



## BEVERLEY TOWN COUNCIL

### INVESTMENT STRATEGY

#### 1. INTRODUCTION

Beverley Town Council (the Council) acknowledges the importance of prudently investing the reserve funds held on behalf of the community as part of its fiduciary duty. This Strategy complies with the revised requirements set out in the Department of Communities and Local Government *Guidance on Local Government Investments* and takes into account Section 15(1)(a) of the Local Government Act 2003 and guidance within Governance and Accountability for Local Councils *Practitioner's Guide 2018*.

The Local Government Act 2003 states that a local authority may invest:

For any purpose relevant to its functions under any enactment.

For the purpose of prudent management of its financial affairs.

The Council defines its treasury management activities as "*the management of the Council's cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks.*"

#### 2. POLICY

This strategy establishes formal objectives, policies and practices and reporting arrangements for the effective management and control of the Council's treasury management activities and the associated risks and should be read in conjunction with the Council's Financial Regulations.

#### 3. INVESTMENT OBJECTIVES

3.1. The Council's investment priorities are:

The security of its reserves and the adequate liquidity of its investments, and the return on investment – the Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

3.2 All investments will be made in sterling.

3.3 The Department of Communities and Local Government maintains the borrowing of money purely to invest or to lend and make a return is unlawful and the Council will not engage in such activity.

3.4 The Council will monitor the risk of loss on investments by review of credit ratings on a regular basis. The Council will only invest in institutions of high credit quality – based on information from credit rating agencies.

3.5 Investments will be spread over different providers where appropriate to minimise risk.

3.6 The fundamental principle governing Beverley Town Council's investment criteria is the security of its investments, although investment return will be a consideration.

For 2020-23 the Council will invest as much of its balances as possible in low risk, accessible and short term schemes in order to achieve its investment objectives. Investment schemes will be ethical, responsible and of high credit quality, domiciled within the UK with a sovereign rating of A- or higher.

The Council will also consider investing in a property to potentially house the Council staff and provide benefits to the local community.

#### **4. RESPONSIBILITIES AND SEGREGATION OF DUTIES**

- 4.1 This Investment Strategy sets out the framework within which financial investments are made, and is approved by Full Council on the recommendation of the Policy Committee.
- 4.2 The Responsible Financial Officer is responsible for selecting suitable investments which comply with the strategy outlined in this document and will present them to the Policy Committee for consideration.
- 4.3 Procedures for the control of Investments (e.g. bank signatories) are defined in the Financial Regulations.

#### **5. SPECIFIED INVESTMENTS**

- 5.1 Specified investments are those offering high security and high liquidity, made in sterling and with a maturity of no more than a year. Such short term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.
- 5.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Beverley Town Council will use:
  - \* Deposits with banks, building societies, local authorities or other public authorities.
  - \* Other approved public sector investment funds.
- 5.3 The choice of institution and length of deposit will be at the recommendation of the Policy Committee and the resolve of Full Council.
- 5.4 The Council will aim to achieve a return on its investments commensurate with the proper levels of security and liquidity.

#### **6. NON 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.

#### **7. LIQUIDITY OF INVESTMENTS**

The Policy Committee in consultation with the Responsible Finance Officer and the resolve of Full Council will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity. Investments will be regarded as commencing on the date the commitment to invest is entered into rather than the date on which the funds are paid over to the counterparty.

#### **8. LONG TERM INVESTMENTS**

Long term investments are defined in the Guidance as greater than 12 months.

The Council does not currently hold any funds in long term investments.

## **9. INVESTMENT STRATEGY 2019-20**

For 2019-20 the Council will invest as much of its balances as possible in low risk, short term products in order to achieve its investment objectives.

## **10. END OF YEAR INVESTMENT REPORT**

Investment forecasts for the coming financial year were accounted for when the budget was prepared. At the end of the financial year, the Responsible Financial Officer will report on investment activity to the Policy Committee.

## **11. REVIEW AND AMENDMENT OF REGULATIONS**

- 11.1 This Investment Strategy will be reviewed annually and revised if considered necessary.
- 11.2 The Council reserves the right to make variations to the Investment Strategy at any time subject to the approval of Council. Any variations will be made available to the public

## **12. ENVIRONMENTAL AND ETHICAL SUSTAINABILITY**

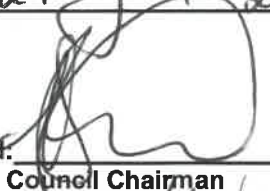
Where possible, the Town Council will invest finances with banks, building societies, etc., that have a positive track record of investing in and working with companies that are environmentally and ethically sustainable.

## **13. FREEDOM OF INFORMATION**

In accordance with the Freedom of Information Act 2000, the Council's Investment Strategy will be published on the Town Council's website [www.Beverley.gov.uk](http://www.Beverley.gov.uk) and is also available as hard copy from the Town Council Offices.

### **Beverley Town Council Investment Strategy Approved by Full Council**

Date: 27 July 2020.

Signed:   
Council Chairman

Date: 27 July 2020

Signed:   
Town Clerk

Date: 27 July 2020

