



## PATCHWAY TOWN COUNCIL

Callicroft House, Patchway, Bristol, BS34 5DQ

[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

### Investment Strategy

Patchway Town Council acknowledges the importance of prudently investing all funds held on behalf of the community by the Council.

In accordance with Section 15(1) of the Local Government Act 2003 Act, the Council will have regard (a) to such guidance as the Secretary of State may issue and (b) to such other guidance as the Secretary of State may by regulations specify.

This Strategy complies (as appropriate) with legislation including the revised requirements set out in the Guidance on Local Government Investments issued by the Secretary of State for Housing Communities and Local Government in 2018 for periods after 1 April 2018.

This Investment Strategy demonstrates the Town Council's prudent investment of funds held on behalf of its community.

The Council is committed to transparency and openness in reporting and to making it easy for informed observers to understand how good governance and democratic decision accountability have been exercised.

The Council is not allowed in law to borrow more than, or in advance of, their need purely in order to profit from an investment which may be in financial or non-financial assets.

#### Definition of investment

An investment is defined as all the financial assets and non-financial assets held by the authority primarily or partially to generate profit. Investment also includes loans made by a local authority to others but does not include pension funds or trust fund investments.

#### Objectives

This Investment Strategy has two underlying objectives:

Security – to protect the capital sum investment from loss.

Liquidity – to ensure that the funds invested are available for expenditure when needed.

When entering into any investment the Town Council will consider the balance between security, liquidity and yield.

The investment objective is to protect public money and raise additional revenue through interest earned using unallocated funds that are not part of the Town Council's operating costs.

#### Investment choice

The Town Council has determined that for the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use:

- UK Banks
- UK Building Societies
- Local Authorities or other public authorities if appropriate

Adopted: 21<sup>st</sup> May 2024.

Review: May 2025.



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The Council will only make specified investments.

Currently Specified Investment are those offering high security and high liquidity, made in sterling. Such short-term investments made with a body or investment scheme of high credit quality (including the UK Government or a local authority or town/parish council) will automatically be 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 Council will not use this type of investment.

The Town Council will seek professional, independent advice, should it need to consider longer term investments.

### **Investment Plan**

Natwest is the Town Council's Bankers. Funds not required for immediate use are currently invested in The CCLA Public Sector Deposit Fund only. As part of prudent risk management, the Town Council will review and update its investment portfolio.

The Council have invested a significant amount into the CCLA Public Sector Deposit Fund. These are not subject to change.

### **Risk management**

For Council's with a budget in excess of 500,000 Euros are not covered under Financial Services Compensation Scheme. Before investing funds, the Town Council will:

- Assess the risks and likely return.
- Consider a wide range of investment opportunities.
- Consider the liquidity of the investment.
- Consider the expected cash flow requirements e.g. funds invested will not exceed more than 6 months average expenditure (precept divided by 12 months multiplied by 6).

All investments will be undertaken with due diligence. The RFO will identify all potential investments and report on these to the Full Council.

### **Monitoring risk**

The Town Council is the corporate body responsible for authorising investment activities. The Town Council will regularly monitor the performance of all investments. If interest rates fall significantly the funds will be transferred to a more stable account, unless there is a general down-turn in interest rates.

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