



EVESHAM TOWN COUNCIL

ANNUAL INVESTMENT POLICY

1.0 Introduction

- 1.1 The strategy has been produced and complies with the guidance issued by the Secretary of State under Section 15(1) (a) of the Local Government Act 2003.
- 1.2 Evesham Town Council acknowledges its responsibility to the community and the importance of prudently investing the temporary surplus funds held on behalf of the community.

2.0 Objectives

- 2.1 The general policy objective for this Council is prudent investment of its balances. The Council's investment priorities are:-
- (i) the security of its reserves
and
 - (ii) the liquidity of its investments.
 - (iii) the return of its investments
- 2.2 The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

3.0 Policies

- 3.1 All the Town Council's investments will be Specified Investments which are those offering high security and high liquidity. This means that:-
- (i) All investments will be made in sterling and any payments or repayments will also be made in sterling.
 - (ii) Long term investments will be limited to a maximum of £100,000 and will be reviewed annually,
 - (iii) All investments will be made with a body or investment scheme which has been awarded a high credit rating by a credit rating agency¹. (A high credit rating will be defined as 'A' 'High Credit Quality'.)
 - (iv) All non long term investments will be made in UK banks and building societies.
- 3.2 Credit Ratings will be monitored at quarterly intervals. If the credit rating falls during that period, the Town Clerk, in consultation with the Mayor, will decide on the appropriate action.
- 3.3 For prudent management of its balances, the Town Council, maintaining sufficient levels of security and liquidity, will adopt a policy whereby funds which are likely to be surplus for up to three months can be invested in short

¹ A credit rating agency is defined in the guidance as one of the following three companies: Standard and Poor's; Moody's Investors Service Ltd; Fitch Ratings Ltd.

- term deposits with one or more of the UK major clearing banks and/or building societies.
- 3.4 (The Department of) Communities and Local Government maintain that borrowing of monies purely to invest, or to lend and make a return is unlawful and the Town Council will not engage in such activity.
- 4.0 Review and Amendment of the strategy**
- 4.1 The Town Clerk will review this strategy annually for approval by the Full Council when annual estimates are being considered.
- 4.2 At the end of the financial year during the preparation of accounts the Town Clerk will also report on investment activity.
- 4.3 The Council may recommend variations of the strategy for approval by the Full Council in accordance with the guidance from the Secretary of State.
- 4.4 The Council will review the Town Council's banking arrangements every two years.
- 4.5 The Town Council will consider the placement of the Town Council's deposits one month before any bond matures.

Adopted by the Town Council at its meeting on 12 January 2015