



STOTFOLD TOWN COUNCIL

INVESTMENT POLICY 2024

1. INTRODUCTION

- 1.1 This policy has been created under guidance issued by the Secretary for Communities and Local Government in accordance with the Local Government Act 2003.
- 1.2 Stotfold Town Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the Council.
- 1.3 The Guidance states:
 - a) Where a Town or Parish Council expects its investments at any time during a financial year to exceed £100,000, the Guidance should apply in relation to that year.
 - b) Where a Town or Parish Council expects its investments at any time during a financial year to exceed £10,000 but not £100,000 it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that that year.
 - c) Where a Town or Parish Council expects its investments at any time during a financial year not to exceed £10,000, no part of the Guidance need be treated as applying in relation to that year.
- 1.4 The Council expects its investments during 2024-25 to exceed £100,000 and therefore has agreed to apply the Guidance as set out below.

2. OBJECTIVES

- 2.1 The general policy objective of the Council is prudent investment of its balances. The Council's investment priorities are:
 - a) Security of reserves
 - b) Liquidity of investments
 - c) To give consideration for ethical principles
- 2.2 The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

3. INVESTMENT POLICY

- 3.1 The Town Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies. The Council shall only use specified investments as defined by DCLG guidance.
- 3.2 A significant percentage of the Council's reserves shall be placed on interest bearing term/notice deposits.

- 3.3 To retain liquidity these shall be placed with phased end dates i.e., there will always be some maturing sooner than others.
- 3.4 No investment shall be held with the council's current bankers.
- 3.5 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.
- 3.6 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) This shall be under the oversight two members of the Governance & Resources Committee
 - b) The actual movement of money shall be by the usual authorised signatories
- 3.7 The procedure for undertaking investments, considering the need for timely and speedy placing of deals) shall be documented by the Responsible Financial Officer and approved by the Governance & Resources Committee before any investments are placed.
- 3.8 The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a bi-annual basis. Should the credit rating of an organisation fall below that specified under 3.5, the Responsible Financial Officer shall consult the Banking and Investments working group and take the appropriate action.

4. REVISION

- 4.1 Any revisions to this policy shall be approved by the Full Council.
- 4.2 The Governance & Resources Committee shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new financial year. Where no changes are proposed, Full Council shall note the policy.
- 4.3 Notwithstanding 4.2 this policy shall be reviewed in the event the Bank of England increases its base rate above 3% or the Financial Services Compensation Scheme is extended to cover the Town Council.

Revision History

Date Adopted:	September 2023
Date Reviewed:	October 2024 Change of Committee name to Governance & Resources.