

POLICY, GOVERNANCE & FINANCE COMMITTEE

Date: Monday 30 January 2023

Title: Annual Investment Strategy

Contact Officer: Responsible Financial Officer (RFO) – Nigel Warner

Background

The Council is required to approve an Investment Strategy on an annual basis.

The Investment Strategy should set out what the Council intends to do with any surplus funds and is there to ensure that the Council invests prudently to achieve the optimum return, bearing in mind the security (safety) and liquidity (ease of access) of the funds invested. These requirements form a basis to create clear treasury management objectives and to structure sound treasury management policies and practices.

Investment Strategy

Revised statutory guidance on Local Government Investments (3rd Edition) has been published and was effective from financial years commencing on or after 1 April 2018.

It should be noted that the Committee reserves the right to make variations to the attached Strategy at any time, subject to the approval of the Council.

By implementing this strategy the Officers foresee no changes to the current process for investing surplus funds.

Current Process for Investing Surplus Funds

The Investment Strategy details how the Council invests surplus funds held on behalf of the community. With the appointment of an RFO and in recognition that this is an operational matter, the revised policy delegates the choice of institution for the investment of such funds to the RFO in consultation with the Town Clerk rather than the Chair of the Policy, Governance and Finance Committee. However the revised policy then requires that these matters are reported to the Policy, Governance and Finance Committee.

Financial Regulations require that the RFO together with the Proper Office (Town Clerk) assists the Council to secure economy, efficiency and effectiveness in the use of its resources. Consequently the Council will invest surplus funds for the best income return having regard both to the requirements of the Local Government Act 2003 and the absolute requirement to avoid capital loss.

Financial Implications

There are no direct financial implications arising from this report.

Recommendation

The Committee is invited to note this report and

1. confirm approval of the current investment in secure banks and the Town Clerk/RFO continues to monitor interest rates to ensure that the Council receives the most advantageous interest rates.
2. that the attached appendix being the Annual Investment Strategy 2022/23 is formally approved by the Committee, and subsequently full Council on 13 February 2023.