

UCKFIELD TOWN COUNCIL



ANNUAL INVESTMENT STRATEGY

Policy Number 45		
Issue No.	Date completed	Details of amendments
1	23.03.09	Adopted at General Purposes Committee - GP068.03.
2	15.12.09	Finance Sub-Committee agreed to review Policy in one year's time. GP.045.12.09
3	05.12.11	General Purposes - GP.63.12.11
4	01.12.14	Reviewed at General Purposes Committee - GP.39.12.14
5	18.01.16	Reviewed at General Purpose Committee GP.50.01.16
<u>6</u>	<u>25.01.22</u>	<u>Review of strategy by Finance Sub-Committee</u>
<u>7</u>	<u>31.01.22</u>	<u>General Purposes Committee</u>

1.0 Introduction

- 1.1 The strategy has been produced and complies with the revised requirements set out by the Department for Communities and Local Government in April 2010 with regard to Local Government Investments, CIPFA's Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance notes and takes account of guidance issued by the Secretary of State under Section 15(1) (a) of the Local Government Act 2003.
- 1.2 Uckfield 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.
- 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) All investments will be short term investments which will not exceed a maximum of thirteen months.
 - (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 investments will be made in UK banks, building societies or charitable funds.
- 3.2 Credit Ratings will be monitored at quarterly intervals. If the credit rating falls during that period, the Responsible Financial Officer, in consultation with the Chairman of the General Purposes Committee, the Chairman of the Finance Sub-committee and the Town Clerk, will decide on the appropriate action.

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.

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 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 This strategy will be reviewed annually.

4.2 At the end of the financial year during the preparation of accounts the Responsible Financial Officer will also report on investment activity.

4.3 The General Purposes Committee 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 General Purposes Committee will review the Town Council's banking arrangements every two years.

4.5 The Finance Sub-committee will consider the placement of the Town Council's deposits one month before any bond matures and recommend movements to the General Purposes Committee or if subject to time constraints Full Council as necessary. At present the 12-month investment period Uckfield Town Council has been reviewing, has fallen each July.

5.0 Current investments

5.1 Uckfield Town Council's current investments are with:

- NatWest Bank Plc – day to day current account;
- NatWest Bank Plc – business reserve account;
- Lloyds Bank Plc – 12-month fixed term deposit account;
- Lloyds Bank Plc – Treasurer account;

6.0 Non-financial investments

6.1 Non-financial investments are normally held by a local authority to generate a profit, and it would normally be a physical asset that can be realised to recoup the capital invested. Uckfield Town Council has a portfolio of assets, with most buildings leased out for community use or to local small independent businesses. The full list of the Town Council's assets is available in the Town Council's Property Asset Management Plan 2022-27 which can be found on the Town Council's website: <https://www.uckfieldtc.gov.uk/key-documents/>

The Town Council currently owns the following residential property which sits adjacent to a Town Council owned community building:

- 2A Vernon Road

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Appendices: Appendix A – Statement of position at 31 December 2021

APPENDIX A

Statement of Financial Position as at 31 December 2021

<u>Specified investments</u>	<u>£</u>
• NatWest Bank Plc – Day to Day Current Account	199,862.01
• NatWest bank Plc – Business Reserve Account	981,827.01
• Lloyds Bank Plc – 12 Month Fixed Term Deposit Account	300,916.56
• Lloyds Bank Plc – Treasurer Account	20,000.00

Non – financial Investments

• Flat 2A Vernon Road (March 2019 Valuation)	140,000.00
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Nb. For the present time the General Reserve shall, as a minimum be kept as three months operating costs as predicted by the annual budget. This is in addition to earmarked reserves that are allocated for a specific purpose or project.

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