

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.

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 Levelling Up, Housing and Communities on the management of local authority investments.
2. The Council's investment priorities are the security of reserves followed by the 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", in accordance with departmental guidance on Local Authority investments. 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.
7. The Town Council may also invest in the CCLA Public Sector Deposit fund subject to it maintaining a credit rating as required in 6.

Investment of Current Year Funds

8. The Town Clerk may transfer a portion of the current year funds into the Unity Savings Instant Access Interest-bearing account and transfer funds from such interest-bearing accounts on a routine basis as required, subject to oversight from the Policy and Resources Committee.
9. The Town Clerk shall determine and routinely review the minimum balance to be held in the current account in consultation with the Banking and Investments working group and shall ensure this is maintained.

Balances & Earmarked Reserves

10. The Town Council will ' earmark ' reserve funds as part of the annual budgeting process.
11. The Town Council's current account/instant access balance shall be maintained at approximately one-half of the annual precept, with all other funds held in fixed deposits or notice accounts of varying lengths.
12. The balances of the Mayor's Appeal Account are exempt from this policy.

Reporting of Investments

13. 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

14. The Town Council may borrow money upon resolution by Full Council from the Debt Management Office as it sees fit or the Council's own bank overdraft.
15. No other source of borrowing is permitted.

Revision

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

Forecasting

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

Agreed last at: Annual Meeting held 15th May 2023

Last reviewed: 13th May 2024 (AM)

Review date: May 2025 (AM)

POLICY NO: WTC/003 - FULL COUNCIL