

Cleator Moor Town Council Investment Strategy 2022-2023

Approved by Full Council on December 14th 2021. Ref 580/21

Introduction

Cleator Moor Town Council (the Council) recognise the need to prudently invest the funds held on behalf of the community. This strategy complies with guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003.

Investment Objectives.

The objective of the Council is the prudent investment of its balances. The priorities are:

The security of reserves

Liquidity of investments

The yield obtained from any investment.

The council will aim to achieve the optimum return on its investments commensurate with adequate levels of security and liquidity.

All investments will be made in sterling.

Specified investments

Specified investments are those offering high security and high liquidity, made in sterling and with maturity of no more than a year. Such short-term investments made with the UK government or a Local Authority (as defined) or a Town/Parish Council will automatically be specified investments.

For the prudent management of its treasury balances, the Council may use

- Deposits with banks, building societies, local authorities or public authorities
- Treasury deposits with UK clearing banks
- Money market funds
- UK government issued gilts
- Other approved public sector investment funds.

The choice of institution and length of deposit will be at the approval of the Full Council.

Non Specified Investments

These investments have a greater potential risk and are usually for longer periods and with bodies that are not as highly credit rated. Examples include investment in money markets, stocks and shares. Given the unpredictability and uncertainty surrounding such investments the Council will not use this type of investment.

Liquidity of Investments

The Responsible Finance Officer, in conjunction with Full Council, will determine the maximum periods for which the funds may be prudently committed so as not to compromise liquidity.

Long Term Investments

Long term investments shall be defined as greater than one year. The Council does not currently hold any long-term investments.

Risk Assessment.

The Town Councils funds are protected by the Financial Services Compensation Scheme and confirmed with our bankers on 16th September 2021 that the annual turnover as of 3rd July 2021 is below £428,901.00.

To reduce risks, funds should be held in more than one organisation fund. The Council will only invest in institutions of 'high credit quality'. The Council will monitor the risk of loss on investments by reference to credit ratings. The Council will also have regard for the general and political environment in which institutions operate.

The investment position will be reviewed by the Responsible Finance Officer and reported to Full Council if necessary.

The Council does not employ either in house or externally any financial advisors but will rely on information which is publicly available.

The balances remaining after accounting for working capital requirements will be invested in deposit accounts with Unity Trust bank and the Cumberland building society.

Working capital sums will be held in a current account with Unity Trust bank.

The Town Clerk will have delegated authority (as contained within the Financial Regulations) to set up any accounts/funds as approved in this policy and undertake transfers as required.

Review and Amendment of Regulations.

The investment strategy will be reviewed by Full Council and revised if considered necessary. The Council reserves the right to make variations to the investment strategy at any time subject to the approval of the Full Council. Any variations will be made available to the public.

Freedom of Information

In accordance with the Freedom of Information Act 2000, this document will be posted on the Council's website with a hard copy available from the Town Council offices.