



## **St. Anne's on the Sea Town Council Treasury Management Policy**

### **Introduction**

St. Anne's Town Council has an aim through the Reserves Policy to aim for six months spending included in the annual precept to be held in reserves. This means that we regularly have appropriate surplus funds available and it is important that such funds are invested prudently with due regard to the Council's fiduciary responsibility to the Council Tax payers and to the priority for security and liquidity of those investments.

The Town Council is required by the Local Government Act 2003 to determine an annual Investment Strategy. This strategy must be approved by the Council but may be varied from time to time as circumstances dictate. The Strategy will be a public document as defined by the Freedom of Information Act 2000.

The policy and strategy make clear that the three defining principles that drive any investment undertaken by the Council are (and in that order);

- 1. Security**
- 2. Liquidity**
- 3. Rate**

### **Investment Strategy**

All of the Town Council's investments will be 'Specified Investment's which means that they meet policy numbers 4, 5, 6, 7, 8 as detailed below.

1. For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use deposits with banks, building societies, local authorities or other public authorities
2. The Council should spread the risk by placing money with two or more institutions. However, the number of accounts should be kept to a minimum as many accounts are operationally inefficient and more complex to audit.
3. The RFO (in conjunction with the Town Clerk) is authorised to open an account with an institution not holding the Council's current account and which gives a net return on instant access greater than the current account
4. All investments will be made in sterling and any payments or repayments will also be made in sterling, with UK registered institutions only.
5. All investments will be short term investments not to exceed 12 months
6. All investments will be made with a body or an investment scheme which has been awarded a high credit rating by a credit rating agency
7. A credit rating agency will be taken as one of the following
  - i. Standard and Poor's
  - ii. Moody's Investors Services Ltd
  - iii. Fitch Ratings Ltd

8. A high credit rating will be defined as 'A' 'High Credit Quality', referring to the Long Term grade issued in relation to an institution.
9. Credit ratings will be monitored regularly and if the rating falls a decision will be made by the Town Clerk, RFO and the Town Council Support Officer if it is expedient to move funds.
10. Council reserves the right to make variations to both the Policy and Strategy at any time, subject to the approval of Council. Any variations will be made available to the public.

#### **Legal and Regulatory Risk Management**

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. The Council recognises that future legislative or regulatory changes may impact on its treasury activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely.

**Approved and adopted by Town Council at Policies and Resources Committee**

**Minute reference and date 117/16 on 10<sup>th</sup> May 2016**