

# Garstang Town Council

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## Investment Strategy

**Date of Review: Annually in February**

<b>Version Number</b>	<b>Purpose/Change</b>	<b>Author</b>	<b>Date</b>
V1.0	275 (2017-18) Approved by Full Council	E. Parry, Town Clerk	21/05/2018
V1.1	Minor formatting amendments to meet Accessibility Criteria (WCAG 2.1 AA).	E. Parry, Town Clerk	07/12/2020
V1.2	Finance Committee asked to review strategy	E. Parry, Town Clerk	12/01/2021
V2.0	Minute 246(2020-21) g) V1.2 approved, released as V2.0	E Parry, Town Clerk	15/02/2021
V2.0	Reviewed for Council approval 19/02/2024	E Parry, Town Clerk	29/01/2024

**1) Introduction**

Garstang Town Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

This strategy has been prepared in accordance with the Guidance on Local Government Investments ('the Guidance'), issued under section 15(1)(a) of the Local Government Act 2003 and effective from 1 April 2018 (3<sup>rd</sup> edition).

The Guidance states:

- a) Where a Parish Council expects its investments at any time during a financial year to exceed or are expected to exceed £100,000 at any time during the financial year.
- b) Where a Parish Council expects its total investments at any time during a financial year to be between £10,000 and £100,000, it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year.

**2) Objectives**

- 2.1 The Council will invest prudently any surplus funds it holds on behalf of the community. Priority will be given to the security and liquidity of its reserves.
- 2.2 The Council will seek the highest rate of return, consistent with the proper levels of security and liquidity.
- 2.3 The Council will withdraw monies first from the least secure or higher rated investment funds/banks.

**3) Specified Investments**

- 3.1 The Council will invest its reserves in specified investments which are defined by the Guidance as investments that are:
  - denominated in sterling and any payments or repayments in respect of the investments are payable only in sterling
  - that have a period to maturity of no more than 12 months
  - not defined as capital expenditure (essentially this precludes investment in share or loan capital of any corporate body)
  - made with a body or in an investment scheme which has been awarded a high credit quality (see below) or is made with the UK Government or a Local Authority.
- 3.2 The Council will only invest in Specified Investments as defined above.
- 3.3 For the avoidance of doubt, the Council will invest balances which are surplus for in short term deposits with one or more of the UK Government, UK banks and/or building societies or other local authorities, provided that the credit rating of such institution satisfies the minimum credit ratings specified below.

3.4 Decisions on investments within this strategy will be made by Full Council.

4) **Acceptable Level of Credit Ratings (Risk)**

4.1 The required level of Credit Rating for UK Banks and Building Societies is 'A' or above or the bank is registered with the Financial Services Authority (FSCS) and the Council is otherwise satisfied as to its levels of capital and liquidity.

5) **Treasury Management**

5.1 The Council does not use external advisers to offer information, advice or assistance relating to investments, nor does it regard there as being a need for its staff to be trained in investment management given the nature of its investments but will rely on information which is publicly available.

5.2 The Council will monitor the risk of loss on investments by reference to credit ratings. The Council should aim for ratings equivalent to the Fitch F1 rating for short-term investments.

6) **Investment of Money Borrowed in Advance of Need**

In the unlikely event of money being borrowed in advance of need, it will be invested in specified investments in accordance with this strategy.

7) **Review and Amendment of Regulations**

The Investment Strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared and reviewed by Full Council.

The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council.

8) **Transparency**

The Strategy should be publicly available on the Council's website.