

## **POLICY, GOVERNANCE & FINANCE COMMITTEE**

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**Date:** Monday 20 November 2023

**Title:** Annual Investment Strategy

**Contact Officer:** Responsible Financial Officer (RFO)

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### **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**

The Strategy is compliant with the Local Government Act 2003, the Revised statutory guidance on Local Government Investments (3<sup>rd</sup> Edition, March 2018) and the guidance set out in the Joint Panel on Accountability and Governance Practitioners' Guide (March 2023).

The RFO has reviewed the Strategy with the Town Clerk/ CEO and some minor changes have been made, which are shown in the tracking. These include adding in the statutory basis of the Strategy.

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 Officer (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 that 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 2023/24 is formally approved by the Committee, and subsequently Full Council on 4 December 2023.