



Investment Strategy and Policy

1.0 Introduction

- 1.1 This Strategy and Policy has been produced with regard to Statutory Guidance on Local Government Investments (3rd Edition) issued by the Secretary of State for the Ministry of Housing, Communities and Local Government under Section 15(1) (a) of the Local Government Act 2003 and is effective for financial years commencing on or after 1 April 2018.
- 1.2 Where a council builds up balances these must be safeguarded by investing in an appropriate account. Investing balances by local councils should be done prudently and in accordance with the above Guidance.
- 1.3 The Guidance applies where the Council's total investments exceed or are expected to exceed £100,000 at any time during the financial year.

2.0 Objectives

- 2.1 The general policy objective is that Corsham Town Council will invest prudently the reserves it holds on behalf of the community. Priority is given to security and liquidity.
- 2.2 The Town Council will seek the optimum rate of return, consistent with the proper levels of security and liquidity.
- 2.3 As investments are reviewed, the Town Council will also have regard to ethical and environmental considerations.

3.0 Specified Investments

- 3.1 Specified investments are those offering high security and high liquidity. All such investments shall be in sterling and for no longer than one year.
- 3.2 For the prudent management of its balances, maintaining sufficient levels of security and liquidity, Corsham Town Council will permit funds which are available for up to six months to be invested in short term deposits with one or more of the UK major clearing banks and/or building societies.

4.0 Non-Specified Investments

- 4.1 These have greater potential risk, such as investment in stocks and shares and the Town Council will not participate in such investments, which are considered not to offer the level of security and liquidity required.

5.0 Liquidity of Investments

- 5.1 The Chief Executive, as the Responsible Financial Officer, will determine the maximum period for which funds may be prudently invested, subject to para. 3.1 above, so as not to compromise liquidity.
- 5.2 The placement of investments shall be delegated to the Chief Executive, as the Responsible Financial Officer, in accordance with the Town Council's Financial Regulations.

6.0 Reports

- 6.1 Investment forecasts for the coming financial year are accounted for when the budget is prepared.
- 6.2 During each financial year, the Chief Executive shall report to the Finance and Administration Committee any investments made in line with this Strategy.
- 6.3 Longer term/higher interest funds are with Santander and CCLA. The Town Council uses Lloyds Bank for its day to day banking. Balances in each account are reported at every Finance and Administration Committee meeting.
- 6.4 Corsham Town Council is not a specified protected investor under the Financial Services Compensation Scheme as the scheme only protects local councils with an annual budget of up to 500,000 Euros (Approx. £415,000).

7.0 Review of this Strategy

- 7.1 The Investment Strategy shall be reviewed annually by the Town Council for each new financial year.
- 7.2 The full Council shall be able to amend or make variations to the Strategy at any time.

David Martin
Chief Executive

March 2022

Review by Council 14 March 2022

Next review date: March 2023

Reference documents: CTC Financial Regulations June 2021; CTC Risk Management Strategy April 2021; Governance and Accountability for Smaller Authorities in England March 2021; Section 15(1) (a) of the Local Government Act 2003; Guidance of Local Government Investments (3rd Edition), MHCLG 2018.

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