

# MINEHEAD TOWN COUNCIL ANNUAL INVESTMENT STRATEGY



**ADOPTED 18<sup>th</sup> April 2024**

**Reviewed 30<sup>th</sup> April 2025**

Policy Number	Version	Owner	Date Adopted	Review Due	Review Team
	V1	MTC	16 April 2024	April 2025	Council
	V2	MTC	30 April 2025	April 2026	Council

Distribution:

Internal: Clerk & Deputy Clerk, RFO

External: Councillors

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 Financial 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, The Responsible Finance Officer, in consultation with the Chair of the Council, will determine the period investments can be prudently committed 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.

The Council holds General Reserves being spent in the current financial year in another interest paying, instant access account.

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

The Council will also hold at least one other specified investment in the form of up to a 12-month fixed interest deposit at a reputable financial institution, as well as funds in the Public Sector Deposit Fund which has a variable term and a variable interest investment vehicle that facilitates flexibility in investments and 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.