



DALTON WITH NEWTON TOWN COUNCIL

Investment Policy

Adopted August 2024

Review Date April 2025

1. Introduction

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- 1.1 The policy is created under guidance issued by the Secretary of State for Housing, Communities and Local Government in accordance with the Local Government Act 2003. The extant guidance was issued by MHCLG in 2018.

- 1.2 Dalton with Newton Town Council acknowledges its responsibility to the community and the importance of prudent investing any reserves held by the council.

● 2.0 Objectives

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- 2.1 The general policy objective of the Council is prudent investment of its balances. The Council's investment priorities are:
 - Security of reserves
 - and then
 - Liquidity of investments
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- 2.2 The Council will aim to achieve the optimum on its investments commensurate with
- proper levels of security and liquidity.

● 3.0 Investment Policy

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- 3.1The Town Council shall diversify its reserves between multiple relatively high rated UK banks and building societies. The Town Council shall only use specified investments
- as defined by MHCLG guidance.
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- 3.2A significant percentage of the Council's bulked reserves shall be placed on interest bearing term/notice deposits.
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- 3.3To retain liquidity these shall be placed with phased end dates i.e. there will always be some maturing sooner than others.
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- 3.4No one investment shall be for a period longer than 12 months.
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- 3.5The 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 Investor Service or BBB with Standard and Poor's or Fitch Rating Ltd.
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- 3.6The Town Council may also invest in the CCLA Public Sector Deposit fund subject to
- it maintaining a credit as required in 3.5.
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- 3.7Investments shall be decided and placed by the Town Clerk (Responsible Finance Officer) having due diligence including as a minimum finance search engines and ratings agencies.
- a. This shall be under the oversight of a standing Banking and Investments working group of two members of the Council.
- b. The actual movement of money shall be by the usual authorised signatories
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- 3.8The procedure for undertaking investments, considering the need for timely and speedy placing of deals shall be documented by the Town Clerk and approved by Full Council before any investments are placed.
- 3.9The Town Clerk shall review the credit rating of organisations in which the Council holds investments on a quarterly basis. Should the credit rating fall below that specified under 3.5, the Town Clerk shall consult the Banking and Investment working group and take the appropriate action.
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- 3.10The Town Council considers that by only using the specified investments that the officers and members involved in determining the placement of investments have sufficient capability and skills.

4.0Non-Financial Investments

4.1The Council do not have any non-financial investments at the current time. If this situation changes the Policy will be reviewed to include non-financial investments.

5.0Revision

5.1Any revisions to this policy shall be approved by the Full Council.

5.2Full Council shall review this policy annually.

5.3Notwithstanding 5.2 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