PORTLAND TOWN COUNCIL

TREASURY MANAGEMENT AND INVESTMENT POLICY

Policy Number	Version	Owner	Date Adopted	Review Date
015	27-03-2023	RFO	Full Council 19-04-2023	March 2024
			June 2026	June 2028

Background
Portland Town Council's treasury and investment policy and its associated strategy are conducted in accordance with:

a) The Local Government Act 2003 (the Act) and supporting regulations. This requires the Council to prepare an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
b) The revised statutory guidance on Local Government Investments (3rd Edition) which has been published and was effective from financial years commencing on or after 1 April 2018.

The statutory guidance on local government investments (issued subsequent to the Act) requires the Council to approve an Investment Strategy on an annual basis. The Investment Strategy should set out what the Council intends to do with any monetary funds and is there to ensure that the Council invests prudently to achieve the optimum return, bearing in mind the security (safety) and liquidity (ease of access) of the funds invested.

Financial Investments can fall into one of three categories:

- Specified Investments
- Loans
- Other Non-Specified investments

Specified Investments
Specified Investment are those offering high security and high liquidity, made in sterling with a maturity of no more than a year and not defined as capital expenditure under relevant regulations. Such short-term investments made with a body or investment scheme of high credit quality (including the UK Government or a local authority or town/parish council) will automatically be Specified Investments.

Loans
A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.

Non-Specified Investments
These investments do not meet the criteria to be classified as a specified investment. In general they have greater potential risk – examples include investment in the money market, stock and shares. These types of investment have greater potential to risk and as such the RFO recommends that the Council does not use this type of investment.

Policy Objectives
The overriding policy objectives are:

- To invest prudently to ensure the security of the principal sums.
- To maintain liquidity in the portfolio to meet the council's spending plans.
- To maximise income from its investments commensurate with proper levels of security and liquidity.
- In balancing risk against return, this Council is more concerned to avoid risks than to maximise returns.
- To mitigate risk.

- To seek the optimum returns available whilst remaining consistent with the proper levels of security and liquidity (**Liquidity** – ensuring the funds invested are available for expenditure when needed, **Security** – protecting the capital sum invested from loss)

Once proper levels of security and liquidity are determined it will then be reasonable to consider what yield can be obtained.

Investment Policy

- No investments will be made in stocks and shares.

Treasury Policy

- The Council will hold all its funds as cash deposits in bank accounts.
- The business accounts will be maintained with sufficient funds for day-to-day transactions and business income.
- Instant saving accounts will be maintained for S106, CIL, reserves and to receive the precept.
- Full Council approval is required if a deposit is with an institution with which the council does not already hold an account.

Procedure for Bank Transfers

- Delegated authority is given to the RFO and Clerk to make transfers between the Councils bank accounts to meet expenditure demands without prior approval of the Council.
- Details of all transfers to be provided to the council with the monthly finance report.

Investment Reports

The Responsible Finance Officer (RFO) will prepare a report on investment activity for the Council quarterly.

Review and Amendments

The Treasury Management and Investment Strategy must be reviewed annually and revised if considered necessary.

The Council reserves the right to make variations to the Investment Strategy & Policy at any time on receipt of a report from the RFO. Any variations will be made available to the public.

Freedom of Information

In accordance with the Freedom of Information Act 2000, the Council's Investment Strategy & Policy will be published on the Town Council's website and is also available as hard copy from the Town Council Offices.