

Frinton & Walton Town Council Investment Policy

1. Purpose

The purpose of this policy is to outline the procedures and guidelines for investing funds held by Frinton & Walton Town Council, ensuring the security, liquidity, and yield of the Council's investments.

2. Investment Objectives

- To ensure the security of the Council's funds.
- To maintain liquidity to meet the Council's operational needs.
- To achieve a reasonable yield on investments.

3. Investment Strategy

- Any funds in excess of £150,000 held across the Council's bank accounts will be invested in the CCLA Public Sector Deposit Fund (PSDF).
- The Clerk/Responsible Financial Officer (RFO) will monitor bank balances daily and transfer funds as required to maintain up to £150,000 in the bank accounts.

4. Monitoring and Review

- Bank and investment balances will be reviewed by the Finance Committee at each of its meetings.
- The PSDF account will be reflected within the Council's accounting system as a separate account, with balances reported monthly via the Income & Expenditure Report.

5. Reinvestment of Dividends

- Dividends from the PSDF will be reinvested in the PSDF rather than paid out.

6. Withdrawal of Funds

- Notice to withdraw funds from the PSDF must be raised by the Clerk/RFO and a second signatory obtained from any signatory currently on the mandate lodged with CCLA.
- The notice must be received by the administering agent 'CCLA' by 11.30am for same-day funds clearance directly into the Council's nominated bank account.
- The nominated bank account is the Council's current account which is set-up at the inception of the relationship with CCLA and can only be changed with the consent of two signatories.

7. Deposits to the PSDF

- Deposits to the PSDF will be made by the Clerk/RFO raising a request to the administering agent 'CCLA', having obtained a second signatory to authorise the placement of funds.

8. Risk Management

- The Council will ensure that all investments are made in accordance with relevant legislation and best practices.
- The Clerk/RFO will regularly assess the creditworthiness of the CCLA PSDF on a monthly basis using Fitch Ratings and report any downgrade in ratings or concerns to the Finance Committee or next Full Council Meeting, whichever comes first. In the event of a time critical downturn in rating, an extraordinary meeting should be considered. At the time of initial investment into the CCLA PSDF, the Fitch rating at the time was AAA which will be the required benchmark with any downgrade requiring a review.

9. Compliance and Reporting

- The Clerk/RFO is responsible for ensuring compliance with this policy.
- Regular reports on the status of investments will be provided to the Finance Committee.
- The Clerk/RFO or their designate is responsible for monitoring the credit worthiness of the CCLA PSDF.

Policy Review Frequency: 3 years (or sooner if changes in legislation)

Policy agreed by: Full Council

At its meeting of the: 31.10.24

Next Review Due: October 2027
