



# INVESTMENT POLICY

## GP6

### 1. Introduction

This document sets out the Council's priorities and policies for making and managing any investments by the Council, ensuring that the highest standard of stewardship of public funds remains of utmost importance.

### 2. Scope

This investment policy applies to all investment activities undertaken by the Council.

### 3. Ownership, roles and responsibilities

Ownership of the Council's investment policy, and accountability for all investments made by the Council, resides fully with the members of the Council.

Responsibility for ensuring compliance with any regulatory framework, and the Council's own policy, rests with the Council's Responsible Finance Officer. (Statutory 151 Officer).

### 4. Objectives and Priorities

4.1 The Council's priorities in executing its investment policy are security, yield and liquidity, expanded below:

- Security – in considering the suitability of investments, the Council's overriding objective is to ensure the security of amounts invested and to minimize the risk of investment principle. It is accepted that the total elimination of risk is not achievable or desirable.
- Liquidity – sufficient funds should be available as and when required, therefore investment decisions will be made with this in mind. An element of the Council's funds should remain on call at all times, with no notice requirement.
- Yield – Security of principle is the primary priority, but it is accepted that there should be best possible return in order to maximize the Council's income, thus lessening the precept requirement demanded of the council tax payer.

4.2 The Council will aim to achieve the optimum return on its investments commensurate with appropriate levels of security and liquidity.

### 5. Investments

5.1 On behalf of the Town Council, the RFO is authorised to make investments of monies which are, in the judgment of the RFO and the Council, in excess of current need.

5.2 All investments shall be made in the name of the council.

5.3 All investments, deposits and interest will be in £ sterling.

5.4 All investments will be made with a body or investment scheme which has been awarded a high credit rating by a credit rating agency\*\* Credit ratings will be reviewed at least annually.

5.5 All non long term investments will be made with UK based banks and building societies.



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- 5.6 All long term investments \* will be reviewed annually at a level and length specifically agreed by the Council following a recommendation of the Finance Committee.
- 5.7 Investments for current expenditure will be on instant access deposit accounts.
- 5.8 Investments not required for current expenditure i.e. the General Reserve may be placed on longer term deposits for up to 5 years.
- 5.9 Investments not required for current expenditure i.e. Earmarked Reserves may be placed on medium term deposits not exceeding 2 years

*\* any investment other than one that is due to be repaid within 12 months from the date of the transaction. (the date the investment principle actually invested)*

*\*\* bodies that assess the financial strength of companies and governments, both domestic and foreign, particularly their ability to meet the interest and principal payments on their bonds and other debts. Fitch Ratings Ltd, Moody's Investors Service Ltd and Standard and Poor's.*

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