

Stamford Town Council
Investment Policy 2024 -25

1. Introduction & Scope

- 1.1 This Investment Policy has been devised in line with the Statutory Guidance on Local Government Investments (3rd Edition) issued under section 15(1)(a) of the Local Government Act 2003. An investment policy is required for all investments at any time during the financial year.
- 1.3 Stamford Town Council acknowledges its duty to act prudently when investing all funds held on behalf of the community by the Council.

2. Investment Objectives & Principles

- 2.1 The Council aims to invest its surplus reserves to maintain the value of these funds in real terms, to support future service delivery.
- 2.2 The Council is required to consider investments in line with the following principles:
 - a) Security – protection of the investment sum from loss of value and to minimise risk.
 - b) Liquidity – how quickly the invested funds can be encashed if required.
 - c) Yield – once principles a) and b) have been determined, the Council can reasonably consider suitable investments to maximise the Council’s income. The Council should consider the appropriate balance between security, liquidity, and yield in relation to risk when making any investment decisions and to achieve the optimum return on investment.
- 2.3 All investments shall be made in the name of the Council and be deposited in sterling.
- 2.4 The decision to invest funds must be taken at a meeting of the Finance, Personnel and Assets Committee (the Committee)
- 2.5 The choice of institution and length of the deposit shall be decided by the Committee, up to a maximum term of 12 months. The Committee shall only invest in institutions whose relevant activities are listed in the Financial Services Register operated by the Financial Conduct Authority. Any such institutions should have a high credit quality and low credit risk rating based on information from credit agencies, aiming for those with an ‘A’ rating.
- 2.6 The Committee will consider spreading its investments across financial institutions to minimise risk and to protect its funds in line with any future protection offered by Government.

5. Risk Management & Monitoring

- 5.2 Investment performance reports shall be reported to the Committee every three months to enable investments to be kept under review.

6. End of Year Investment Report & Governance

- 6.1 At the end of the financial year, the Responsible Financial Officer will supply an annual report for each investment to the Committee.
- 6.2 The Responsible Financial Officer is responsible for bringing to the Committee's attention any matters which may affect the security of the Council’s investments.

7. Review Process

7.1 The Investment Policy must be reviewed annually by the Committee, ideally before the start of the new financial year, prior to being ratified by Full Council.

7.2 Any amendments required to the Investment Policy must be approved by Full Council prior to implementation. Amendments can be proposed at any time during the year, as required.

8. This Investment Policy & Policy will be published on the Council's website