



TOTTON & ELING TOWN COUNCIL

Investments Policy

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INTRODUCTION

- 1.1. This policy is created under guidance issued by the Secretary of State for Housing, Communities and Local Government in accordance with the Local Government Act 2003. The extant guidance was issued by MHCLG in 2018.
- 1.2. Totton and Eling Town Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the Council.

OBJECTIVES

- 2.1 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
- 2.2. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

INVESTMENT POLICY

- 3.1. The Town 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 MHCLG guidance.
- 3.2. As a normal procedure monies available in current accounts are used for investment into the treasury account.
- 3.3. A significant percentage of the Council's bulked reserves shall be placed on interest bearing term/notice/instant access deposits.
- 3.4. To retain liquidity these shall be placed with phased end dates i.e. there will always be some maturing sooner than others.
- 3.5. No one investment shall be for a period longer than 12 months. However, flexibility can be applied for longer term investment and higher return, by way of prior approval from the Policy & Resource Committee and Full Council.
- 3.6. The Town Council shall only invest with banks/building societies which it defines as "High Credit Quality". This being those with a credit rating of A with Moody's Investors Service or BBB with Standard and Poor's or Fitch Ratings Ltd.
- 3.7. The Town Council may also invest in the CCLA Public Sector Deposit fund subject to it maintaining a credit rating as required in 3.5.
- 3.8. No investment shall be held with the Council's current bankers.
- 3.9. Investments shall be decided and placed by the Responsible Financial Officer having used due diligence including as a minimum finance search engines and ratings agencies.
 - a. The actual movement of money shall be by the usual authorised signatories.

- 3.10. The procedure for undertaking investments, considering the need for timely and speedy placing of deals shall be documented by the Responsible Financial Officer.
- 3.11. The Town Council considers that by only using specified investments that the officers involved in determining the placement of investments have sufficient capability and skills.
- 3.12. Totton and Eling Town Council will always bank and invest ethically. The Town Council will not directly invest in fossil fuel and petrochemical industries, other extraction industries and associated manufacturing.

INVESTMENT OF CURRENT YEAR FUNDS

- 4.1. The Town Clerk and Responsible Finance Officer may transfer a portion of current year funds into instant access interest bearing accounts and transfer funds from such interest bearing accounts on a routine basis as required.

REVISION

- 5.1. Any revisions to this policy shall be approved by the Full Council.
- 5.2. The Policy and Resources Committee shall review this policy annually and recommend any proposed changes to Full Council prior to commencement of the new financial year. Where no changes are proposed, Full Council shall note the policy.