



HOUGHTON REGIS TOWN COUNCIL

Banking Arrangements, Investment Strategy & Investment Arrangements

Date of Approval:	22 nd March 2004
Dates of Review:	3 rd December 2012; 20 th July 2015; 30 th May 2017; 23 rd September 2019; 14 th September 2020; 21 st September 2021; 4 th October 2022
Re-Approval:	15 th February 2013; 6 th June 2016; 8 th October 2018; 9 th December 2019; 14 th December 2020; 13 th December 2021; 19 th December 2022

Contents

- 1. Banking Arrangements**
- 2. Investment Strategy**
- 3. Investment Arrangements**
- 4. Review**

1. Banking Arrangements

1.1 In accordance with the Financial Regulations (para 5.1 - The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.) the following information summarises the banking arrangements of Houghton Regis Town Council:

- (i) The payment of income into the Bank shall be undertaken regularly (usually weekly) subject to necessity:
- (ii) When a new Council comes into Office, bank mandates will be updated within 3 months, or as soon as practicable hereafter:

2. Investment Strategy

2.1 Introduction:

The strategy has been produced and complies with the guidance issued by the Secretary of State under Section 15(1) (a) of the Local Government Act 2003 and being effective from 1st April 2018.

Houghton Regis Town Council acknowledges its responsibility to the community and the importance of prudently investing the temporary surplus funds held on behalf of the community.

2.2 Objectives:

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
- (ii) the liquidity of its investments
- (iii) the yield obtained from any investment.

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

2.3 Policy:

All the Town Council's investments will be 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 twelve months.
- (iii) Before investments have reached their 12-month maturity term and it is in the Council's best intention to continue with the fund by having a roll-on investment, a review will take place on the eleventh month of every year of the duration of the fund.

- (iv) All investments will be made in UK banks, building societies and CCLA Property Fund and / or PSDF (Public Sector Deposit Fund) accounts.
- (v) The Council will monitor the risk of loss on investments by review of credit ratings on a regular basis.
- (vi) The Council will only invest in institutions of high credit quality – based on information from credit rating agencies (as defined).

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.

The Department for Levelling Up, Housing & Communities 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.

3. Investment Arrangements

- 3.1 In accordance with the approved Committee Functions & Terms of Reference the Corporate Services Committee will determine investment opportunities.
- 3.2 Approximately 1 month prior to an investment maturing a report will be presented to the Corporate Services Committee detailing:
 - (i) capital expenditure forecast
 - (ii) investment opportunities
 - (iii) recommendation for subsequent investment including location of investment, period and amount.
- 3.3 Upon an investment maturing the Corporate Services Committee will receive a report detailing the investment return.

4. Review

- 4.1 This policy must be reviewed annually at the earliest practicable Corporate Services Committee meeting after the annual meeting.