



Crowle & Ealand Town Council Investment Strategy 2023-2024

1. Introduction

Crowle & Ealand Town Council (the Council) acknowledges the importance of prudently investing the temporary surplus funds held on behalf of the community. This strategy complies with guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003.

2. Investment Objectives

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

- a) The security of its reserves
- b) The liquidity of its investments
- c) The yield obtained from any investment

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

All investments will be made in sterling.

3. Specified Investments

Specified investments are those offering high security and high liquidity, made in sterling and with maturity of no more than a year. Such short-term investments made with the UK Government or a Local Authority (as defined) or a Town/Parish Council will automatically be specified investments.

For the prudent management of its treasury balances, the Council may use:

- Deposits with banks, building societies, local authorities, or public authorities
- Treasury deposits with UK clearing banks
- Money market funds
- UK Government issued gilts
- Other approved public sector investment funds

The choice of institution and length of deposit will be at the approval of the Finance Committee.

4. Non-Specified Investments

These investments have greater potential risk and are usually for longer periods and with bodies that are not as highly credit rated. Examples include investment in money markets, stocks, and shares. Given the unpredictability and uncertainty surrounding such investments the Council will not use this type of investment.

5. Liquidity of Investments

The Responsible Financial Officer (RFO), in consultation with the council, will determine the maximum periods for which funds may be prudently committed so as not to compromise liquidity.

6. Long Term Investments

Long-term investments shall be defined as greater than one year. The Council does not currently hold any long-term investments.

7. Risk Assessment

The Town Council's funds are covered by the Financial Services Compensation Scheme as it is deemed a Small Local Authority (SMA) due to its turnover not exceeding 500,000 euros. SMAs are protected in the same way as other protected investors i.e. for deposits/investments up to £75,000 with any UK bank, building society and credit union as well as with overseas firms PRA deposit-taking permission and UK branches of European Economic Area (EEA) credit institutions. To reduce risks, funds should be held in more than one organisation/fund. The Council will only invest in institutions of "high credit quality". The Council will monitor the risk of loss on investments by reference to credit ratings. The Council will also have regard for the general and political environment in which institutions operate. The investment position will be reviewed by the RFO and reported to the council. The Council does not employ, in-house or externally, any financial advisors but will rely on information which is publicly available.

8. Investment Strategy 2023-24

The Council will invest as much of its balance as possible in a low-risk product in order to fulfil their financial objectives.

The balances for working capital requirements and ongoing projects will be invested in the Business Money Manager Account with HSBC Bank. Being transfer to the Business Current Account, when required. The amount being determined and instructed by the RFO. This account is a deposit account and provides instant access to funds.

As at 31st March 2023, Business Money Manager Account has a balance of £54,801.75

As at 31st March 2023, Business Current Account has a balance of £5,447.77

Working capital sums will be held in the bank account at HSBC bank.

Any surplus funds will be distributed into suitable high interest investment funds

The RFO shall have delegated authority (as contained within the Financial Regulations) to set up any accounts/funds as approved in this policy, and undertake transfers between HSBC accounts and the PSDF as required.

9. Review and Amendment of Regulations

The investment strategy will be reviewed annually by Full Council and revised if considered necessary. The Council reserves the right to make variations to the investment strategy at any time subject to the approval by Full Council. Any variations will be made available to the public.

10. Freedom of Information

In accordance with the Freedom of Information Act 2000, this document will be posted on the Council's website and a hard copy will be available from Crowle & Ealand Town Council offices.

Adopted date & minute reference:

Review: June 2024