



GERRARDS CROSS TOWN COUNCIL INVESTMENT STRATEGY

Version	2024.2
Date approved by Finance & General Purposes Committee	10 June 2024
Date approved by Full Council	17 June 2024

1 Introduction

1.1 Gerrards Cross Town Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

1.2 This strategy has been prepared in accordance with the Guidance on Local Government Investments 3rd Edition ('the Guidance'), issued under section 15(1)(a) of the Local Government Act 2003.

1.3 The Guidance states:

- a) Where a town or Town council expects its investments at any time during a financial year to exceed £100,000, the Guidance should apply in relation to that year.
- b) Where a town or Town council expects its investments at any time during a financial year to exceed £10,000 but not £100,000, it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year.
- c) Where a town or Town council expects its investments at any time during a financial year not to exceed £10,000, no part of the Guidance need be treated as applying in relation to that year.

1.4 Gerrards Cross Town Council expects its investments its financial years to exceed £100,000 and therefore has agreed to apply the Guidance as set out below.

2 Investment Objectives

2.1 The Gerrards Cross Town Council does not make any financial investments save for Treasury purposes. The Council will not make any loans. All accounts and balances will be maintained in pounds sterling.

2.2 The Council will consider holding funds and making investments only in the following

2.2.1 current, savings and deposit accounts with UK Banks and Building Societies; and

2.2.2 national savings or other UK government backed schemes or instruments.

2.3 The council's investment priorities are the security and liquidity of its reserves. Accounts should be subject to dual control.

2.4 The council will consider term deposits and hold balances in accounts with notice periods to achieve returns only if it is confident that it will have sufficiently liquidity for its operations and where any return which it may receive is meaningful to the Council in the light of the administrative issues involved.

2.5 The Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this council will not engage in such activity.

3 Liquidity of Investments

3.1 The Town Clerk (as Responsible Finance Officer) will consult with the Council or Finance and General Purposes (F&GP) Committee of Gerrards Cross Town Council prior to

making any term deposit or placing funds in accounts which are subject to notice periods for access.

3.2 No funds shall be placed in accounts or deposits which are subject to restrictions on access for more than 12 months.

4 Risk

4.1 The Town Council's reserves are covered by the Financial Services Compensation Scheme up to the deposit limits of the scheme and must therefore be carefully managed to mitigate the risk of losses.

4.2 The council will only hold funds with in UK Banks and Building Societies with which it currently maintains a relationship. Any proposal to open a relationship with an new institution shall be subject to approval by Full Council.

4.3 The investment position will be reviewed monthly by the Responsible Financial Officer and reported to the full Council as part of the regular monthly financial report.

4.4 The Guidance requires councils to develop quantitative indicators to assess the council's risk exposure as a result of its investment decisions. The Responsible Financial Officer will produce these indicators quarterly based upon the recommendations of the Guidance.

5 Review and Amendment of Regulations

5.1 The Investment Strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared and reviewed by the Finance & General Purposes Committee (if applicable) which will then make a recommendation to the Full Council.

5.2 The council reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council. Any variations will result in an updated strategy being published.

6 Transparency

6.1 This strategy will be posted on the Town Council website and a hard copy will be available from the Town Clerk.