

# Witham Town Council: Treasury & Investment Policy

*This policy should be read in conjunction with the Financial Regulations.*

## Policy Overview

This policy explains the protocol in which the Town Council manages its investments, reserves and deposits.

fixed deposits of varying lengths or the 'working fund' account.

9. The balances of the Mayor's Appeal Account are exempt from this policy.

## Investment Strategy & Objectives

1. This policy is created in accordance with the Local Government Act 2003 and advice issued by the Secretary of State for Housing, Communities & Local Government on the management of local authority investments.
2. The Council's investment priorities are the security of reserves followed by liquidity of investments.
3. Town Council investments are managed by the Responsible Financial Officer and all investments must be approved by the Policy & Resources Committee or Full Council.
4. All investments are made in sterling with UK registered institutions only.
5. No investment will exceed a term of 12 months.
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.

## Reporting of Investments

10. The RFO will provide regular reports to the Policy & Resources Committee on the expenditure and movement of earmarked reserves and maturity of investments with a range of reinvestment options and advice.

## Borrowing

11. The Town Council may borrow money upon resolution by Full Council from the Public Works Loan Board as it sees fit or the Council's own bank overdraft.
12. No other source of borrowing is permitted.

## Revision

13. Any revisions to the Council's Treasury & Investment Policy can only be approved by Full Council.
14. The Policy & Resources Committee shall be responsible for annual review of this policy prior to the commencement of the new financial year and propose any recommended changes to Full Council for adoption.

## Balances & Earmarked Reserves

7. The Town Council will ' earmark' reserve funds as part of the annual budgeting process.
8. The Town Council's current account balance shall be maintained at approximately one half of the annual precept, with all other funds held in

## Forecasting

15. The Estimates Sub-Committee will produce as part of its annual budgetary recommendations, a three year forecast of anticipated expenditure including planning of future reserves.