

DURRINGTON TOWN COUNCIL INVESTMENT STRATEGY 2022

INTRODUCTION

Durrington Town Council acknowledges the importance of prudently saving and investing the temporary surplus funds held on behalf of the community as part of its fiduciary duty.

This Strategy complies with the revised requirements set out in the Department of Communities and Local Government Guidance on Local Government Investments and takes into account Section 15(1)(a) of the Local Government Act 2003 and guidance within Governance and Accountability for Local Councils Practitioners Guide 2018.

The Town Council has the power to invest surplus funds, the Local Government Act 2003 states that a local authority may invest:

For any purpose relevant to its functions under any enactment.

For the purpose of prudent management of its financial affairs.

POLICY

This Strategy establishes formal objectives, policies and practices and reporting arrangements for the effective management and control of the Council's treasury management activities and the associated risks and should be read in conjunction with the Council's Financial Regulations.

INVESTMENT OBJECTIVES

The Council's investment priorities are:

The security of its reserves

The adequate liquidity of its investments

The return on investment

- 1) All investments will be made in sterling and within the United Kingdom only.
- 2) The Council aims to maintain investments purely to ensure the liquidity of the Council and to ensure it is covered for any eventuality.
- 3) For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Durrington Town Council will deposit all ear-marked reserves within its Treasurer's Account, currently held with Lloyds Bank. This is the main bank account for the Town Council. A further reserves account is held within a 12month fixed saver account currently with the Nationwide. The choice of institution and length of deposit will be at the discretion and approval of full Council, this will be reviewed annually.
- 4) Long term investments are defined in the Guidance as greater than 12 months. The Town Council does not hold any long term investments.
- 5) The Town Council and Clerk/RFO will monitor all investments by regular review.

APPROVED BY FULL COUNCIL AT THE FULL COUNCIL MEETING HELD ON 24TH SEPTEMBER 2019 AND REVIEWED BY COUNCIL AT MEETING ON THE 18THof MAY 2021 AND THE 31ST MAY 2022

INVESTMENT STRATEGY

Durrington Town Council will save and invest as much of its surplus balance as possible into its reserves account, in order to achieve its investment objectives.

The Clerk/RFO and the HR and Finance Committee will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity. This will be approved by the Town Council.

SPECIFIED INVESTMENTS

Specified investments are those offering high security and high liquidity, made in sterling and with a maturity of no more than a year.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Durrington Town Council will use:

Deposits with banks, building societies, local authorities or other public authorities.

Other approved public sector investment funds.

The Town Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

NON SPECIFIED INVESTMENTS

These investments have greater potential risk – examples include investment in the money market, stocks and shares. Given the unpredictability and uncertainty surrounding such investments the Town Council will not use this type of investment.

REPORTING

Cashflow, reserves and investments are accounted for during the budget process and at the end of the financial year (31st March). The Clerk/RFO and the HR and Finance Committee will review these quarterly and notify the Town Council.

REVIEW OF STRATEGY

The Clerk/RFO and Policy Committee will review the Strategy annually and revise if necessary prior to full approval by the Town Council.

The HR and Finance Committee reserves the right to make variations to the Strategy at any time subject to the approval of the Town Council.

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