



Helston Town Council

Konsel an Dre Hellys

INVESTMENTS POLICY

Reviewed: March 2024

Next review: March 2025

1.0 INTRODUCTION

- 1.1 This Policy is reviewed under guidance issued by the Ministry of Housing, Communities and Local Government in 2018 '*Statutory Guidance on Local Government Investments (3rd Edition)*'.
- 1.2 Helston Town Council acknowledges its responsibility to the community and the importance of prudently investing reserves held by the Council.

2.0 OBJECTIVES

- 2.1 The Policy objective is the prudent investment of the Council's balances.
- 2.2 Investment priorities are:-
 - i) Security - protecting the capital sum from loss;
 - ii) Liquidity - keeping the money readily available for expenditure when needed;
 - iii) Ethical investment – ensuring that investments consider long term local and global environmental and social impacts in a prudent manner

and then
 - iv) Yield – return on the investment.
- 2.3 The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security, liquidity and within an ethical investment framework.

3.0 POLICY

- 3.1 The Town Council shall diversify its reserves between multiple relatively highly rated UK banks and/or building societies.
- 3.2 The Town Council shall retain a minimum of three to four months estimated expenditure in current and deposit accounts giving immediate access.
- 3.3 A significant percentage of the Council's reserves shall be placed in interest bearing deposits such as Fixed Rate Bonds, if available.
- 3.4 To retain liquidity, Fixed Rate Bonds should be placed with phased end dates.

- 3.5 No one investment shall be for longer than 12 months unless specifically approved by the Finance & General Purposes Committee.
- 3.6 Investments shall be decided and placed by the Town Clerk & Responsible Financial Officer following a due diligence exercise to ensure that the Council meets its investment priorities outlined in 2.2.
- 3.7 New investments will be reported to the Finance & General Purposes Committee with an explanation of security, liquidity, ethics and yield.
- 3.8 All investment beneficiaries will be documented to ensure that HTC does not invest in environmentally or socially unethical practices
- 3.9 The performance of investments will be regularly monitored and reported to the Finance & General Purposes Committee.
- 3.10 The Town Clerk & RFO shall review credit ratings of organisations in which the Council holds investments on a quarterly basis and take action as necessary. (A Credit Rating Agency is one of the following three companies: Standard & Poor's; Moody's Investors Service Ltd; and Fitch Ratings Ltd).
- 3.11 The Guidance states that councils must not borrow more than, or in advance of their needs, purely in order to profit from the investment of the extra sums borrowed.

4.0 CURRENT INVESTMENTS

4.1 As at 1st March 2024 the Council holds the following accounts:-

- | | |
|-----------------------------------|-----------------|
| • NatWest Bonus saver account | Instant Access |
| • Unity Bank Current Account | Instant Access |
| • Unity Bank Deposit Account | Instant Access |
| • CCLA Public Sector Deposit Fund | Next Day Access |

5.0 REVIEW

- 5.1 This Policy shall be reviewed by the Finance & General Purposes Committee annually.
- 5.2 Any revisions to the Policy shall be approved by Full Council prior to the commencement of the new financial year.
- 5.3 If no revisions are recommended, the Full Council shall note the Policy.