



# STONEHOUSE

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# TOWN COUNCIL

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## **INVESTMENT STRATEGY 2023**

### **1. INTRODUCTION**

1.1 Stonehouse Town Council acknowledges the importance of prudently investing temporarily surplus funds held on behalf of the community. This strategy complies with the requirements set out in the Ministry of Housing, Communities and Local Government Guidance on Local Government Investments and takes account of Section 15(1)(a) of the Local Government Act 2003 and guidance within 'Governance and Accountability for Smaller Councils Practitioners' Guide'.

### **2. INVESTMENT OBJECTIVES**

2.1 The Council's investment priorities are, in order of importance:

- the security of its reserves;
- the adequate liquidity of its investments;
- the yield on investments.

2.2 Social, ethical and environmental factors will be taken into account as far as is practicable when considering investment options.

2.3 All investments will be made in sterling.

2.4 Borrowing money purely to invest or to lend and make a return is unlawful and the Council will not engage in such activity.

### **3. SPECIFIED INVESTMENTS**

3.1 Specified investments are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. For the prudent management of its treasury balances the Council will use banks, building societies, local authorities or other public authorities and CCLA (Churches, Charities and Local Authorities investment Management Ltd) Public Sector Deposit Fund (PSDF)

#### **4. NON-SPECIFIED INVESTMENTS**

4.1 Non-specified investments have greater potential risk - examples include investment in the money market, stocks and shares. The Council will not use this type of investment.

#### **5. LIQUIDITY OF INVESTMENTS**

5.1 The Responsible Finance Officer in consultation with the Business Committee will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

5.2 Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

#### **6. LONG TERM INVESTMENTS**

6.1 Long term investments are defined in the Guidance as greater than 36 months. The Council does not currently hold any funds in long term investments.

#### **7. NON-FINANCIAL INVESTMENTS**

7.1 Non-financial investments are assets such as property held primarily or partly to generate a profit. The Council does not hold any non-financial investments.

#### **8. RISK MANAGEMENT**

8.1 Management of financial risk may include (but not be limited to) aiming to spread investments across institutions regulated by the PRA or FCA in line with the current level of protection offered by the Financial Services Compensation Scheme, and reviewing the credit rating of institutions.

#### **9. END OF YEAR INVESTMENT REPORT**

9.1 Investment forecasts for the coming financial year are accounted for when budgets are prepared.

9.2 At the end of the financial year the Responsible Finance Officer will report on investment activity to Business Committee and full Council.

#### **10. REVIEW AND AMENDMENT OF REGULATIONS**

10.1 This strategy will be reviewed annually and revised if considered necessary.

10.2 The investment strategy for the coming financial year will be prepared by the Responsible Financial Officer for approval by Business Committee and full Council.

10.3 The Council reserves the right to make variations to the strategy at any time subject to the approval of full Council. Any variations will be made available to the public.

#### **11. TREASURY MANAGEMENT ADVICE**

11.1 Treasury management advice may typically come from either the principal local authority or financial advisers with expertise in advising local authorities and councils.

11.2 The Council does not currently have external treasury management advisers. The Council will consider appointing advisers if significant future funds are to be invested.

11.3 The Council will arrange for its members and officers to undertake appropriate training if deemed necessary to enable robust monitoring and decision making with regard to its investments.

11.4 External investment managers would be contractually required to comply with this strategy.

## **12. FREEDOM OF INFORMATION**

12.1 This document will be posted on the Council's website.

### **APPENDIX - STATEMENT OF INVESTMENTS AS OF 30/06/22**

STC (Current Account – Lloyds Bank)	£432,505.67
Barclays	£101,022.78
Cambridge	£85,000.00
Charity Bank	£76,533.39
Lloyds Business Instant	£75,180.62
Melton Building Society	£85,000.00
Nationwide	£86,154.08
NatWest	£84,746.94
Total Investments (excl STC current account)	£593,637.81

**Document Last Approved by Town Council: 23<sup>rd</sup> January 2023 (Minute No TC2980)**

**Next review date: January 2024**