

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Charitable Trust Board Committee – Alice Park Sub-Committee	
MEETING/ DECISION DATE:	22 August 2016	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Alice Park Investments	
WARD:	Lambridge	
AN OPEN PUBLIC ITEM		
List of appendices to this report:		
1. HM Macvicar – Extract from Last Will and Testament (See Item No. 6, Appendix 6 on this agenda – pages 37-41)		

1 THE ISSUE

- 1.1 To review financial investments held on behalf of Alice Park Trust and decide how those that have expired should be re-invested.

2 RECOMMENDATIONS

- 2.1 That the Trustees recommend reinvestment of expired financial investments held by Alice Park Trust at 31st March 2016 into the Charities Official Investment Fund (COIF.)

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Council is holding a balance of £11,843 on behalf of the Trust, as originally donated through the last Will and Testament of HM Macvicar (Appendix1) These investments were previously held in Government Bonds, in line with the requirements of the Will and Testament, which have since expired and been called in.
- 3.2 The Trust additionally holds £6,453 of investments; £5,761 is held with the Charities Official Investment Fund (COIF) whilst £692 is held by Majedie Asset Management.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Will and Testament requires re-investment of these funds with the income generated being applied to the general maintenance of the Alice Park Trust.

5 THE REPORT

5.1 The Trust need to consider reinvestment of the matured funds. The recommended option is to invest in the CCLA (Churches, Charities and Local Authorities), who manage funds for charities, religious organisations and the public sector. Under the charity umbrella (COIF) there is one cash fund which is an instant access account currently paying 0.45% per annum.

6 RATIONALE

6.1 Investing in the COIF cash fund guarantees the return of any sum being invested.

7 OTHER OPTIONS CONSIDERED

7.1 The Trust could continue to allow the Council to hold its funds. Given the recent fall in the base interest rate to 0.25%, the estimated return on this would be zero.

7.2 The Trust could invest in alternative long term managed funds through COIF. These would carry a higher return but would require investment into the market through equities and bonds. Whilst these carry a higher rate of interest they also carry a higher rate of risk; there is no guarantee that any sum invested will be returned to the Trust and therefore have not been investigated further or proposed.

7.3 Other alternative investments available include investing on the Foreign Exchange (FOREX), market hedging, investment on the stock market, or into commodities. However these are of higher risk and low return given the values that we are looking at. They are also staff intensive to manage and therefore have not been investigated further or proposed.

8 CONSULTATION

8.1 S151 and Monitoring Officer have had opportunity to review and input into this report.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	www.ccla.co.uk - CCLA manage investments for Charities Commission and Local Authorities. They are the manager of the COIF charity Funds.
Please contact the report author if you need to access this report in an alternative format	