

# Witham Town Council: Treasury & Investment Policy

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

## **Policy Overview**

This policy is created in accordance with the Local Government Act 2003 and guidance issued by the Department for Levelling Up, Housing and Communities on the management of local authority investments and CIPFA Treasury Management Code 2021.

## **Investment Strategy & Objectives**

1. The Council's investment priorities are the security of reserves, followed by the liquidity of investments and yield (in that order).
2. Town Council investments are managed by the Responsible Financial Officer, and all investments must be approved by the Policy & Resources Committee or Full Council.
3. All investments are made in sterling with UK-registered institutions only or UK- government backed funds.
4. No investment will exceed a term of 12 months.
5. 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.
6. The Town Council may also invest in the CCLA Public Sector Deposit fund subject to it maintaining a credit rating as required in 5.

## **Investment of Current Year Funds**

7. 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.
8. The Town Clerk shall determine and routinely review the minimum balance to be held in the current account and shall ensure this is maintained.

## **Balances & Earmarked Reserves**

9. The Town Council will ' earmark ' reserve funds as part of the annual budgeting process.
10. The Town Council's Unity Trust current account/instant access balance shall be maintained at a suitable level to cover the estimated expenditure until the next precept payment is received, with all other funds held in higher interest fixed or notice accounts of varying lengths.

## **Reporting of Investments**

11. 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**

12. 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.
13. No other source of borrowing is permitted.
14. The Council will not undertake borrowing or investment *solely for yield* or for commercial purposes unrelated to its functions.

## **Revision**

15. Any revisions to the Council's Treasury & Investment Policy can only be approved by Full Council.

## **Forecasting**

16. The Estimates 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 15<sup>th</sup> May 2023**

**Last reviewed: 18th May 2026 (AM)**

**Review date: May 2027 (AM)**

POLICY NO: WTC/003 - FULL COUNCIL