



Thaxted Parish Council Investment Policy

The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.

All investments of money under the control of the council shall be in the name of the council.

Both the CIPFA (Chartered Institute of Public Finance) and the CLG (Communities and Local Govt.) Guidance require the Council to invest its funds prudently and to have regard to the security and access to its investment before seeking the highest rate of return.

SHORT TERM INVESTMENTS

Short term investments are those offering high security and high availability, made in sterling and maturing within 2 years. For the prudent management of its treasury balances, maintaining sufficient levels of security and availability, the Council will use deposits with banks or building societies.

NON-SPECIFIED INVESTMENTS

These investments have greater potential risk – examples include investment in the money market, stocks and shares. Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment.

ACCESS TO INVESTMENTS

The Chairman and the Vice-Chairman of the F&A Committee in consultation with the Responsible Finance Officer will determine the maximum periods for which funds may be prudently committed so as not to compromise availability using an appropriate cash flow projection. Investments will be regarded as commencing on the date on which the funds are paid over to the counterparty.

LONG TERM INVESTMENTS

Long term investments shall be defined as greater than 2 years. The Council will use the same criteria for assessing long term investments as identified above for short term investments.

REVIEW AND AMENDMENT OF REGULATIONS

The policy will be reviewed annually. The Council does not employ in-house or externally any financial advisors, the Council will rely upon information within the public domain.

The Council reserves the right to make variations to the Policy at any time, subject to the approval of the full Council. Any variations will be made available to the public.

FREEDOM OF INFORMATION

In accordance with the Freedom of Information Act 2000 this document will be posted on the Council website and a hard copy will be available from the Council's office.

AUTHORISATION, INVESTMENT REPORTS AND RESPONSIBILITY

Investments will be authorised by the Chairman of the Council and the Vice-Chairman of the F&A Committee in consultation with the Responsible Finance Officer and reported at the following meeting of the Council or Finance Committee, whichever is first. The Council is ultimately responsible for its investments.

FOLLOW UP MEETINGS

The RFO and Chairman of the Council will meet with representatives of Lloyds Bank to discuss short, medium and long term strategies for investing the Council's cash reserves. With a view to utilising a mixture of 32 day notice accounts and treasury investments a flexible and prudent investment strategy will be proposed. Meeting of a similar nature may be arranged with our existing banking partners in order to maximise any return on the council's investments.

RECOMMENDATION

That the RFO be authorised to work with the current (Associate Director | SME Financial Markets Lloyds Bank) to place funds for short, medium and long terms (no greater than 1 year). This will be reviewed with the Chairman and Vice-Chairman of the Finance and Establishment Committees and reported to future meetings where the situation can be monitored and amended as necessary.