

WADEBRIDGE TOWN COUNCIL



INVESTMENT STRATEGY

2023/24

Recommended to Full Council at:
Minute reference:

Adopted at Finance & General Purposes Committee on:
Minute Reference: FIN 304/23

Policy Review Date: September 2024

WADEBRIDGE TOWN COUNCIL

INVESTMENT STRATEGY

	Page
CONTENTS	
Introduction	2
Policy	2
Investment Objectives	2
Specified Investments	3
Non-Specified Investments	3
Liquidity of Investments	3
Long Term Investments	3
Investment Strategy 2023/24	3
Reporting on Investment Performance	3
Review & Amendment of Regulations	4
Alternative Formats	4
Freedom of Information	4

1. INTRODUCTION

- 1.1 Wadebridge Town Council (the Council) acknowledges the importance of prudently investing the temporary surplus funds held on behalf of the community as part of its fiduciary duty.
- 1.2 This Strategy complies with the revised requirements set out in the Department of Communities and Local Government *Statutory Guidance on Local Government Investments* and takes into account Section 15(1)(a) of the Local Government Act 2003 and guidance within Governance and Accountability for Local Councils *Practitioner's Guide 2018*.
- 1.3 The Local Government Act 2003 states that a local authority may invest:
 - For any purpose relevant to its functions under any enactment.
 - For the purpose of prudent management of its financial affairs.
- 1.4 The Council defines its treasury management activities as '*the management of the Council's cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks*'.

2. POLICY

- 2.1 This strategy establishes formal objectives, policies and practices and reporting arrangements for the effective management and control of the Council's treasury management activities and the associated risks and should be read in conjunction with the Council's Financial Regulations.

3. INVESTMENT OBJECTIVES

- 3.1. The Council's investment priorities are:
 - the security of its reserves.
 - adequate liquidity of its investments; and
 - the return on investment – the Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
- 3.2 All investments will be made in sterling.
- 3.3 The Department of Communities and Local Government maintains the borrowing of money purely to invest or to lend and make a return is unlawful and the Council will not engage in such activity.
- 3.4 The Council will monitor the risk of loss on investments by review of credit ratings on a regular basis. The Council will only invest in institutions of high credit quality – based on information from credit rating agencies.
- 3.5 Where external investment managers are used, they will be contractually required to comply with the Strategy.

4. SPECIFIED INVESTMENTS

- 4.1 Specified investments are those offering high security and high liquidity, made in sterling and with a maturity of no more than a year. Such short-term investments

made with the UK Government or a local authority or Town/Parish council will automatically be specified Investments.

4.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use:

- Deposits with banks, building societies, local authorities or other public authorities
- Other approved public sector investment funds.

4.3 The choice of institution and length of deposit will be at the approval of the Finance and General Purposes Committee with recommendation to Full Council.

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

5. NON-SPECIFIED INVESTMENTS

5.1 These investments have greater potential risk – examples include investment in the money market, stocks and shares.

5.2 Given the unpredictability and uncertainty surrounding such investments the Council will not use this type of investment.

6. LIQUIDITY OF INVESTMENTS

6.1 The Finance and General Purposes Committee, with advice from the Responsible Financial Officer, will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

7. LONG TERM INVESTMENTS

7.1 Long term investments are defined in the Guidance as greater than 12 months.

7.2 The Council currently holds £25K in long term investments in the CCLA Local Authorities Property Fund.

8. INVESTMENT STRATEGY 2023/24

8.1 If the Council chooses to invest in 2023/24, the Council will invest as much of its balances as possible in low risk products to achieve its investment objectives.

8.2 The investments will be split between:

- Barclays Business Current Account
- Barclays Base Rate Reward
- CCLA Local Authorities Property Fund

9. REPORTING ON INVESTMENT PERFORMANCE

9.1 Investment performance will be circulated once a quarter to the Finance and General Purposes Committee.

9.2 Investment forecasts for the coming financial year will be accounted for when the budget is prepared.

9.3 At the end of the financial year, the Responsible Financial Officer will report on investment activity to the Finance and General Purposes Committee.

10. REVIEW & AMENDMENT OF REGULATIONS

- 10.1 The Council's Investment Strategy shall be reviewed annually and revised if considered necessary.
- 10.2 The Council reserves the right to make variations to the Investment Strategy at any time subject to the approval of Council. Any variations will be made available to the public.

11. ALTERNATIVE FORMATS

- 11.1 Equality Act 2010 – copies of this document in large print (A3 Format) or larger font size can be made available for those with sight impairment on request from the Town Council Office or by telephoning 01208 812643 or e-mailing the Town Clerk's Office (office@wadebridge-tc.gov.uk).

12. FREEDOM OF INFORMATION

- 12.1 In accordance with the Freedom of Information Act 2000, the Council's Investment Strategy will be published on the Town Council's website www.wadebridge-tc.gov.uk and is also available as hard copy from the Town Council Office.