

MINEHEAD TOWN COUNCIL ANNUAL INVESTMENT STRATEGY



Approved: 18th April 2024

Reviewed: 28th April 2026

Minute Number: 2026/63

POLICY UPDATE TIMELINE

Policy Number	Version	Owner	Date Approved	Review Due	Review Team
	V1	MTC	16 th April 2024	April 2025	Council
	V2	MTC	6 th May 2025	May 2026	Council
	V3	MTC	28 th April 2026	May 2027	Council

Minehead Town Council (the Council) acknowledges the importance of prudent investment of treasury funds through adherence to the Statutory Guidance on Local Government Investments (3rd Edition) issued under section 15(1)(a) of the Local Government Act 2003, effective from 1 April 2018.

This Strategy should be read in conjunction with the Council's Financial Regulations and Internal Controls.

This Strategy sets out the requirement to achieve the prudent management of treasury balances throughout the financial year.

This Strategy sets out to balance its investments with the Council's duty to manage daily revenue expenditure alongside an affordable capital programme.

Investment Objectives:

Under Section 12 of the 2003 Act, a local authority has the power to invest for "any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs".

The policy of the Council is to ensure that its investments contribute to the objectives of the local authority and its functions, through effective treasury management activities and the prudent management of its finances.

The policy will adhere to the principle to prioritise Security, Liquidity and Yield in that order of importance, and to ensure that any risks are effectively mitigated.

Liquidity of Investments:

The Town Clerk and The Responsible Finance Officer, in consultation with the Chair of the Council, will determine the period investments can be prudently committed to and shall risk assess fixed term investments.

The Town Clerk and Responsible Finance Officer may, with due consideration to the economic climate, the Council's current resources and liquidity, its expenditure commitments, and contingencies, determine that none of the Council's balances can be prudently committed to fixed term or longer-term investments.

Specified Investments:

A specified investment, as provided in paragraph 31 of the Statutory guidance, is one where:

- The investment and any payments in respect of the investment are in sterling.
- The investment is not long term, such that the local authority has contractual right to repayment within 12 months if required.
- The making of the investment is not defined as capital expenditure by Regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

- The investment is made with a body or investment scheme of “high credit quality” or the United Kingdom Government, a local authority (as defined in section 23 of the 2003 Act) or a parish council or community council.

The Council will invest in:

- bank deposit accounts of “high credit quality” from instant access up to twelve months in term.
- the Public Sector Deposit Fund SC4, a UK FCA Qualifying Money Market Fund managed by the CCLA, one of the UK's largest charity fund managers.

Council Investments:

The Council holds its day-to-day funds in a non-interest paying business current account at a local banking branch.

The Council holds Ear Marked Reserves in an interest paying, instant access account for projects being actioned in the current financial year. Funds for projects not completed by the end of the financial year are moved into the corresponding ear marked reserve cost centre or any surplus remaining after a project’s completion is moved to general reserves or another ear marked reserve. Any action is agreed by Council.

The Council holds General Reserves and longer-term ear marked reserves in a savings account with notice no longer than 35 days.

Any surplus left at the end of the financial year is moved to a longer term, higher interest paying account.

The Council has funds in the Public Sector Deposit Fund which offers a longer-term, dividend base investment, whilst retaining flexibility of withdrawals.

The Clerk or Deputy Clerk, RFO will assess the performance, level of investment and risk factor of all its investments on a bi-annual basis.

Review of the Strategy:

This Investment Strategy is reviewed annually and reported to Full Council.