTES OF THE PARISH COUNCIL MEETING HELD ON 12 FEBRUARY 2017

The minutes of the Parish Council Meeting held on 12 February 2017 were **AGREED** as a correct record and signed by the Vice-Chairman.

17/202 THE CLERK'S REPORT ON MATTERS OUTSTANDING FROM PREVIOUS MEETINGS, BUT NOT INCLUDED ON THIS AGENDA

The Clerk mentioned that the signage at either end of the village was organised, by Parish Council staff, at very short notice and very reasonable cost.

The Clerk advised that on 20 March Education Capital representatives from West Sussex County Council would be escorted around the village to try to identify an appropriate site for a school.

17/203 CHAIRMAN'S REPORT

An update would be given at the next meeting.

17/204 CO-OPTION OF COUNCILLOR

The Clerk advised that the Council was two Councillors short of its full complement. One vacancy was due to be advertised imminently. Application forms were available from the Council office or website. So far only two enquiries had been received.

It was generally felt it might be useful to get the input of the younger generation, perhaps via the Arun Youth Council or by briefing local schools and colleges about what the Council does. Councillor Oldfield felt that generally communication from the Council needed to be improved, and seeking external professional advice may be helpful. Councillor Nikki Hamilton-Street explained how youth input fed in to the democratic process.

There was a general discussion on how best to communicate the role of the Council to the public. It was noted that the Council had included many comments in the Arun District Council Development Plan. The Clerk felt that younger residents wanted to see quick outcomes.

Councillor Jones mentioned a meeting on 21 March at which a full turnout was expected.

The Chairman adjourned the meeting for public consultation.

17/205 PUBLIC CONSULTATION

Cow Lane

Mr Cross asked whether money was being made available for the Cow Lane project. The Clerk reassured Mr Cross that the Cow Lane project had not been forgotten about. Substantial funding had been allocated and APC were awaiting answers from West Sussex County Council before progressing. Cow Lane would be put on the agenda for the next meeting, if anything further had been heard.

The Clerk mentioned that all Section 106 Agreements were being chased to ensure the best possible results for Angmering. The Clerk had recently advised the local Medical Centre of an allocation which it had previously been unaware of.

Community Speedwatch

Mr Cross requested an update regarding Community Speedwatch. There was a discussion regarding obtaining equipment, advertising, the training of volunteers and the designation of suitable sites. Councillor Oldfield and the Clerk agreed that this would be looked at again on completion of the traffic management scheme.

Former Chandler's Site

The Clerk gave an update on the proposed development:

Clerk

The wording for an initial information bulletin had been agreed and this would be put on the Parish Council website.

Environmental survey work had been carried out in the previous week, which had identified a significant amount of fuel in the soil. Old fuel tanks were found to have been filled with cement. A planning pre-application from the developer was expected by early May.

There were a number of requirements for the site including a retail unit, public toilets, and a possible business support centre. This was a key site and an excellent chance to provide facilities for Angmering which would significantly enhance the village.

A further announcement would be made once more progress had been made. Councillor Harris suggested this could be made in a future Parish Newsletter.

Land South of Water Lane

A member of the public requested an update on this development. The Clerk advised that the Council had yet to receive a revised plan from the developer. The Clerk would pursue this.

Other issues

A member of the public reported that the Council's burglar alarm had been activated on 11 March. This was subsequently found not to be the case.

The meeting reconvened.

Clerk

17/206

REPORT FROM THE WEST SUSSEX COUNTY COUNCILLOR

The County Councillor was not present.

17/207

REPORTS FROM THE ARUN DISTRICT COUNCILLORS

Councillor Mountain asked if the Council could rely on the support of the District Council regarding the North of Water Lane site. District Councillor Wensley confirmed that the District Council was determined to retain employment land in Angmering. The Clerk said that we needed to retain 8.3 hectares on this site; he felt that the Arun Local Plan needed to be stronger in stating that we cannot have employment land cut any further. Councillor Oldfield felt that the Inspector may be supportive of this need.

District Councillor Wensley gave a summary of a report (reproduced below) from District Councillor Andy Cooper:

Report From District 12 March 2018

At special council meeting on 21 Feb 2018 the council agreed the balanced budget for the coming year where Councillors' voted through the proposed budget for 2018/19.

Council tax has increased by just under 3% this year. That equates to £5.13 per year for a Band D property. This means that the Council provides all its services for just £3.39 a week (Band D property), a rise of just 10p per week to cover services such as parks, car parks, tourism, leisure, recycling and weekly refuse collection.

I am pleased to inform you that no borrowing had been needed to provide the new Arun leisure centre in Littlehampton or the upgrades to the Arun Leisure Centre in Felpham. Both projects have been financed from the Council's own resources. This means that the Arun community will be able to enjoy magnificent leisure facilities without any debt burdening future generations, which is good news. I am also pleased to inform you that over the past year approximately 810 new business have opened or located to the Arun District creating new job opportunities for the area.

Other matters:

Cllr Pat Dillon has been agreed as Vice Chairman for the coming year.

Report on JEAAC 6th March 2018 on matters relating to Angmering:

Police crime figures are 10% up across the district, it was said that residents need to report all crime so that an accurate picture is built on issue within an area.

A local resident asked the question about Bus Shelters on Station Road Angmering, the resident has asked the question before over the past 3 years. Potential funding areas were mentioned, WSCC crowdfunding initiative and also section 106 agreement.

As always I am happy for the council or residents to contact me with any questions relating to District matters through the usual channels and if Councillors or residents need updates or information on Arun District Council the website provides regular updates at www.arun.gov.uk.

17/208

REDUCTION IN WARDS FOR ANGMERING

A discussion took place regarding Downs Way and a possible change of boundary to bring the road within East Preston parish, and to clearly define the parish boundary north and south of the A259. Councillor Bicknell proposed contacting Arun District Council to request a boundary change. This was unanimously agreed.

17/209

HONEY LANE

The Clerk advised that the Land Registry record was rather confusing and the legality of old boundary papers unclear. Residents expected the land to be maintained; the Allotments Association having the freedom to do so.

Residents did not like the lack of control and would prefer to own the land. APC needed to secure the future of the allotments as there is a requirement for Parish Council to provide them. Councillor Oldfield felt there were many implications here. APC would approach the current landowner to see if it may be possible to have ownership transferred to APC, as it needed to maintain access to the allotment. Councillor agreed and formally proposed that APC pursue buying the allotment and access road. This was unanimously agreed.

17/210

COMMUNITY GRANT APPLICATIONS

No applications had been received since the last meeting.

17/211

QUESTIONS ON THE ALREADY CIRCULATED NOTES OF MEETINGS OF PARISH COUNCIL WORKING PARTIES AND REPRESENTATIVES ON OTHER ORGANISATIONS

- a) JEAAC; ADALC; ASRA; JEAAC H&T; Twinning Association; Angmering Village Hall Committees & Littlehampton Health Services Advisory Group
- b) (ADALC dates: 21st March; 20 June; 19 September; 12 December 2018)

There were no questions. The next ADALC meeting would be held in the Church Hall on 22 March 2018.

(Post meeting note – this meeting was subsequently cancelled)

17/212 QUESTIONS FROM COMMITTEES HELD SINCE THE LAST MEETING
An opportunity to ask questions resulting from the already circulated minutes of the meetings of the following committees:-
a) The Housing, Transport & Planning Committee meeting held on 20 February 2018;
b) Governance & Oversight Committee on 7 February 2018
c) CLEW meeting on 21 February 2018.

Clerk

17/213 2017/2018 FINANCIAL REPORT
No comments were made. The reports were noted.

17/214 TO CONSIDER ANY URGENT MATTERS, FOR INFORMATION ONLY, ARISING SINCE THE PREPARATION OF THIS AGENDA
None.

17/215 DATE OF NEXT MEETING
The next Parish Council meeting was scheduled to be on Monday 9 April 2018, at 7.30pm in the King Suite of the Angmering Village Hall.

All

17/216 CONFIDENTIAL MATTERS
The Parish Council was asked to decide whether, in accordance with Standing Order 1(c), the public and press should be excluded from the meeting for the next agenda items because their presence was prejudicial to the public interest by reason of the confidential nature of the business to be transacted.

The reasons for considering these matters as confidential are:
Item 22 is in negotiation and the information is commercially sensitive; Item 23 is in negotiation and the information is commercially sensitive.
On a proposal by Councillor Oldfield, seconded by Councillor Jones: That the public and press be excluded as per the foregoing – this was unanimously agreed.

17/217 CHANDLERS DEVELOPMENT SITE
The Clerk updated members on the situation in relation to the site. Agreement was given to allocating £10,000 to up-front costs and to paying the planning application fee.

17/218 CLT, CRAYFERN HOMES AND MAYFLOWER WAY
The Clerk updated the council on progress on the progress of both sites.

17/219 PARISH CLERK'S APPRAISAL
It was agreed that the Clerk would receive an increment from 1st April 2018.

After considering confidential agenda items 22-24 the meeting finished at 21:38.

.....
Chairman

Date.....



REPORT TO COUNCIL

Date: 9 April 2018
Prepared by: Rob Martin
Subject: Annual Investment Strategy 2018/2019
Ref:

Annual Investment Strategy 2018/2019

Summary

1. The Parish Council is required to annually review its Investment Strategy, under revised **Statutory guidance on Local Government Investments (3rd Edition)** issued by the Department for Communities and Local Government (DCLG) in March 2018.
2. Angmering Parish Council undertook the preparation of a strategy for the first time in 2015/2016. It should be done every year and accepted by the full Council as part of the Annual Council meeting.
3. The draft Annual Investment Strategy 2018/2019 is attached at Appendix 1.

Background

4. The latest Guidance on Local Government Investments was issued by DCLG in March 2018 and it requires Local Authorities to approve and Annual Investment Strategy which is also to be made available to the public. This endorses the CIPFA Treasury Management in Public Services: Code of Practice requirement that a Treasury Management Strategy (for annual investment and borrowing) is to be approved before the start of each financial year.
5. The latest DCLG guidance lays this down as a requirement for Angmering Parish Council because it has accumulated funds of greater than £100,000 (reduced from the previous £500,000).
6. The Council's funds are currently contained in a mixture of financial vehicles, including Lloyds Bank current & deposit accounts, Lloyds Bank Fixed Term Deposit (due to mature on 12 May 2017), CCLA Deposit Account and CCLA Property Investment Account.
7. A separate report details the proposals being made, including further information to back up the current assessment of options.

Current Position

8. The strategy adopted for 2017/2018 identified a number of options for the cash in hand, details of which are given below, which earned significant interest and dividends.
9. The Judicial Reviews undertaken last year after the investment strategy was put in place once again put strain on the Councils liquidity, but the initial investments were left as was envisaged when it was adjusted in June 2017.
10. The strategy adopted for 2017/2018 has yielded substantial interest and dividend, to the tune of approximately £10,000 in the year.
11. The outlook for 2018/2019, with continued downward pressure on interest rates and dividends will possibly produce a lower benefit than last year, but a similar strategy would

AGENDA ITEM 11

seem to be appropriate. This is exacerbated by the fact that the use of reserves during the year for legal fees has reduced the balance available for investment.

12. The investment of £200,000 in the CCLA Property Development Fund was always seen as a longer-term, at least 2-year, investment following which it would be expected to deliver capital growth as well as dividend. The investment was converted into 67,764 shares at the April 2015 price per unit of £2.9514 per share (see attached Prices & Dividend Yields sheet attached). The value of the investment at any given time is given by the Net Asset Value line on that sheet which at the end of February 2016 was £2.9383 per share, but following the Brexit referendum in June 2016 this dropped to £2.8365, having recovered by February 2017 to £2.8736 making the total value £194,727. As at February 2018, the NPV is 300.41p, given in a current value of £203,570, the first year of capital growth in addition to returning 4.5% per year in dividend. It has taken 4 years rather than 2, but the news is good.
13. The expectation is that the fifth year of investment will see this increase further beyond the initial purchase price to give capital growth, which illustrates why this type of investment must always be seen as long-term.
14. This must always be taken in the light of the uncertainties involved in Brexit, and a close eye being used on the possible effects closer to the time when it takes effect in March 2019.
15. The one change in expectation was that the potential investment in the CCLA Public Sector Deposit Fund continue to be restricted to just £25,000, although it is clear that this could have been drawn towards the year-end. This balance is on an instant access basis and it looks possible that further use would be made of the facility.

Recommendation

16. The attached strategy is recommended to the Parish Council for adoption.

ANNUAL INVESTMENT STRATEGY 2018/2019

1. This strategy has regard to the DCLG Guidance on Local Government Investments and CIPFA's Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes.
2. This Annual Investment Strategy states which investments the Council may use for prudent management of its treasury balances during the financial year.
3. The current MHCLG Guidance expands the definition of an **investment** to include both financial and non-financial assets, but the parish council does not have any that are considered as non-financial. This report will, as a result, consider just financial investment.

Investment Objectives

4. All investments will be in Sterling.
5. The policy objective is the prudent investment of its treasury balances to achieve the maximum yield possible.
6. The investment priorities for the year are firstly the security of the reserves and secondly the liquidity of the investments.
7. In addition, the security of investments is considered when the deposits are placed, because the aim is to restrict the balance in bank deposits to a maximum of £85,000. This is done to ensure that as much of the investments are covered by the **Financial Services Compensation Scheme (FSCS)** up to the maximum of £85,000 per bank/financial institution.
8. Only when the security and liquidity are determined will reference be made to the Yield achieved from an investment.
9. The borrowing of money by the Parish Council purely to invest is not legal and this Council will not undertake such activities.

Investment Balances and Liquidity

10. The current cash flow forecasts for 2018/2019 indicate that the balances available for investment during the year will range from £430,000 to £500,000.
11. The Council has considered the current level of balances and estimated levels through the year and the required liquidity and its spending provisions. The Council believes that there is continued scope for some investments to be greater than one year, but are to restrict this to the CCLA Property Development Fund.
12. Surplus funds will be managed through the Lloyds Business Instant Access and Treasury accounts, which provide a secure, if very low, rate of interest.
13. Use will be made of interest earning accounts in British Banks with access limited by a known notice period, typically 90 or 100 days. The funds will be available immediately, the consequence of early withdrawal being a loss of interest.
14. Investment will also be made in the CCLA Public Sector Deposit Fund, again an instant access facility with a low rate of interest.
15. Further Investment will be made in the CCLA Local Authorities' Property Fund, provided it retains the current AAA_{mmf} Fitch rating. This provides access when liquidity is required, but with an expectation of the investment being retained for at least two years.
16. The detail of the various amounts within which the investments are currently made are as follows:-

AGENDA ITEM 11

Account/Investment Fund	Amount in Investment £	Interest Rate %	Estimated Interest/Dividend £
CCLA Local Authorities' Property Fund (Continuation)	200,000	4.50 Plus capital growth	9,000
Hampshire Trust Bank	70,000	1.00	700
United Trust Bank	80,000	1.25	1,000
CCLA Public Sector Deposit Fund	25,000	0.25	60
Lloyds Bank Deposit Account	Balancing Amount estimated to be in range 93,000 to 238,000	0.05	75
Lloyds Bank Current Account Target	20,000	0.00	0
Suggested Course of Action - £80,000 from Lloyds Deposit Account			
?? Bank	80,000	1.00	800

17. It is apparent that, without further investment considerations, there will be a total within the two Lloyds Bank accounts that will exceed the £85,000 covered by the FSCS, so it would be prudent to consider a further investment of around £80,000, possibly in an account similar to those offered by the two Trust Banks.

Risk Assessment

18. The Council needs to adopt a prudent approach to investments.
19. The DCLG guidance indicates that the Council needs a SLY policy, firstly concentrating on Security, secondly on Liquidity and thirdly on Yield, in that order. This Parish Council will adopt that approach.
20. There are four investment organisations included in the strategy, with two commercial banks, one a High Street bank and the other a well-respected property investment fund. Lloyds Bank has a Moodies A rating and, whilst this continues to be the case no further action needs to be taken. Investment of this nature will be allowed with any such bank with a similar rating.
21. CCLA has an AAA_{mmf} Fitch rating, which will be monitored over time. If the rating falls below this level then the continuation of investments in the product will be reviewed and reported back to the Council.
22. The two commercial banks are respected, although they are not rated by any of the credit agencies. They do both subscribe to the FSCS scheme, which means that all investments of less than £85,000 will be covered.
23. The unpredictability and uncertainties in investments made in the money market, stocks and shares are too high for investment by the Parish Council and these will not feature, as a result.
24. For these reasons, the Clerk/RFO suggests that the security of the investments is protected in the event of a future banking meltdown.
25. Future investments will be limited to commercial banks with each one limited to less than £85,000.

AGENDA ITEM 11

26. The security, liquidity and yield of investments made will be monitored by the council and reports prepared by the Clerk/RFO periodically. If change is needed, then a revised strategy will be adopted during the financial year.

Reporting

27. The Clerk/RFO will report to the Council the performance of the investments at the year-end, as a minimum.

Rob Martin

27 March 2018

Angmering Parish Council Reserves - 2017/2018 Cash Flow

Month	Opening Balance	Monthly Income	Staffing Expenditure	Other General Expenditure	Extraordinary Items	Running Total	Month	CCLA Property	Lloyds Fixed Term Deposit	Extra 100 Day a/c	2nd 90 Day a/c	CCLA Deposit Instant Access	Lloyds Deposit	Lloyds Current	Imprest	Running Total
	£	£	£	£	£	£		£	£	£	£	£	£	£	£	£
Mar-17						394,256.55										
Apr-17	394,256.55	160,591.85	(13,703.56)	(5,361.43)	-	535,783.41	Mar-17	200,000.00	150,000.00	80,000.00	70,000.00	25,000.00	60.74	19,081.17	114.64	394,256.55
May-17	535,783.41	8,172.31	(15,240.18)	(12,137.89)	-	516,577.65	Apr-17	200,000.00	150,000.00	80,000.00	70,000.00	25,000.00	110,652.59	50,033.58	97.24	535,783.41
Jun-17	516,577.65	3,282.77	(13,714.95)	(7,124.28)	-	495,021.19	May-17	200,000.00	-	-	-	25,000.00	262,536.64	28,912.51	128.50	516,577.65
Jul-17	499,021.19	35,482.03	(13,737.72)	(74,475.96)	-	446,289.54	Jun-17	200,000.00	-	-	-	25,000.00	212,552.41	61,448.75	20.03	495,021.19
Aug-17	446,289.54	859.20	(13,766.74)	(30,097.95)	-	403,284.05	Jul-17	200,000.00	-	-	70,000.00	25,000.00	136,335.77	14,831.93	121.84	446,289.54
Sep-17	403,284.05	159,304.55	(13,720.64)	(2,858.94)	-	546,009.02	Aug-17	200,000.00	-	80,000.00	70,000.00	25,000.00	14,839.82	13,389.04	55.19	403,284.05
Oct-17	546,009.02	13,209.55	(13,709.25)	(6,493.84)	-	539,015.48	Sep-17	200,000.00	-	80,000.00	70,000.00	25,000.00	163,244.37	7,744.50	20.15	546,009.02
Nov-17	539,015.48	2,522.04	(14,039.46)	(14,452.03)	-	513,046.03	Oct-17	200,000.00	-	80,000.00	70,000.00	25,000.00	115,805.93	48,145.65	63.90	539,015.48
Dec-17	513,046.03	10.98	(13,744.66)	(6,862.51)	-	492,449.84	Nov-17	200,000.00	-	80,000.00	70,000.00	25,000.00	115,814.84	22,091.66	139.53	513,046.03
Jan-18	492,449.84	5,906.79	(13,773.99)	(6,604.75)	-	477,977.89	Dec-17	200,000.00	-	80,000.00	70,000.00	25,000.00	65,825.82	51,536.04	87.98	492,449.84
Feb-18	477,977.89	11.63	(16,725.62)	(8,550.18)	-	452,713.72	Jan-18	200,000.00	-	80,000.00	70,000.00	25,000.00	68,123.77	34,803.70	50.42	477,977.89
Mar-18	452,713.72	-	(14,000.00)	(9,000.00)	-	429,713.72	Feb-18	200,000.00	-	80,000.00	70,000.00	25,000.00	68,135.40	9,484.24	94.08	452,713.72
							Mar-18	200,000.00	-	80,000.00	70,000.00	25,000.00	19,163.72	35,500.00	50.00	429,713.72

Angmering Parish Council Reserves - 2018/2019 Cash Flow

Month	Opening Balance	Monthly Income	Staffing Expenditure	Other General Expenditure	Extraordinary Items	Running Total	Month	CCLA Property	Lloyds Fixed Term Deposit	Extra 100 Day a/c	2nd 90 Day a/c	CCLA Deposit Instant Access	Lloyds Deposit	Lloyds Current	Imprest	Running Total
	£	£	£	£	£	£		£	£	£	£	£	£	£	£	£
Mar-17						429,713.72										
Apr-17	429,713.72	167,750.00	(14,000.00)	(9,000.00)	-	574,463.72	Mar-17	200,000.00	-	80,000.00	70,000.00	25,000.00	19,163.72	35,500.00	50.00	429,713.72
May-17	574,463.72	3,000.00	(14,000.00)	(9,000.00)	-	554,463.72	Apr-17	200,000.00	-	80,000.00	70,000.00	25,000.00	179,313.72	20,000.00	150.00	574,463.72
Jun-17	554,463.72	-	(14,000.00)	(9,000.00)	-	531,463.72	May-17	200,000.00	-	80,000.00	70,000.00	25,000.00	159,313.72	20,000.00	150.00	554,463.72
Jul-17	531,463.72	-	(14,000.00)	(9,000.00)	-	508,463.72	Jun-17	200,000.00	-	80,000.00	70,000.00	25,000.00	136,313.72	20,000.00	150.00	531,463.72
Aug-17	508,463.72	3,000.00	(14,000.00)	(9,000.00)	-	488,463.72	Jul-17	200,000.00	-	80,000.00	70,000.00	25,000.00	113,313.72	20,000.00	150.00	508,463.72
Sep-17	488,463.72	167,750.00	(14,000.00)	(9,000.00)	-	633,213.72	Aug-17	200,000.00	-	80,000.00	70,000.00	25,000.00	93,313.72	20,000.00	150.00	488,463.72
Oct-17	633,213.72	-	(14,000.00)	(9,000.00)	-	610,213.72	Sep-17	200,000.00	-	80,000.00	70,000.00	25,000.00	238,063.72	20,000.00	150.00	610,213.72
Nov-17	610,213.72	3,000.00	(14,000.00)	(9,000.00)	-	590,213.72	Oct-17	200,000.00	-	80,000.00	70,000.00	25,000.00	215,063.72	20,000.00	150.00	633,213.72
Dec-17	590,213.72	-	(14,000.00)	(9,000.00)	-	567,213.72	Nov-17	200,000.00	-	80,000.00	70,000.00	25,000.00	195,063.72	20,000.00	150.00	590,213.72
Jan-18	567,213.72	-	(14,000.00)	(9,000.00)	-	544,213.72	Dec-17	200,000.00	-	80,000.00	70,000.00	25,000.00	172,063.72	20,000.00	150.00	567,213.72
Feb-18	544,213.72	3,000.00	(14,000.00)	(9,000.00)	-	524,213.72	Jan-18	200,000.00	-	80,000.00	70,000.00	25,000.00	149,063.72	20,000.00	150.00	544,213.72
Mar-18	524,213.72	-	(14,000.00)	(9,000.00)	-	501,213.72	Feb-18	200,000.00	-	80,000.00	70,000.00	25,000.00	129,063.72	20,000.00	150.00	524,213.72
							Mar-18	200,000.00	-	80,000.00	70,000.00	25,000.00	106,063.72	20,000.00	150.00	501,213.72

STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS

(3rd Edition)

Issued under section 15(1)(a) of the *Local Government Act 2003* and effective for financial years commencing on or after 1 April 2018

POWER UNDER WHICH THE GUIDANCE IS ISSUED

1. The following Guidance is issued by the Secretary of State under section 15(1)(a) of the *Local Government Act 2003*. Under that section local authorities are required to “have regard” to “such guidance as the Secretary of State may issue”.

DEFINITION OF TERMS

2. In this guidance the **2003 Act** means the *Local Government Act 2003*.
3. **Local authority** has the meaning given in section 23 of the *2003 Act*. To the extent that this guidance applies to parish councils and charter trustees (see paragraph 11) a reference to a local authority includes those councils and trustees.
4. The definition of an **investment** covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.
5. For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party. The term does not include *pension funds* or *trust fund investments*, which are subject to separate regulatory regimes and therefore are not covered by this guidance.
6. A **credit rating agency** is one of the following three companies:
 - Standard and Poor's;
 - Moody's Investors Service Ltd; and
 - Fitch Ratings Ltd.
7. For the purposes of this guidance a **loan** is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

8. The **Treasury Management Code** means the statutory code of practice issued by CIPFA: *“Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, 2017 Edition”*.
9. The **Prudential Code** means the statutory code of practice, issued by CIPFA: *“The Prudential Code for Capital Finance in Local Authorities, 2017 Edition”*.
10. The **Capital Strategy** is the strategy required by the updates to the Prudential Code and Treasury Management Code.

APPLICATION

Effective date

11. This guidance applies for financial years commencing on or after 1 April 2018. It supersedes all previous editions of the Statutory Guidance on Local Authority Investments.
12. Strategies presented to Council or equivalent before 1 April 2018 but relating to 2018-19 and future financial years do not need to include all of the additional disclosures required by this edition of the guidance should it not prove practical or cost effective to do so. If a local authority chooses not to include the new disclosures in its 2018-19 Strategy, it must include the disclosures in full in the first Strategy presented to full Council or equivalent after 1 April 2018.

Local authorities

13. This guidance applies to all local authorities in England.
14. This guidance applies to parish councils and charter trustees, providing their total investments exceed or are expected to exceed £100,000 at any time during the financial year. Where a parish council or charter trustee expects its total investments to be between £10,000 and £100,000, it is encouraged to adopt the principles in this guidance.

KEY PRINCIPLES

Transparency and democratic accountability

15. For each financial year, a local authority should prepare at least one Investment Strategy (“the Strategy”). The Strategy should contain the disclosures and reporting requirements specified in this guidance.
16. The Strategy should be approved by the full council. For authorities without a full Council, the Strategy should be approved at the closest equivalent level. The

Secretary of State recommends that the Strategy should be presented for approval prior to the start of the financial year.

17. Where a local authority proposes to make a material change to its Strategy during the year a revised Strategy should be presented to full council or equivalent for approval before the change is implemented.
18. The Strategy should be publicly available on a local authority's website. Where a parish council or charter trustee does not maintain its own website, they should post a public notice detailing how local residents can obtain a copy of the Strategy, free of charge.
19. Where a local authority prepares a Capital Strategy in line with the requirements of the Prudential Code, a Treasury Management Strategy in line with the requirements of the Treasury Management Code, or any other publicly available document, the disclosures required to be included in the Strategy can be published in those documents instead of in the Strategy.

Contribution

20. Investments made by local authorities can be classified into one of two main categories:
 - Investments held for treasury management purposes; and
 - Other investments.
21. Where local authorities hold treasury management investments, they should apply the principles set out in the Treasury Management Code. They should disclose that the contribution that these investments make to the objectives of the local authority is to support effective treasury management activities. The only other element of this Guidance that applies to treasury management investments is the requirement to prioritise Security, Liquidity and Yield in that order of importance.
22. Local authorities should disclose the contribution that all other investments make towards the service delivery objectives and/or place making role of that local authority. It is for each local authority to define the types of contribution that investments can make and a single investment can make more than one type of contribution.

Use of indicators

23. The Strategy should include quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. This should include how investments are funded and the rate of return

received. Where investment decisions are funded by borrowing the indicators used should reflect the additional debt servicing costs taken on.

24. Local authorities should consider the most appropriate indicators to use, given their risk appetite and capital and investment strategies. Whilst this guidance does not prescribe specific indicators or thresholds, the indicators used should be consistent from year to year and should be presented in a way that allows elected members and the general public to understand a local authorities' total risk exposure from treasury management and other types of investment.
25. Where a local authority has entered into a long term investment or has taken out long term debt to finance an investment the indicators used should allow Councillors and the general public to assess the risks and opportunities of the investment over both its payback period and over the repayment period of any debt taken out.

Security, Liquidity and Yield

26. A prudent investment policy will have two underlying objectives:
- **Security** – protecting the capital sum invested from loss; and
 - **Liquidity** – ensuring the funds invested are available for expenditure when needed.
27. The generation of **yield** is distinct from these prudential objectives. However, this does not mean that local authorities are recommended to ignore potential revenues. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with these priorities.
28. When entering into treasury management investments, local authorities should consider security, liquidity and yield in that order of importance.
29. When entering into other types of investments local authorities should consider the balance between security, liquidity and yield based on their risk appetite and the contribution(s) of that investment activity.

Security

Financial Investments

30. Financial investments can fall into one of three categories:
- **Specified investments;**
 - **Loans;** and
 - Other **Non-specified investments.**

Specified Investments

31. An investment is a specified investment if all of the following apply:
- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
 - The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option.
 - The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended]*.
 - The investment is made with a body or in an investment scheme described as high quality (see paragraph 33 or with one of the following bodies:
 - i. The United Kingdom Government;
 - ii. A local authority in England or Wales (as defined in section 23 of *the 2003 Act*) or a similar body in Scotland or Northern Ireland; or
 - iii. A parish council or community council.
32. For the purposes of paragraph 32 the Strategy should define high credit quality. Where this definition incorporates ratings provided by credit rating agencies paragraph 42 is relevant.

Loans

33. A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.
34. Local authorities can make such loans whilst continuing to have regard to this guidance if they can demonstrate in their Strategy that:
- Total financial exposure to these type of loans is proportionate;
 - They have used an allowed “expected credit loss” model for loans and receivables as set out in International Financial Reporting Standard (IFRS) 9 *Financial Instruments* as adopted by proper practices to measure the credit risk of their loan portfolio;
 - They have appropriate credit control arrangements to recover overdue repayments in place; and
 - The local authority has formally agreed the total level of loans by type that it is willing to make and their total loan book is within their self-assessed limit.

Non-specified investments

35. A non-specified investment is any financial investment that is not a loan and does not meet the criteria to be treated as a specified investment.
36. For non-specified investments (i.e. those not meeting the criteria in paragraph 31), the Strategy should:
- Set out procedures for determining which categories of investments may be prudently used (and where these procedures involve the use of credit ratings, paragraph 32 is relevant).
 - Identify which categories of investments have been defined as suitable for use.
 - State the upper limits for the maximum amounts both individually and cumulatively that may be held in each identified category and for the overall amount held in non-specified investments and confirm that investments made have remained within those limits.

Non-financial investments

37. As defined in paragraph 4 of this guidance non-financial investments are non-financial assets that the organisation holds primarily or partially to generate a profit. Where a local authority holds a non-financial investment, it will normally have a physical asset that can be realised to recoup the capital invested. Local authorities should consider whether the asset retains sufficient value to provide security of investment using the fair value model in *International Accounting Standard 40: Investment Property* as adapted by proper practices.
38. Where the fair value of non-financial investments is sufficient to provide security against loss, the Strategy should include a statement that a fair value assessment has been made within the past twelve months, and that the underlying assets provide security for capital investment.
39. Where the fair value of non-financial investments is no longer sufficient to provide security against loss, the Strategy should provide detail of the mitigating actions that the local authority is taking or proposes to take to protect the capital invested.
40. Where a local authority recognises a loss in the fair value of a non-financial investment as part of the year end accounts preparation and audit process, an updated Strategy should be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

Risk Assessment

41. The Strategy should state the local authority's approach to assessing risk of loss before entering into and whilst holding an investment, making clear in particular:

- How it has assessed the market that it is/will be competing in, the nature and level of competition, how it thinks that the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements.
- Whether and, if so how, a local authority uses external advisors be they treasury management advisors, property investment advisors or any other relevant persons.
- How the local authority monitors and maintains the quality of advice provided by external advisors.
- To what extent, if at all, any risk assessment is based on credit ratings issued by credit ratings agencies.
- Where credit ratings are used, how frequently they are monitored and the procedures for taking action if credit ratings change.
- What other sources of information are used to assess and monitor risk.

Liquidity

42. For financial investments that are not treasury management investments or loans the Strategy should set out the procedures for determining the maximum periods for which funds may prudently be committed and state what those maximum periods are and how the local authority will stay within its stated investment limits.
43. For non-financial investments the Strategy should set out the procedures for ensuring that the funds can be accessed when they are needed, for example to repay capital borrowed. It should also state the local authority's view of the liquidity of the investments that it holds, recognising that assets can take a considerable period to sell in certain market conditions. Where local authorities hold non-financial investment portfolios they can choose to assess liquidity by class of asset or at a portfolio level if appropriate.

Proportionality

44. Where a local authority is or plans to become dependent on profit generating investment activity to achieve a balanced revenue budget, the Strategy should detail the extent to which funding expenditure to meet the service delivery objectives and/or place making role of that local authority is dependent on achieving the expected net profit. In addition, the Strategy should detail the local authority's contingency plans should it fail to achieve the expected net profit.
45. The assessment of dependence on profit generating investments and borrowing capacity allocated to funding these should be disclosed as a minimum over the life-cycle of the Medium Term Financial Plan. However, an assessment of longer term risks and opportunities is recommended.

Borrowing in advance of need

46. Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.
47. Where a local authority chooses to disregard the Prudential Code and this Guidance and borrows or has borrowed purely to profit from the investment of the extra sums borrowed the Strategy should explain:
- Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and
 - The local authority's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.

Capacity, skills and culture

48. The Strategy should disclose the steps taken to ensure that those elected members and statutory officers involved in the investments decision making process have appropriate capacity, skills and information to enable them to take informed decisions as to whether to enter into a specific investment, to assess individual assessments in the context of the strategic objectives and risk profile of the local authority and to enable them to understand how the quantum of these decisions have changed the overall risk exposure of the local authority.
49. The Strategy should disclose the steps taken to ensure that those negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.
50. Where appropriate the Strategy should comment on the corporate governance arrangements that have been put in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the local authority's corporate values.

ANNEX A – INFORMAL COMMENTARY ON THE STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS

Power under which this Guidance is issued [paragraph 1]

1. The **Local Government Act 2003**, section 15(1), requires a local authority "...to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify...".
2. The guidance on investments in the main part of this document is issued under section 15(1) of the 2003 Act and authorities are therefore required to have regard to it. This part (**Annex A**) contains an informal commentary ("the commentary") on the Statutory Guidance.
3. Two codes of practice issued by the *Chartered Institute of Public Finance and Accountancy* (CIPFA) contain investment guidance which complements the MHCLG guidance. These publications are:
 - *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*
 - *The Prudential Code for Capital Finance in Local Authorities*
4. Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] as amended*.

Objectives in updating the Guidance

5. The 2nd edition of this Guidance, which was issued in 2010, reflected concerns raised by the CLG and Treasury Select committees as part of their enquiries into the financial crash of 2007-8. The key areas of focus were:
 - The practice of investing for yield, especially in Icelandic Banks;
 - The need for transparent investment strategies; and
 - The use of Treasury Management advisors.
6. The changes made to the 3rd edition of this Guidance reflect changes in patterns of local authority behaviour. Some local authorities are investing in non-financial assets, with the primary aim of generating profit. Others are entering into very long term investments or providing loans to local enterprises or third sector entities as part of regeneration or economic growth projects that are in line with their wider role for regeneration and place making.

7. In addition, the National Audit Office and the Public Accounts Committee have raised a number of concerns about local authority behaviour that this guidance aims to address. These are:

- Local authorities are exposing themselves to too much financial risk through borrowing and investment decisions;
- There is not enough transparency to understand the exposure that local authorities have as a result of borrowing and investment decisions; and
- Members do not always have sufficient expertise to understand the complex transactions that they have ultimate responsibility for approving.

Effective Date [paragraphs 11-12]

8. This Guidance applies from 1 April 2018. It supersedes all previous editions of the Guidance.
9. The Guidance requires local authorities to produce a number of additional disclosures. Many local authorities already produce these as part of internal reporting and risk management procedures. However, if these disclosures are not currently produced, then local authorities do not need to prepare them in full for Strategies presented to full Council or equivalent before 1 April 2018. Those local authorities who do not include the required disclosures in their 2018-19 strategies, should present them for approval the first time the relevant Strategy is updated or superseded.

Local Authorities [paragraphs 12-13]

10. This Guidance applies to all local authorities, who hold or during the next financial year intend to hold financial or non-financial investments, solely or in part to generate revenue income.
11. It applies to parish councils whose investments exceed the thresholds set out in paragraph 14. The decision to lower the financial threshold for parish councils has been taken in recognition that some parishes have begun to engage in commercial ventures. As parish councils tend to be fairly small and to obtain a greater percentage of their funding directly from council tax payers than other types of local authority, it is right that they demonstrate that they have carefully considered the expertise that they need to manage the risks arising from their strategy.

Transparency and democratic accountability [paragraphs 15-19]

12. The Government believes that local authorities need to be better at explaining “why” not just “what” they are doing with their investment activity. That means that the sector needs to demonstrate more transparency and openness and to

make it easier for informed observers to understand how good governance and democratic accountability have been exercised.

13. The additional disclosures required by the Guidance should be included in a single document presented to full Council or the equivalent. Although the Guidance refers to an Investment Strategy, providing that all of the disclosures are easy for interested parties to find and are in or linked from a single document, a separate Strategy does not need to be prepared. The Strategy should be updated at least annually.
14. Subject to the provisions in paragraph 35 and 36 of the commentary, local authorities can exclude specific non-financial investments from the required disclosures on grounds of commercial confidentiality. The Government expects that non-disclosure on grounds of commercial confidentiality will be an exceptional circumstance. A local authority should only determine that it would breach commercial confidentiality to include an investment in the disclosures on receipt of appropriate professional advice, using the same criteria as would be used to exclude the public from a Council meeting. Local authorities should reassess whether the commercial confidentiality test is met every time a new Strategy is presented to full Council or the equivalent.
15. Under Regulation 17 of the *The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012* as amended overview and scrutiny committee members have right of access to any confidential information relating to any decision by any committee or any member of the executive of their council. Nothing in this Guidance has the power to override this regulation.
16. Assets that generate revenue income solely through fees and charges for discretionary services levied under Section 93 of the *Local Government Act 2003* should not be classified as non-financial investments for this purpose.
17. If disclosures are already produced in another document that is publicly available then a local authority can provide a link to the disclosures from the Strategy rather than reproducing them. The exception is disclosures contained in the Statutory Accounts, which do not meet the requirements of this Strategy. This is because local authority statutory accounts can be complex and difficult for users who are not familiar with local government accounting to understand and statutory accounts are prepared to a higher level of materiality than local authorities should use for internal risk management.

Contribution [paragraphs 20-22]

18. Local authorities may have several different objectives, when deciding to acquire an asset. If an asset is not solely held for yield, then a local authority may have a different risk appetite or be willing to accept a lower return than it otherwise would.

19. Each local authority should determine how it categorises different types of contribution, and each investment can have more than one type of contribution.

A non-exhaustive list of types of contribution include:

- Yield/profit
- Regeneration
- Economic benefit/business rates growth
- Responding to local market failure
- Treasury management

20. Where a local authority classifies an investment as contributing to regeneration or local economic benefit, it should be able to demonstrate that the investment forms part of a project in its Local Plan.

Use of indicators [paragraphs 23-25]

21. Local authorities should present a range of indicators to allow members and other interested parties to understand the total exposure from borrowing and investment decisions. The indicators should cover both the local authority's current position and the expected position assuming all planned investments for the following year are completed. The indicators do not need to take account of Treasury Management investments unless these are expected to be held for more than 12 months.

22. The Guidance requires local authorities to develop quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. We recommend that, the indicators in the table below are used. Where local authorities have a different risk appetite or different expectation of returns depending on the contribution(s) each type of investment makes, they should consider presenting the indicators, classified by type of contribution or risk appetite.

Debt to net service expenditure (NSE) ratio	<i>Gross debt as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>
Commercial income to NSE ratio	<i>Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.</i>
Investment cover ratio	<i>The total net income from property investments, compared to the interest expense.</i>
Loan to value ratio	<i>The amount of debt compared to the total asset value.</i>
Target income returns	<i>Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.</i>
Benchmarking of returns	<i>As a measure against other investments and against other council's property portfolios.</i>
Gross and net income	<i>The income received from the investment portfolio at a gross level and net level (less costs) over time.</i>
Operating costs	<i>The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.</i>
Vacancy levels and Tenant exposures for non-financial investments	<i>Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is productive as possible.</i>

23. Where appropriate, local authorities should consider including targets or limits set by members alongside the outturn. Where there has been a significant change in year on year performance against any of the indicators presented local authorities should include an explanation in the Strategy.

24. Local authorities can choose to present additional indicators in the Strategy should they believe that it would enhance understandability and transparency to do so.

Security, liquidity and yield [paragraphs 26-29]

25. For treasury management and other financial investments local authorities should continue to prioritise **SECURITY, LIQUIDITY** and **YIELD** in that order of importance.

26. Whilst consideration of **security and liquidity** is important for loans and non-financial investments, the relative balance between objectives may be different depending on the nature and objectives in making a specific investment.

Security and liquidity

Loans [paragraphs 33 – 34, 40]

27. Loans to joint ventures, local SMEs or third sector bodies, and wholly owned companies fall within the scope of the Guidance. When considering security and liquidity of loans local authorities should set limits for their total exposure and apply the expected loss model in line with the requirements of *IFRS 9 Financial Instruments*.

Non-financial investments [paragraphs 37-40, 43]

28. Where a local authority has a non-financial investment, it will have an asset that can be realised to recoup the sums invested. Therefore, the Guidance requires local authorities to consider security by reference to the value of the asset relative to purchase price and to set out the plans to recoup the investment if realising the asset would not recoup the sums invested. In the period immediately after purchase, it is normal for the directly attributable costs of purchasing a non-financial investment to be greater than the realisable value of the asset. In this scenario, all the Strategy needs to disclose is how long the local authority expects it to take for the increase in asset values to provide security for the sums invested and the assumptions underpinning that expectation.

29. Non-financial investments are by their nature illiquid. However, this does not mean that the local authority does not need to plan for realising a part of its non-financial investment portfolio, for example to repay debt. The liquidity of the non-financial investment portfolio should be considered over the repayment period of any debt taken out to acquire assets, which could be very long term. Given current trends such as the scale and pace of technology driven change, there is no guarantee that non-financial investments will continue to deliver value over their lifetime. To manage this risk, local authorities need to have plans to realise the capital tied up in non-financial investments if required. In addition, the Strategy should consider the trade-offs between accepting capital loss and refinancing debt incurring additional debt servicing costs by doing so, if appropriate.

Proportionality [paragraphs 44-45]

30. Local authorities need to consider the long term sustainability risk implicit in becoming too dependent on commercial income or in taking out too much debt relative to net service expenditure.

31. In addition, whilst under statute, local authority debt is secured on the revenues of that authority, in practice, there is no realistic prospect of the revenues of any local authority being sufficient to pay back debt equating to many multiples of the sum of NNDR and Council Tax Income, without a pervasive and long term impact on service delivery. It is unclear whether local authorities who have adopted a debt financed commercial investment strategy have realistic plans to manage failure. Whilst the Government recognises the importance of local authorities taking on debt to enhance service provision, irrespective of the source of finance, it does not believe that it should do the same for commercial investments.
32. For this reason, the Guidance introduces a new requirement that in every local authority, full council or its nearest equivalent, sets limits that cannot be exceeded for gross debt compared to net service expenditure, and for commercial income as a percentage of net service expenditure.
33. If a local authority has exceeded these limits through investments taken out prior to the introduction of this Guidance, it does not need to dispose of investments currently held. However, authorities who have exceeded their self-assessed limits should not enter into any further investments, irrespective of how these are financed, other than short term investments required for efficient treasury management.

Borrowing in advance of need [paragraphs 46-47]

34. The Prudential Code, issued by CIPFA has always contained a statement that local authorities should not borrow more than, or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The purpose of repeating that statement in this Guidance is to make it clear that it extends to borrowing taken on to finance the acquisition of non-financial as well as financial investments.
35. Local authorities can still finance the acquisition of financial on non financial investments from capital receipts generated from the sale of surplus assets. However, they should not repurpose receipts allocated to the acquisition of assets that contribute to service delivery to fund the purchase of investments, solely to avoid the requirements against borrowing in advance of need.
36. If exceptionally a local authority, chooses not to have regard to the provision on borrowing to fund investment activity the Guidance requires them to explain, in their Strategy, the rationale for this decision.
37. The purpose of this disclosure is to allow external auditors, tax payers and other interested parties to understand why the local authority has chosen to disregard

the Guidance, and to hold the authority to account should they believe there is not sufficient reason for doing so.

Capacity, Skills and Culture [paragraphs 48-50]

38. In the Public Accounts Committee report of 18 November 2016¹, members raised concerns that, locally elected members may not always have the background and expertise to understand the risks associated with the decisions that they are being asked to make. For this reason the Guidance extends the requirements on capacity and skills to members and any statutory officers involved in or responsible for signing off on investment decisions.
39. Members do not necessarily need formal training in understanding investment risks to satisfy the requirements of the Guidance. Depending on their level of expertise a presentation setting out the risks and opportunities of an investment strategy/specific investment in terms a layman would understand, may be sufficient to meet the new requirements.
40. The Government is aware that many local authorities have brought in outside expertise to identify and negotiate investment opportunities. Whilst this can be an effective method of risk management, it is important that those negotiating deals understand that they are not operating in a purely commercial environment and that the prime purpose of a local authority is to deliver statutory services to local residents. Therefore, the Strategy should comment on how they have been made aware of this.

¹ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2015/financial-sustainability-local-authorities-16-17/>

AER :	1.35%
Gross :	1.35%
Account Available From:	25/01/2018
Notice/Term:	95 Day
Account Type:	Business Variable
Interest Type:	Variable Rate

Rate	AER
1.35% paid at £10K	1.35% paid at £10K

RATES

Interest Paid: :	Anniversary
Minimum Opening Amount:	£10,000
Maximum Investment:	£1,000,000
Introductory Bonus:	-

ACCESS

Withdrawals Allowed:	✓
Early Access Allowed:	✗
Access Note:	No earlier access.
Further Additions Allowed:	✓

MANAGE YOUR ACCOUNT

Post:	✓
Branch:	✗
Internet:	✓
Telephone:	✓

APPLICATION CRITERIA

Minimum turnover:	n/a
Maximum turnover:	n/a

Available to:

- Limited Company
- Limited Liability Partnership
- Not for profit organization
- Partnership
- Public Limited Company
- Sole Trader
- Charities
- Clubs

INFORMATION

Min Age:	0 years
Max Age:	N/A
Taxation:	

HOW SAFE IS YOUR MONEY



AER : 1.20%

Gross : 1.20%

Account Available From: 01/10/2017

Notice/Term: 90 Day

Account Type: Business Variable

Interest Type: Variable Rate

Rate	AER
1.20% paid at £1K	1.20% paid at £1K

RATES

Interest Paid: : Yearly

Minimum Opening Amount: £1,000

Maximum Investment: £1,000,000

Introductory Bonus: -

ACCESS

Withdrawals Allowed: ✓

Early Access Allowed: ✗

Access Note: N/A

Further Additions Allowed: ✓

MANAGE YOUR ACCOUNT

Post: ✓

Branch: ✗

Internet: ✗

Telephone: ✗

APPLICATION CRITERIA

Minimum turnover: n/a

Maximum turnover: n/a

Available to:

- Limited Company
- Limited Liability Partnership
- Partnership
- Charities
- Clubs

INFORMATION

Min Age: 0 years

Max Age: N/A

Taxation:

HOW SAFE IS YOUR MONEY

The first £85,000 per person, per UK banking licence, is protected by the Financial Services Compensation Scheme (FSCS). If you have also borrowed from the failed bank or building society, the compensation will not be reduced to repay your debt. Separate arrangements will be made for this. Some banks and building societies share the same licence. This is the case for the first £85,000 per person.

AER : 1.10%

Gross : 1.10%

Account Available From: 01/10/2017

Notice/Term: 100 Day

Account Type: Business Variable

Interest Type: Variable Rate

Rate	AER
1.10% paid at £1K	1.10% paid at £1K

RATES

Interest Paid: : Yearly

Minimum Opening Amount: £1,000

Maximum Investment: £500,000

Introductory Bonus: -

ACCESS

Withdrawals Allowed: ✓

Early Access Allowed: ✗

Access Note: N/A

Further Additions Allowed: ✓

MANAGE YOUR ACCOUNT

Post: ✓

Branch: ✓

Internet: ✗

Telephone: ✗

APPLICATION CRITERIA

Minimum turnover: n/a

Maximum turnover: n/a

Available to:

- Limited Company
- Limited Liability Partnership
- Partnership
- Sole Trader
- Clubs

INFORMATION

Min Age: 0 years

Max Age: N/A

Taxation:

HOW SAFE IS YOUR MONEY

The first £85,000 per person, per UK banking licence, is protected by the Financial Services Compensation Scheme (FSCS). If you have also borrowed from the failed bank or building society, the compensation will not be reduced to repay your debt. Separate arrangements will be made for this. Some banks and building societies share the same licence. However, this is the case for each credit institution in its own right.

AER :	1.05%
Gross :	1.05%
Account Available From:	25/08/2016
Notice/Term:	100 Day
Account Type:	Business Variable
Interest Type:	Variable Rate

Rate	AER
0.15% paid at £1K	0.15% paid at £1K
0.20% paid at £5K	0.20% paid at £5K
1.05% paid at £10K	1.05% paid at £10K
1.15% paid at £50K	1.15% paid at £50K
1.25% paid at £100K	1.25% paid at £100K

RATES

Interest Paid: :	Yearly
Minimum Opening Amount:	£1,000
Maximum Investment:	£1,000,000
Introductory Bonus:	-

ACCESS

Withdrawals Allowed:	✓
Early Access Allowed:	✗
Access Note:	No earlier access.
Further Additions Allowed:	✓

MANAGE YOUR ACCOUNT

Post:	✓
Branch:	✓
Internet:	✗
Telephone:	✗

APPLICATION CRITERIA

Minimum turnover:	n/a
Maximum turnover:	n/a
Available to:	
• Limited Company	
• Limited Liability Partnership	
• Not for profit organization	
• Partnership	
• Public Limited Company	
• Sole Trader	

INFORMATION

Min Age:	0 years
Max Age:	N/A
Taxation:	

HOW SAFE IS YOUR MONEY

AER :	1.00%
Gross :	1.00%
Account Available From:	05/10/2017
Notice/Term:	90 Day
Account Type:	Business Variable
Interest Type:	Variable Rate

Rate	AER
1.00% paid at £1K	1.00% paid at £1K

RATES

Interest Paid: :	Yearly
Minimum Opening Amount:	£1,000
Maximum Investment:	£500,000
Introductory Bonus:	-

ACCESS

Withdrawals Allowed:	✓
Early Access Allowed:	✗
Access Note:	N/A
Further Additions Allowed:	✓

MANAGE YOUR ACCOUNT

Post:	✓
Branch:	✗
Internet:	✗
Telephone:	✗

APPLICATION CRITERIA

Minimum turnover:	n/a
Maximum turnover:	n/a

Available to:

- Limited Company
- Limited Liability Partnership
- Public Limited Company
- Clubs

INFORMATION

Min Age:	0 years
Max Age:	N/A
Taxation:	

HOW SAFE IS YOUR MONEY

The first £85,000 per person, per UK banking licence, is protected by the Financial Services Compensation Scheme (FSCS). If you have also borrowed from the failed bank or building society, the compensation will not be reduced to repay your debt. Separate arrangements will be made for this. Some banks and building societies share the same banking licence. Where this is the case, your deposit protection is across all the companies sharing the licence, not each individual company. Deposits of small



REPORT TO THE PARISH COUNCIL

Date: 9th April 2018
Prepared by: Rob Martin
Subject: Budget 2018/2019
Ref:
Policy Number

Budget 2018/2019

1. The draft Budget as summarised below has been based on the continuation of policies unchanged, except for the introduction of the asset repairs and renewals policy previously adopted.
2. The analysis below shows the comparison of the 2018/2019 draft budget with the 2017/2018, split by activity.
3. Council is asked to consider whether the budget analysis shown is what is required for the coming year. There are currently no projects currently being proposed by the parish council that will significantly change the numbers below.

	2017/2018 Budget	2018/2019 Draft Budget	Variation
	£	£	£
Income			
Precept	(316,800)	(335,500)	(18,700)
Grants	-	-	-
Interest & Investment Income	(10,100)	(10,600)	(500)
Other Income	(1,300)	(1,330)	(30)
TOTAL INCOME	(328,200)	(347,430)	(19,230)
Office Expenditure			
Employee Direct Costs	128,150	144,600	16,450
Training	750	800	50
Office Running Costs	3,450	3,520	70
Office Improvements	-	-	-
Office equipment, Stationery and day-to-day costs	5,100	4,870	(230)
Photocopying	3,300	3,000	(300)
Newsletter	6,000	5,350	(650)
Publications & Subscriptions	2,700	3,100	400
IT	4,800	5,100	300
Audit & Legal	1,650	2,800	1,150
Recycling Collection	300	300	-

AGENDA ITEM 12

Insurance Premium	10,000	11,400	1,400
Room Hire, Bank Charges & Adverts	745	945	200
Maintenance Team			
Employee Direct Costs	45,050	38,300	(6,750)
Training	500	500	-
Tools & equipment	1,200	1,200	-
Van Running Costs	3,150	3,450	300
Operational Equipment	1,500	2,100	600
Rubbish Collection	2,100	3,300	1,200
Councillors			
Allowances	3,500	3,900	400
Training	1,500	1,500	-
Hospitality	700	700	-
Maintenance			
Dog Bin Collection	500	500	-
Winter Maintenance	-	-	-
Palmer Road	900	800	(100)
Flower Beds	7,800	8,500	700
Christmas Tree & Lights	400	500	100
War Memorial	500	500	-
St Nicholas Gardens	1,300	1,300	-
Fletcher's Field	500	500	-
Water Lane	600	600	-
Twittens	500	500	-
Street Lighting	6,000	6,000	-
Verges	300	300	-
Mayflower Park	500	500	-
Play Areas	600	6,700	6,100
Other Equipment	400	3,500	3,100
Community Centre	3,000	5,000	2,000
Events			
Christmas Meal	1,000	1,000	-
Annual Fair	3,000	2,500	(500)
BMX/Skatebowl Jam	1,000	1,000	-
Support Other Organisations			
Village Hall Broad band	500	500	-
Community Grants	3,300	3,300	-
Community Land Trust	2,000	-	(2,000)
Allotment Association	825	825	-
Reserve Contributions			
Contributions/(Reduction)	58,322	49,570	(8,752)
TOTAL EXPENDITURE	319,892	335,130	15,238
NET EXPENDITURE	(8,308)	(12,300)	(3,992)

AGENDA ITEM 12

4. It is, of course, true that the longer-term changes that will result from the need to fund the Chandlers project and its associated ongoing effects. In addition, the need to carry out a staffing review will change the numbers a little.

Analysis of Budget Variations	£	£
Income		
Increase in Precept		(18,700)
Employees Costs		
Inflation	1,700	
Increments	3,800	
Additional half-post	4,200	
Total Employees	<u> </u>	9,700
Audit & Legal		1,150
Insurance Premium		1,400
Rubbish Disposal		1,200
Play Areas & Other Equipment	11,100	
Less: Funded from Reserve	<u>(8,752)</u>	
		2,348
Community Land Trust		(2,000)
Other Variations		910
Total Variations		<u><u>(3,992)</u></u>

Conclusions

5. The Parish Council is asked to consider the analysis above and to comment on any changes it feels are necessary.

Rob Martin

27 March 2018

2018/2019
Budget

2018/2019 Budget

Total

Nominal		£	
Income			
	4001	Precept	(335,500)
	4100	Grants Received - General	-
	4101	Grants Received - Lottery	-
	4102	Grants Received - Arun DC	-
	4103	Grants Received - WSCC	-
	4104	Grants Received - Government	-
	4200	Donations Received	-
	4201	Fundraising	-
	4500	Section 106 Income	-
	4501	Community Infrastructure Levy Income	-
	4800	Interest Received	(1,800)
	4801	Investment Income	(8,800)
	4900	Allotment Rent Received	(900)
	4901	Insurance Claims	-
	4902	Ground Rent & Insurance Contribution fr	(430)
	4903	Other Income	-
	Total Income		(347,430)
Expenditure			
	Employees Direct		
	5000	Salary - Clerk	41,400
	5001	Salary - Assistant Clerk	68,800
	5002	Salary - Groundstaff	29,600
	5005	Employer's National insurance	12,700
	5007	Pension - LGPS	30,400
	5008	Pension - Other	-
	Employees Indirect		
	5012	Travel	300
	5015	Subsistence	-
	5020	Staff Training	1,000
	Supplies & Services		
	5100	Electricity	1,100
	5101	Gas	750
	5102	Water/Sewage	420
	5103	Business Rates	-
	5110	Office Cleaning	700
	5111	Office Maintenance	550
	5112	Office Improvements	-

2018/2019
Budget

2018/2019 Budget

Total

Nominal		£
5113	Office Equipment	500
5200	Stationery & Consumables	2,000
5201	Postage	120
5202	Telephones	1,000
5203	Broadband	1,200
5204	Mobile Telephones	550
5205	Photocopying	3,000
5206	Printing	350
5207	Newsletter Production	3,000
5208	Newsletter Delivery	2,000
5210	Books & Publications	200
5211	Professional Subscriptions	2,600
5212	Other Subscriptions	150
52121	Land Registry	150
5213	Protective Clothing	500
5214	Tools & Equipment	700
5215	Bank Charges	20
5216	Room Hire	900
5217	Entertainers/Stallholders	4,500
5220	Advertising	25
5250	IT Support	3,300
5251	IT Software	1,500
5252	IT Equipment	300
5300	Insurance - Parish Policy	11,400
5301	Insurance - Vehicles & Equipment	1,500
5400	Internal Audit Fees	800
5401	External Audit Fees	1,000
5402	Professional Expenses	-
5403	Legal Fees	1,000
Councillors		
5500	Councillor's Basic Allowance	3,600
5501	Member's Travel Expenses	500
55001	Chairman's Allowance	300
5502	Hospitality & Team Building	700
5503	Courses/Conferences	1,000
Other Expenditure		
5600	Election Costs	-
5700	Community Grants	3,300
5701	ACLT Match-Funding	-
5800	Allotment Rent Paid	825

2018/2019
Budget

2018/2019 Budget

Total

Nominal		£
CLEW Committee		
6300	Play Area Inspections	900
6301	Play Area Maintenance	6,000
6302	Play Amenities Maintenance	-
7000	Buildings - Routine Maintenance	5,000
7001	Buildings - Insurance Work	500
7002	Buildings - Improvements	-
7050	Christmas Tree	500
7051	Festive Lights	-
7100	Street Lighting - New Columns	-
7101	Street Lighting - Electricity	1,500
7102	Street Lighting - Maintenance	4,500
7200	Dog Fouling Bin Collections	500
7201	Dog Fouling New Bins	-
7202	Maintenance - Direct Labour	-
7203	Maintenance - Contractor - General	4,000
7204	Maintenance - Contractor - Grass	800
7205	Maintenance - Contractor - Trees & Hedges	3,000
7206	Maintenance - Contractor - Flowers & Beds	8,500
7207	Rubbish Collection Green Waste	1,800
7208	Rubbish Collection Recycling	300
7209	Rubbish Collection General Waste	1,500
8000	Mowers/Strimmers - Purchase	-
8001	Mowers/Strimmers - Fuel	600
8002	Mowers/Strimmers - Maintenance	1,500
8003	Mowers/Strimmers - Movements	-
8050	Vehicles - Purchase	-
8051	Vehicles - Fuel	1,000
8052	Vehicles - Licence	250
8053	Vehicles - Maintenance	700
8054	Equipment Storage	-
9000	Loan Charges	-
9500	Transfers to Reserves	49,570
9900	Capital Improvements	-
Total Expenditure		335,130
Total Net Expenditure/(Income)		(12,300)



Established 1894

Angmering Parish Council

The Corner House
The Square
Angmering
West Sussex BN16 4EA

Telephone: 01903 772124

E-mail: rob.martin@angmering-pc.gov.uk

Website: www.angmeringparishcouncil.gov.uk

APPLICATION FOR A GRANT FROM ANGMERING PARISH COUNCIL 2017-2018

In order to be eligible for a Parish Council Grant you or your organisation must fulfil at least one of the criteria in Section A and the application must fulfil at least one of the criteria in Section B. In addition, all applications must be supported by the information in Section C, and have regard to the exclusions in Section D. The details of the application must be completed in Section E.

NAME OF ORGANISATION	Home-Start Arun, Worthing & Adur
----------------------	----------------------------------

Section A

	<u>What type of organisation are you?</u>	Tick relevant box(es)
A1	A Charity providing services available to residents of Angmering	<input checked="" type="checkbox"/>
A2	An existing local group or organisation providing services available to residents of Angmering	<input type="checkbox"/>
A3	A new group or organisation, wishing to provide services for the residents of Angmering	<input type="checkbox"/>

Section B

	<u>Which criteria will your application fulfil?</u>	Tick relevant box(es)
	Reaching new people	<input type="checkbox"/>
B1	Increasing group membership and/or widening participation	<input checked="" type="checkbox"/>
B2	Starting up new activities and/or expanding existing services for residents of Angmering	<input checked="" type="checkbox"/>
B3	Organising community events and activities	<input checked="" type="checkbox"/>
B4	Bringing the community together	<input checked="" type="checkbox"/>
	Developing Services and supporting the local economy	<input type="checkbox"/>
B5	Organising one-off events to increase visitors to Angmering	<input type="checkbox"/>

B6	Activities aimed at developing skills for local unemployed people and assisting them to gain employment	✓
B7	Raising the profile of the village and its community	
B8	Improvements for the Angmering community infrastructure and developing community held assets	
	Encouraging community growth and self-reliance	
B9	Helping groups and organisations to develop their initial or starting assets and/or resources to support future financial independence	
B10	Helping the community to influence the planning and delivery of local services.	
B11	Protecting the environment and promoting sustainable local development	

Section C

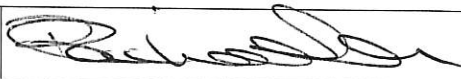
	<u>Supporting information required</u>	Tick relevant box(es)
C1	The last year's certified accounts or, for new organisations, the current business plan, or equivalent.	✓
C2	Information on the membership, or proposed membership of your organisation. How many current members, in total, and how many live in the village.	Members 10 Volunteers 45 In village: Volunteers 3 Families 7 & 15 children
C3	A project plan, if applicable, showing total costs and other sources of income already secured.	✓
C4	Charity Number, if applicable	1132416

Section D

	<u>Conditions and Exclusions</u>
D1	Typically, awards will not be given for general running/administration costs
D2	Awards must be seen to be for the benefit of a significant number of Angmering residents
D3	Awards will not generally be given to individuals
D4	Awards must be used for or towards the specific project or item applied for.
D5	Awards will not be given retrospectively.
D6	Upon completion of the project, evidence must be provided that the award was used

appropriately

Section E

Name of contact for grant purposes	Bridget Richardson
Position of contact	Manager
Full contact postal address, including postcode.	5C Park Farm, Chichester Road, Arundel, BN18 0AG
Email address and website (if applicable)	bridget@home-startarun.org.uk
Telephone number of contact	01903 889707
Total Project Cost	£630.80
Amount of grant applied for	£630.80
Where is the remainder to be financed from?	If unsuccessful we will apply to another Trust or Foundation who will recognise Angmering in their criteria
Cheque to be made payable to	Home-Start Arun, Worthing & Adur
Purpose for which the grant is needed (Supporting evidence may be provided on a separate sheet, if necessary)	We are seeking funding towards the recruitment and training of a further 2 volunteers, and to manage and maintain the 3 volunteers currently supporting families in Angmering. The cost of providing initial training of 40 hours, Safeguarding training and 12 hours of Big Hopes Big Future (school readiness). All volunteers are also trained to support fathers with our FRED (fathers reading every day) programme.
How many Angmering residents in organisation?	There are currently 19 Angmering residents directly involved in the running of our Charity or receiving support
How many Angmering residents will benefit from the grant?	2 new volunteers will benefit from training and support. In turn, they will support 2 families each per year.
If you received a grant from the Parish Council during 2016-2017 please outline how the grant was spent	£789.30/3 volunteers trained. Because of the confidential nature of our work, we are unable to give details of the families supported, but have been given permission to share the attached case study from a family living locally.
Signature	
Date	19/3/2018

Family Group Case Study

B is almost 3 and I have a 1 year-old, A. We have been coming to the Home-Start Family Group since April 2017.

I haven't been able to go to other groups as B is on the autistic spectrum, for which we are awaiting formal diagnosis. I have felt judged in other groups as my son has no idea of danger; will climb and jump off furniture and lashes out at others in frustration.

His concentration could be measured in seconds, he couldn't focus, had poor communication skills and couldn't make eye contact. B self-harms, banging his head on floor, normally in frustration at not being able to communicate his needs and feelings.

This group is small enough that he can be observed and quickly distracted. The room is not too large so B feels more secure and it isn't too noisy.

Food has to be on a specific plate and he will only eat dry foods like crackers. Group staff and volunteers have provided one to one support for him and he will now sit for snack for a short time, although he still reverts to walking around with his food, but still this is such an improvement.

He is familiar with the Children and Family Centre now and with the Home-Start staff and volunteers. He no longer becomes so distressed when I leave the room. He is able to play alongside his peers for a short period of time-something I never thought would happen.

B now knows the group routine and will spend a few minutes at the activity table, points to the door when he wants to go to the outside area and he plays in the home corner. I can see him using more imaginary play – playing with the broom and dolls. He has started playing alongside his peers for a short time without incident. B now loves to play with water; tipping and pouring.

I have met another mum who is in a similar position and we are able to share ideas and activities that have worked in the group when we are at home.

I now feel much more confidence in my ability as a parent, I no longer compare B to others. Home-Start has helped me to appreciate what a special little boy he is and I now notice even the smallest bits of development. The fact I am more relaxed filters to B and I am sure this is a major factor in his development since we started at the group. I am also now able to spend more time bonding with my baby while volunteers spend time with B, which had been impossible to do before.

September 2017

HOME-START ARUN

(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2017**

CHARITY REGISTRATION No: 1132416

COMPANY REGISTRATION No: 07007031

Independent Examiners Ltd
Sovereign Centre
Poplars
Yapton Lane
Walberton
West Sussex
BN18 0AS

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

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Pages 2 to 5	Report of the Directors.
Page 6	Statement of Financial Activities.
Page 7	Balance Sheet.
Pages 8 to 13	Notes to the Financial Statements.
Page 14	Independent Examiner's Report on the Accounts.

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2017**

LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER	1132416
COMPANY REGISTRATION NUMBER	07007031
START OF FINANCIAL YEAR	1st April 2016
END OF FINANCIAL YEAR	31st March 2017
DIRECTORS AT 31ST MARCH 2017	Peter Crowe (Chair) Pauline Allen M.B.E. Carole Claridge Claire Cole Jean Franklin-Johnson Ian Graham John Paton Chris Warren-Adamson
COMPANY SECRETARY	Pauline Allen M.B.E.
REGISTERED ADDRESS	5c Park Farm Chichester Road Arundel West Sussex BN18 0AG
DATE OF INCORPORATION	2nd September 2009
GOVERNING DOCUMENT	Memorandum and Articles of Association
BANKERS	Barclays Bank Plc 17 High Street Bognor Regis West Sussex PO21 1RL
INDEPENDENT EXAMINERS LTD	M J Easton BSc (Hons) MBA Independent Examiners Ltd Sovereign Centre Poplars Yapton Lane Walberton West Sussex BN18 0AS
OBJECTS	[a]. To safeguard, protect and preserve the good health, both mental and physical of children and parents of children. [b]. To prevent cruelty to or maltreatment of children. [c]. To relieve sickness, poverty and need amongst children and parents of children. [d]. To promote the education of the public in better standards of child care within the area of Arun and its environs.

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2017**

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Home-Start Arun provides a focused, early intervention service to vulnerable families with young children living in the local community. By helping parents to overcome the challenges they face we help to prevent family crisis and breakdown, and give young children a better start in life.

The principal objects of the charity, as set out in the governing document are:

- To safeguard, protect and preserve the good health, both mental and physical of children and parents of children.
- To prevent cruelty to or maltreatment of children.
- To relieve sickness poverty and need amongst children and parents of children.
- To promote the education of the public in better standards of child care within the area of Arun and its environs.

The Trustees have considered the Charity Commission's guidance on public benefit when reviewing aims and objectives and in planning future activities. The charity's main activities are set out below and are undertaken to further our charitable purposes for the public benefit.

All our services are free at the point of access.

Home Visiting

The aim is to provide a preventive service, focusing on the strengths of the family and encouraging the uptake of relevant support as appropriate in line with the West Sussex Families Strategic Plan.

Trained and supervised Home-Start volunteers go into the family home each week and provide confidential, non-judgmental support to meet families' individual needs. Volunteers provide direct support to vulnerable young children, including playing, listening, establishing routines and encouraging development. They help parents improve their parenting skills by modelling positive parenting approaches and encouraging parents to socialise with their children. They offer practical help to enable families to access other community services, and they advocate alongside parents when they lack the confidence to communicate themselves. Staff coordinators provide ongoing support and supervision to all Home-Start volunteers, and ensure an integrated approach for families by liaising with other agencies where appropriate.

Family Group Support

Home-Start Arun runs three Family Groups for parents with children under the age of five. The weekly, term-time groups are run by a qualified Family Group Organiser and a Play Leader assisted by 2-3 volunteers per group. Group activities support children's learning, helping to develop communication skills and social confidence. Having Home-Start staff and volunteers available gives parents the chance to spend time with individual children, encouraging positive communication and building emotional attachment. The groups also provide an opportunity for parents to come together for peer support and to access information and community services.

ACHIEVEMENTS AND PERFORMANCE

For the year ended 31st March 2017, Home-Start Arun provided vital support to 287 local children and their families. These families reported they felt Less Isolated (87%), that 'Their Own Emotional Health and Wellbeing' (90%) and Self-Esteem (82%) had improved. They told us they felt they 'Were More Involved with Their Child's Development' (97%) which led to them being 'More Able to Manage Their Child's Behaviour' (95%) and, in turn, 'Their Children's Emotional Health and Wellbeing Had Improved' (98%).

During the year those involved with delivering Home-Start's work undertook 500 hours of training and gave 6,260 hours of their own time (£69,423)* to ensure the best possible service to vulnerable families in need of help.

The end of 2015-16 saw a rejected Big Lottery Fund bid (although we were encouraged to re-bid). It also included aborted discussions about any potential merger of West Sussex schemes. A merger timing of 6-months was too long for Worthing & Adur (W&A) and at that time a partial merger was not considered beneficial.

Three redundancies were made at the end of March 2016, and our capability dropped from 120 families to 60. The Board agreed to draw on reserves for our funding. Our team was reorganised to reflect this and enabled development opportunities to be offered to most staff. The Manager continued with her degree studies and the Senior Organiser progressed with her counselling qualification.

By May 2016 it was clear that the funding position was perilous. We put a lot of effort into a renewed Big Lottery Fund bid with the support of a dedicated fundraiser. In addition to this professional fundraising capability, we recognised the need to recruit new trustees to supplement existing trustees' expertise and create significantly improved awareness in our local communities.

During July 2016 we won additional funding from Children In Need for Family Group work worth £20K for each of 3 years.

*based on the Community Development Foundation guideline of £11.09 per hour, equivalent total cost of paid support (<http://www.thirdsectorinsight.com/>)

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31ST MARCH 2017**

ACHIEVEMENTS AND PERFORMANCE

Using Worthing and Adur (W&A) legacy funds to support 1 organiser and 12 volunteers we re-started the service in W&A during August 2016.

We were delighted to hear of a successful outcome to our Big Lottery Fund bid during October 2016; £100K for each of 3 years, in addition to £15K funding for a Strategic Sustainability Project. The news arrived just in time to report at a networking event for the charity in Arundel Castle, hosted by our patron, Her Grace, The Duchess of Norfolk.

The event proved to be successful in raising our profile over the last 6 months. It also highlighted a weakness in following up and maximising our opportunities.

During the same month we invited tenders for the Strategic Sustainability Project and duly awarded the contract to Hall Aitken. Work began in February 2017 (delayed due to illness). The trustees felt this piece of work was imperative in recognising the challenges being faced, and their part in ensuring the charity's future. The project commenced with a trustee skills review, which fed into the recruitment drive. The resulting Sustainability Plan provides a framework for business development with a focus on sourcing new income streams. The plan offers a vision of success and the steps needed to deliver business aims and includes the core information needed to complete applications for funding. In addition to reaffirming the scheme's vision, aims and outcomes, the plan includes potential projects and partners; sector opportunities and how to access those sectors; Theories of Change, identifying the links between Home-Start activity and outcomes; and future cost and income, to support business planning.

During December 2016 to April 2017 we completed our 3-year cyclic Quality Assurance review receiving a 99% assessment - great testament to our Manager and the team.

In April 2017 we started the recruitment of new trustees. The campaign proved successful recruiting with 7 new trustees joining us by August 2017. We also recruited a Business Development Manager in July 2017.

Whilst funding continues to be a serious issue, a £25K unrestricted grant from the Roddick Foundation in April 2017 was vital in boosting the unrestricted reserves needed to continue work with vulnerable families across the region.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Home-Start Arun is a registered charity in England and Wales (1132416) and a company limited by guarantee registered in England (07007031).

The charity's governing documents are its Memorandum and Articles of Association.

As one of 268 schemes across the UK, Home-Start Arun is a signatory to the national Home-Start Agreement and is committed to its Standards of Practice. The scheme Policies and Practices set out a clear organisational structure detailing lines of authority and control responsibilities in key areas such as Safeguarding children, volunteer recruitment and training, staff matters and financial administration.

The Home-Start Agreement also provides for regular monitoring and evaluation of the scheme's performance against defined Quality Standards.

Recruitment of trustees

The Governing Documents require a minimum of 4 and no more than 12 trustees and recruitment decisions are based upon needs identified by a skills audit process. Trustees consider the best methods of attracting a diverse range of candidates with the skills the charity needs and any applicants complete a recruitment process including the provision of referees.

The training requirement for trustees is clarified at board meetings. All new trustees undergo an induction to brief them on their legal obligations under charity and company law; the Charity Commission guidance on public benefit; and the board of trustees decision making process. Trustees are encouraged to attend appropriate external training events where these facilitate the undertaking of their role.

The Trustees may at any time co-opt any person duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee, but a co-opted Trustee holds office only until the next AGM at which they must be formally appointed.

FUNDING

The Scheme has received funding from the following for the year 2016-17:

Big Lottery Fund - £300,000. This significant 3-year grant started in January 2017 providing support towards the cost of home visiting support for vulnerable families across our area of benefit. New areas of work include: a project to engage fathers in reading with their child everyday (FRED), Home-Start's school readiness programme, Big Hopes, Big Future (BHSF) and a Learning for All approach, offering development opportunities.

Children in Need - £69,000. Again, a significant contribution towards 3-year funding of our Family Groups. Particular emphasis is given to school readiness.

The Roddick Foundation - £25,000. Core funding which supported the charity through a particularly difficult funding patch.

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31ST MARCH 2017**

FUNDING

West Sussex Members Big Society Award - £20,000. This funding enabled the restarting of work in Worthing and Adur.

Sussex Community Foundation, Garfield Weston, Henry Smith Foundation, WSCC Community Initiative Fund, and Town and Parish Councils are amongst those who felt our work worthy of generous donations. As were several individuals and smaller fundraising groups, to whom we are extremely grateful.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit or loss of the company during that period. In preparing those financial statements the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) prepare financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business;
- (iv) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.


The directors are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the contents of the Report of the Directors, and the responsibility of the independent examiner in relation to the Report of the Directors is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

I approve the attached statement of financial activities and balance sheet for the year ended 31st March 2017, and confirm that I have made available all information necessary for its preparation.

Date: **16th NOVEMBER 2017**

Signature: 

PRINT NAME: Mr Peter Crowe (Chair).

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2017**

Incorporating Income and expenditure account

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2017/2016 £	TOTAL 2016/2015 £
INCOME						
Income from Generated Funds						
Donations and Legacies	3a	8,401	0	124,008	132,409	106,618
Other Trading Activities	3b	5,517	0	0	5,517	15,549
Income from Investments	3c	22	0	0	22	48
Other Income	3d	32,600	0	0	32,600	0
TOTAL INCOME		46,540	0	124,008	170,548	122,215
EXPENSES						
Expenditure on Generating Funds						
Expenditure on Raising Funds	4a	7,366	0	16,649	24,015	17,659
Expenditure on Charitable Activities	4b	79,822	0	42,734	122,556	144,357
TOTAL EXPENSES		87,188	0	59,383	146,571	162,016
NET INCOME/ (OUTGOING)		(40,648)	0	64,625	23,977	(39,801)
Total Funds Brought Forward		6,616	78,000	5,065	89,681	129,482
Transfer of Funds	5	47,130	(45,000)	(2,130)	0	0
TOTAL FUNDS CARRIED FORWARD		13,098	33,000	67,560	113,658	89,681

Movements on all reserves and all recognised gains and losses are shown above. All of the organisation's operations are classed as continuing.

The notes on pages 8 to 13 form part of these financial statements.

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT 31ST MARCH 2017**

Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31-Mar-17 Total £	31-Mar-16 Total £	
ASSETS						
Fixed Assets						
Tangible assets	2	1,198	0	2,644	3,842	4,030
Current Assets						
Debtors	6	2,189	0	0	2,189	2,231
Cash at bank and in hand		33,811	33,000	64,916	131,727	89,547
Total Current Assets		36,000	33,000	64,916	133,916	91,778
Creditors: amounts falling due within one year	7	24,100	0	0	24,100	6,127
NET CURRENT ASSETS		11,900	33,000	64,916	109,816	85,651
TOTAL ASSETS less current liabilities		13,098	33,000	67,560	113,658	89,681
Creditors: amounts falling due in more than one year	8	0	0	0	0	0
NET ASSETS		13,098	33,000	67,560	113,658	89,681
FUNDS OF THE CHARITY						
Unrestricted Funds		13,098	0	0	13,098	6,616
Designated Funds	14	0	33,000	0	33,000	78,000
Restricted Funds	5	0	0	67,560	67,560	5,065
TOTAL FUNDS		13,098	33,000	67,560	113,658	89,681

DIRECTORS' RESPONSIBILITIES

The directors are satisfied that for the year ended on 31st March 2017 the charitable company was entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that no member or members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. However, in accordance with section 145 of the Charities Act 2011, the accounts have been examined by an Independent Examiner whose report appears on page 14.

The director(s) acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The directors acknowledge their responsibility for ensuring that the company keeps proper accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and if its profit and loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the Directors on the 16th NOVEMBER 2017.

Signed on their behalf by Director Peter Crowe

Print Name: Mr Peter Crowe (Chair).

Company Registration Number : 07007031

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017**

1. ACCOUNTING POLICIES

Basis of preparation:

The financial statements have been prepared on the historical cost basis of accounting in accordance with the Charities Act 2011, Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015), applicable accounting standards and the Companies Act 2006. The accounts have been prepared on an ongoing concern basis. The church meets the definition of a public benefit entity under FRS102. No restatement was required in making the transition to FRS102. The date of transition was 1st January 2015.

Advantage has been taken of Section 396(5) of The Companies Act 2006 to allow the format of the financial statements to be adapted to reflect the special nature of the charity's operation and in order to comply with the requirements of the SORP.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement.

The particular accounting policies adopted are set out below.

Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources;
- the Directors are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Incoming Resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Tax reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA in the same financial period as the gift to which they relate.

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered.

Gifts in Kind

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SOFA as incoming resources when receivable.

Donated Services and Facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the Directors' annual report.

Investment Income

This is included in the accounts when receivable.

Investment gains and losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Expenditure and liabilities

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the Directors' meetings and cost of any legal advice to Directors on governance or constitutional matters.

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2017**

1. ACCOUNTING POLICIES

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

Changes in Accounting policies and previous accounts

There has been no change to the accounting policies (variation rules and methods of accounting) since last year, and no changes to the previous accounts.

Grants payable without performance conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to a grant which remain in control of the charity.

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Assets

Tangible fixed assets for use by the charity

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost or, if gifted, at the value to the charity on receipt.

Depreciation is calculated at a rate to write off the cost of tangible fixed assets on a reducing balance over their estimated useful lives. The rates applied per annum are as follows:

Equipment	25%
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2. TANGIBLE FIXED ASSETS

		Unrestricted £	Restricted £	Total £
EQUIPMENT				
Cost	01-Apr-16	13,080	9,713	22,793
Additions		0	1,092	1,092
Cost at	31-Mar-17	13,080	10,805	23,885
Depreciation	01-Apr-16	11,483	7,280	18,763
Charge		399	881	1,280
Depreciation at	31-Mar-17	11,882	8,161	20,043
Net Book Value	31-Mar-17	1,198	2,644	3,842
Net Book Value	31-Mar-16	1,597	2,433	4,030

The annual commitments under non-cancelling operating leases and capital commitments are as follows:

31-Mar-17 : None

31-Mar-16 : None

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2017**

3. INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2017/2016 £	TOTAL 2016/2015 £
a) Donations and Legacies					
Big Lottery Fund			65,000	65,000	74,258
Donations	8,001		5,800	13,801	8,672
Grants	400		53,208	53,608	23,688
	8,401	0	124,008	132,409	106,618
b) Other Trading Activities					
Community Fund raising	2,745			2,745	
Fundraising				0	15,549
Fund Generating Income	2,772			2,772	
	5,517	0	0	5,517	15,549
c) Income from Investment					
Bank Interest	22			22	48
	22	0	0	22	48
d) Other Income					
Home-Start West Sussex	4,000			4,000	0
Home-Start Worthing & Adur	28,600			28,600	0
	32,600	0	0	32,600	0

4. EXPENSES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2017/2016 £	TOTAL 2016/2015 £
a) Expenses on Raising Funds					
Advertising & promotion	197		482	679	119
Building capabilities			15,000	15,000	0
Fundraiser	6,771		1,149	7,920	17,013
Fundraising costs	398		18	416	527
	7,366	0	16,649	24,015	17,659

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2017**

4. EXPENSES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2017/2016 £	TOTAL 2016/2015 £
b) Expenditure on Charitable Activities					
Administration Salaries	7,338		2,641	9,979	19,172
Consultancy Costs (P2K)	636			636	1,147
Depreciation	399		881	1,280	1,344
Family Group 1 - Bersted	1,923		4,308	6,231	10,269
Family Group 2 - Yapton	442		3,428	3,870	0
Family Group 3 - Littlehampton	2,221		4,010	6,231	6,995
FRED			1,814	1,814	0
General Admin Expenses (Inc. PPS)	2,423		753	3,176	3,614
Governance					
-Governance/Head Office	197		205	402	88
-Independent Examiners Fee	759			759	756
Hardship			72	72	1,255
Payroll Costs	273		158	431	500
Pension	33			33	0
Professional Fees	3,447		328	3,775	5,193
Property	1,865		266	2,131	1,978
Redundancy				0	3,005
Rent / Rates / Utilities	6,998		1,179	8,177	7,881
Salaries	40,020		18,873	58,893	69,890
Telephone & IT	1,485		293	1,778	2,124
Training & Recruitment (Inc. CRB)	729		415	1,144	3,132
Travelling - Staff	1,690		512	2,202	3,447
Volunteers	1,490		546	2,036	2,492
Website Costs			100	100	75
Worthing & Adur Staff Costs	5,454		1,952	7,406	0
	79,822	0	42,734	122,556	144,357

5. RESTRICTED FUNDS

	Balance 01-Apr-16 £	Income £	Expenditure £	Transfer £	Balance 31-Mar-17 £
Advertising Fund	2,500	0	545	(1,955)	0
Angmering Parish Council	0	790	0	(175)	615
Arundel Town Council	0	1,052	0	0	1,052
Arun Grant - family groups	813	0	813	0	0
Big Lottery Fund	502	65,000	34,613	0	30,889
Body Shop	8	0	8	0	0
Children in Need	5	20,115	10,652	0	9,468
Christian Seedbed	0	5,000	3,568	0	1,432
Family Fund- bank account	624	0	72	0	552
First Aid Course	0	500	300	0	200
Garfield Western Foundation	63	0	63	0	0
Henry Smith - Salaries	0	0	0	0	0
Pagham Parish Council	400	0	400	0	0
Sussex Community	55	5,000	2,603	0	2,452
Town/Parish Council - Volunteers	0	2,500	0	0	2,500
University of Brighton	91	2,800	2,891	0	0
West Sussex County Council	4	21,251	2,855	0	18,400
Total restricted Funds	5,065	124,008	59,383	(2,130)	67,560

The restricted funds are wholly represented by cash reserves of the charity

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2017**

6. DEBTORS AND PREPAYMENTS

	Unrestricted Fund £	Designated Funds £	Restricted Fund £	Total 31-Mar-17 £	Total 31-Mar-16 £
Home-Start West Sussex	450	0	0	450	450
Prepayments	1,739	0	0	1,739	1,781
	2,189	0	0	2,189	2,231

7. CREDITORS AND ACCRUALS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Fund £	Designated Funds £	Restricted Fund £	Total 31-Mar-17 £	Total 31-Mar-16 £
Accruals	802	0	0	802	498
Creditors: Short Term	21,131	0	0	21,131	2,318
PAYE/NI Liability	1,408	0	0	1,408	2,576
Independent Examiners Fees	759	0	0	759	735
	24,100	0	0	24,100	6,127

8. CREDITORS AND ACCRUALS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

Home-Start Arun does not have any Creditors or accruals falling due in more than one year.

9. STAFF COSTS AND NUMBERS

	31-Mar-17 £	31-Mar-16 £
Gross Wages and Salaries	74,121	83,770
Employer's National Insurance Costs	5,157	5,292
Pension Contributions	0	0
	79,278	89,062

Employees who were engaged in each of the following activities:

	31-Mar-17 TOTAL	31-Mar-16 TOTAL
Activities in furtherance of organisation's objects	4	7
Supporting programmes		
Management and administration	2	3
Total	6	10

No employees received emoluments in excess of £60,000. Staff are paid through the PAYE system

10. DIRECTORS AND OTHER RELATED PARTIES

No payments were made to directors or any persons connected with them during this financial period. No material transaction took place between the organisation and a trustee or any person connected with them.

**HOME-START ARUN
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2017**

11. RISK ASSESSMENT

The directors actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out on an annual basis will provide sufficient resources in the event of adverse conditions. The directors have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

12. RESERVES POLICY

The directors have considered the level of reserves they wish to retain, appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments held. The directors aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The directors will endeavour not to set aside funds unnecessarily.

13. PUBLIC BENEFIT

The charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the charity has achieved this are provided in the Report of the Directors. The directors confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

14. WINDING DOWN DESIGNATED FUND

The directors have reviewed the charity's needs for reserves last year in line with the guidance issued by the Charity Commission and consider it prudent that designated reserves should be sufficient to cover:

1. We aim to hold six months running costs (although in practice we have only been able to ring-fence three months) in order to negate any problems with cash flow due to late payments of grants etc. to ensure there will be no interruption to the service provided to the families. If funds become available we will increase the Designated fund accordingly.
2. All necessary expenses for the closure of the scheme in the event that this proves necessary - to include staff redundancies, outstanding rent on the office accommodation and other associated closure costs.

The directors believe that reserves should be at least at this level to ensure the charity can run efficiently and meet the needs of the beneficiaries. Directors monitor the level of unrestricted reserves at each Management Board meeting.

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the directors/members of Home-Start Arun on the accounts for the year ended 31st March 2017 set out on pages 2 to 13.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND EXAMINER

As described on pages 5 and 7, the charity's directors (who are also the trustees of the company for the purposes of company law) are responsible for the preparation of the financial statements. The directors are satisfied that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the governing document or constitution of the Charity for the conducting of an audit. As a consequence, the directors have elected that the financial statements be subject to independent examination.

Having satisfied myself that the charity is not subject to audit, and is eligible for independent examination, it is my responsibility to:-

- examine the accounts (under section 145 of the Act, as amended),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Act, as amended), and
- to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

I conducted my examination in accordance with the General Directions given by the Charity Commissioners for England & Wales in relation to the conducting of an independent examination, referred to above. An independent examination includes a review of the accounting records kept by the Charity and of the accounting systems employed by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as directors concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of the Charities legislation and that the financial statements comply with the SORP, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the directors in the course of the examination is not subjected to audit tests or enquiries, and consequently I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the independent examination are achieved and before finalising the report I obtain written assurances from the directors of all material matters.

INDEPENDENT EXAMINER'S STATEMENT

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect, the directors' requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M J Easton BSc (Hons) MBA
Independent Examiners Ltd
Sovereign Centre
Poplars
Yapton Lane
Walberton.
West Sussex
BN18 0AS.



Date: 23rd November 2017.

Home-start Arun, Worthing & Adur

Training Costs at January 2018

Volunteer Prep Course

Budget Heading	Detail	Prep course including BHF_FRED 10 x 10 weeks	Per volunteer
Admin time (not incl. moderation for accreditation)		300.00	30.00
Rent - training room	for core 10 days @ £50	500.00	50.00
Volunteer Expenses	@ £7 per session x 10 sessions	700.00	70.00
Resources	vol resources (incl P&P)	150.00	15.00
Vol files	ring binders	20.00	2.00
Other hand outs		39.00	3.90
DBS checks, references etc	£10 per vol DBS	100.00	10.00
Adverts			0.00
Interviews- time	1.5 hours	211.20	21.12
Interviews travel		40.00	4.00
Prep. Course prep/planning	3 hours	337.92	33.79
Prep. Course training	6 hours	675.84	67.58
Refreshments	@ £8pw	80.00	8.00
External Trainer Expenses	Change with each course		
Totals		3153.96	315.40