



Investments Procedure

Introduction

This policy is created under guidance issued by the Secretary of State for Communities and Local Government in accordance with the Local Government Act 2003 and as amended by the Levelling-up and Regeneration Act 2023.

The Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the council.

Objectives

The general policy objective of the Council is prudent investment of its balances. The Council's investment priorities are:

- i. Security of reserves
and then
- ii. Liquidity of investments

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

Investment Policy

The Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies. The Town Council shall only use specified investments as defined by in the Capital Finance; guidance on local government investments (third edition) issued by MHCLG in 2018.

A significant percentage of the Council's bulked reserves shall be placed on interest bearing term/notice deposits.

To retain liquidity these shall be placed with phased end dates i.e. there will always be some maturing sooner than others.

The Council shall only make investments with a body or an investment scheme of high credit quality or with the United Kingdom Government. Investments shall be decided and placed by the Responsible Financial Officer (RFO) having used due diligence including as a minimum finance search engines.

The procedure for undertaking investments, (considering the need for timely and speedy placing of deals) shall be documented by the Responsible Financial Officer and approved by the Council before any investments are placed.

The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments.

Revision

Any revisions to this policy shall be approved by the Full Council.

The Finance Committee shall review this policy as required and recommend any proposed changes to Full Council. Where no changes are proposed, Full Council shall note the policy.

Date of adoption: 13.04.26