



Wareham Town Council

Investments Policy

INTRODUCTION

- 1.1 This policy is created under guidance issued by the Secretary of State for Communities and Local Government in accordance with the Local Government Act 2003. The extant guidance was issued by DCLG in 2018.
- 1.2 Wareham Town Council (the “Council”) acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the council.

OBJECTIVES

- 2.1 The general policy objective of the Council is prudent investment of its balances. The Council’s investment priorities are:
 - (i) Security of reserves
and then
 - (ii) Liquidity of investments
- 2.2 The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

INVESTMENT POLICY

- 3.1 The Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies, and the Public Sector Deposit Fund. The Town Council shall only use specified investments as defined by DCLG guidance.
- 3.2 A significant percentage of the Council’s bulked reserves shall be placed on interest bearing term/notice deposits.
- 3.3 To retain liquidity these shall be placed with phased end dates i.e., there will always be some maturing sooner than others.
- 3.5 No investment greater than £85,000 shall be held with the council’s current bankers unless its purpose is to meet payment requirements within 5 days.
- 3.6 The Council shall only invest with banks/building societies which it defines as “High Credit Quality”. This being those with a credit rating of A with Moody’s Investors Service or BBB with Standard and Poor’s or Fitch Ratings Ltd.
- 3.7 Investments shall be placed by the Responsible Financial Officer having used due diligence including as a minimum finance search engines and ratings agencies.
 - i. This shall be under the oversight of the Policy Resources and Finance Committee.
 - ii. The actual movement of money shall be by the usual authorised signatories.
- 3.8 The procedure for undertaking investments, considering the need for timely and speedy placing of deals, shall be documented by the Responsible Financial

Officer and approved by the Policy Resources and Finance Committee before any investments are placed, with the exception of the receipt of Precept when received to meet the £85,000 requirement.

- 3.9 The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a quarterly basis. Should the credit rating of an organisation fall below that specified under 3.6, the Responsible Financial Officer shall consult the Policy Resources and Finance Committee and take the appropriate action.

REVISION

- 4.1 Any revisions to this policy shall be approved by the Full Council.
- 4.2 The Policy Resources and Finance Committee shall review this policy every three years and recommend any proposed changes to Full Council prior to the commencement of the next financial year. Where no changes are proposed, Full Council shall note the policy.
- 4.3 Notwithstanding 4.2 this policy shall be reviewed in the event the Bank of England increases its base rate above 8% or the Financial Services Compensation Scheme is extended to cover the Town Council.