NEIL HITCH
Town Clerk

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TOWN PETERSFIELD COUNCIL

The Town Hall
Heath Road
Petersfield
Hampshire
GU31 4EA

9th October 2020

Dear Councillor,

I hereby summon you to attend a meeting of the Finance and General Purposes Committee to be held at the Town Hall, Petersfield, on **Monday 19th October 2020 at 6.30 p.m.** and via Zoom teleconference/video-conference facility as permitted by UK Government legislation during the current Covid-19 pandemic. The log in details to join via Zoom are as follows: https://zoom.us with meeting ID: 873 9828 1383 (members of the public are asked to email committee.admin@petersfield-tc.gov.uk in advance for the password).

Yours sincerely,

pp Canfield

Neil Hitch
Town Clerk

AGENDA

1. Chairman's Comments.

2. To receive and record apologies for absence.

3. To consider the granting of a dispensation under Section 33 of the Localism Act (2011) to enable members to participate in, and vote on, an item of business on the agenda where they would otherwise have a Disclosable Pecuniary Interest and to confirm how long this dispensation may have effect.

4. To receive and record Declarations of Interest. Councillors are reminded of their responsibility to declare any disclosable pecuniary interest which they may have in any item of business on the agenda no later than when that item is reached. Unless dispensation has been granted, members may not participate in any discussion of, or vote on, or discharge any function related to any matter in which they have a pecuniary interest as defined by regulations made by the Secretary of State under the Localism Act 2011. Councillors must withdraw from the Chamber when the meeting discusses and votes on the matter.

5. Public Representation - Councillors to receive representation (including items that appear on the agenda) from members of the public provided they (public) have given due notice of their intention to the Town Clerk no later than 10.30 am on the day of the meeting. The maximum time limit allowed per person is three minutes, although this may be reduced if a large number of people express their wish to address councillors.

6. To approve the minutes of meeting held on 21st September 2020 (*previously circulated*).

7. To consider financial and other recommendations from Committees.

8. To receive and note the Finance Report from the Town Clerk *(to follow).*

9. To receive and consider a report from Cllr J Matthews and Cllr J Palmer and the Tourism Working Party regarding a draft specification for the tourism strategy (*to follow*).

10. To receive and note the Market Report from CCLA Investment Management dated September 2020 (*attached*).

11. To receive a report regarding budget training by the Hampshire Association of Local Councils (*verbal*).

12. To consider a request from the Finance Officer to attend an accounting course (*attached*).

13. To receive and approve bank reconciliations for August and September 2020 *(August bank reconciliations were presented at the September Finance and General Purposes meeting, September to follow)*

CONFIDENTIAL

14. To consider any confidential staff, financial or other recommendations from committees.

~ End ~

10

CCLA INVESTMENT MANAGEMENT LTD

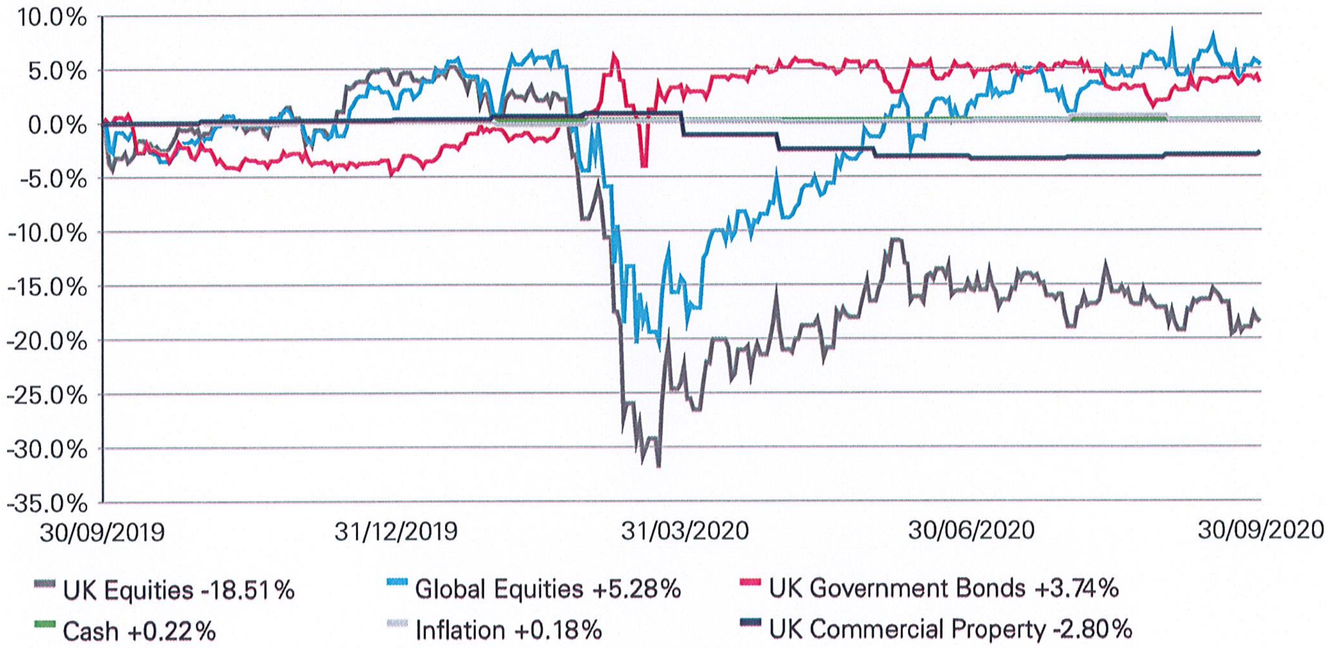
MARKET REPORT SEPTEMBER 2020

CCLA

Headlines

- Global equities ended a volatile month higher
- Domestic fixed interest assets rose, government bonds gave the best returns
- Property values fell again, but at a moderating pace
- Sterling weakened, falling against Dollar, Euro and Yen

Investment market returns over the past year



Source: Bloomberg as at 30 September 2020

Market Review

Global equities rose over the month, but thin seasonal trading volumes and a mixed news flow meant that progress was stop-start and modest overall. The global equity index achieved a return to a sterling-based investor of 0.28%, a gain which brings to 4.09% the return for 2020 to date and to 5.28% for the past 12 months. Of the major regional indices, Japan was the strongest, gaining 4.97%. Others improved, but not to the same extent; Asia by 1.18%, and Europe by 0.67%. Returns from the US were negative at-0.42%. At the individual country level, in Europe Sweden was the best performer, returning 4.67%. Austria was down -5.00%. In Asia, South Korea improved by 6.55% whilst Indonesia was -9.78% lower. Once again, the UK underperformed its peers and ended the month -1.69% lower. The UK has barely participated in the global equity rally and remains -19.92% down from the level at the start of the year, and -18.51% lower over the past 12 months.

Domestic fixed income securities strengthened in the month. Sentiment was boosted by growing expectations that the Bank of England would adopt a negative interest rate policy in 2021 and by concerns over the likely near-term impact of Brexit. Longer dated government bonds were the strongest performers.

Values continued to edge lower in the property sector but once again the rate of decline moderated and there were price gains in the industrials sector and in offices. The material uncertainty warnings on valuations which led to the suspension of dealing in many funds were lifted, allowing trading once more.

Economic Developments

The recovery in the global economy continued but at a moderating pace as the boost from pent-up consumer demand gradually faded. Manufacturing remained robust, supported by the refilling of inventory pipelines and an encouraging and unexpected rise in business investment. Although monetary policies remained accommodative there were few new initiatives, these may yet come as it seems increasingly likely that support from fiscal policy will fade as programmes created in the initial phases of the crisis come to maturity.

The **UK** economy grew by an estimated 7% in July, continuing the strong bounce in output which has characterised the third quarter. About half the ground lost in March and April has now been recovered but such was the severity of the set-back that output remains 12% below previous peaks. Growth in the final part of the year will be less strong. This is due to a sharp decline in support from government initiatives, rising unemployment and growing Brexit concerns. These will be exacerbated by increased social restrictions following a sharp rise in the COVID infection rate and fears of a 'second wave'. It may well be that activity is unable to grow at all in the final three months of 2020 and into 2021. Average unemployment rose to 4.1% in the three months to July but was accelerating through the period and reached 4.8% by the end. Using claimant count data however the total was 7.6% and this may be a better reflection of the true underlying position given that 11% of the workforce is still supported by a furlough scheme which is coming to its close. Inflation fell to 0.2%, a five-year low, but once again the trend was distorted by special factors, this time an unseasonal fall in airfares and the impact of the government's 'eat out to help out ' scheme. A bounce from these exceptional low levels is likely, but it will be a modest one and the rate should stay below 1% into the new year. Government borrowing in August was £35.9bn, compared with £5.4bn in August 2019. The total for the financial year so far is £174bn, on its way to £350bn+ for the year, 15% of GDP. The Bank of England continued its review of the implications of negative interest rates, making it clear that such a policy, whilst an option, was not a near term one. The expected timetable is that the next move in monetary policy will be another tranche of quantitative easing, probably in the fourth quarter. Negative rates, if adopted, would be applied around mid-2021. Given the challenges and uncertainties of the current environment, the government has decided that there will be no autumn Budget, thereby postponing news of tax increases into the new year. Rumours of progress in the Brexit negotiations continued but without any firm news.

In **Europe**, the European Central Bank left policy unchanged despite a chronic and enduring undershoot of inflation targets. A fresh bout of quantitative easing is expected before the year end but to support flagging growth, member states have been asked to boost domestic spending. France has responded to the plea with a €100bn programme of investment, funded in part from their ' share' of the new Recovery Fund. Germany extended its job support scheme for another year in response to a weakening employment environment. In the EU as a whole, the jobless rate has risen to 7.9% and is expected to move higher in the months ahead. Revised estimates of European economic performance suggest a decline in output in 2020 of c.-7.5%, followed by a bounce of c.5% next year. Much of course will depend on the damage caused by the recent surge in infections and, as importantly, actions taken to control it.

In the **US**, the Federal Reserve confirmed that its new focus on average inflation rates could be expected to leave borrowing costs at current levels until 2023. This was only in-line with investor expectations, in fact money markets are expecting ultra-low rates until 2025. Hopes for a fresh initiative to replace the income support programmes that ended in August faded in an increasingly partisan political environment ahead of the election. It may be that the new president is able to move things forward, but a sufficiently strong mandate is far from certain and a post-election plan will be too late to influence activity this year. In the election, the polls continued to show support for Mr Trump at just a little above 40% compared with nearly 50% for Mr Biden, the gap however is much tighter in the key marginal states. 83% of respondents described the outcome of the election as 'important' and the indicators are that the voter participation rate could exceed the 65% record set in 1908.

Elsewhere, in **Japan**, Mr Suga became prime minister, no change in policies are expected. In **Australia**, a second quarter of economic contraction brought to an end an economic upturn which had lasted 29 years.

Outlook

Economic recovery will continue in the fourth quarter but at a slower pace. In this environment very low interest rates and low inflation will support prices in the fixed income sectors. Yields however are derisory and offer investors little compensation for both risk and protection against any surge in inflation. Property prices are expected to stabilise notwithstanding long term challenges for the retail sectors. Equities remain our asset of choice but on a very selective basis. Valuations are full on many measures, and investors are intolerant of disappointment. Our cash allocations have risen in recent times, but we will look to reinvest on any material setback. Across the portfolios the focus remains on high quality companies able to grow in what remains a challenging and unpredictable economic environment.

CCLA INVESTMENT MANAGEMENT LTD

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12

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Mr N Hitch
Clerk to Petersfield Town Council
Town Hall
Heath Road
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PETERSFIELD TOWN COUNCIL
05 JUN 2020
RECEIVED

1st June 2020

Dear Neil

Accounting services

I have enclosed my fee note for the Council's accounts for the year ended 31st March 2020. In the event, completing the accounts took 4.5 days, compared with 6 days the previous year. Less input from myself was required on reserves accounting, now that the Omega system does the accounting on purchases from reserves, and I did not need to check cut-off on lettings income.

I would be happy to continue providing an accounting service for 2020/21. This would include support/training for Michelle if required, although there seems no immediate need. It would also include completing financial accounts and the annual return numbers. My fee rate will remain at £315 per day.

I wish you all well in the coming year. Hopefully the restrictions will continue to ease so that community halls all over the country may open their doors in the not too distant future.

Yours sincerely

Alan

Alan Harland