

BANKING & INVESTMENT STRATEGY APRIL 2023 - March 2024

Introduction

Camborne Town Council acknowledges the importance of investing monies under its control held on behalf of the community.

This Strategy complies with the revised requirements set out in the Office of the Deputy Prime Ministers Guidance on Local Government Investments and Chartered Institute of Public Services: Code of Practice and Cross Sectoral Guidance Notes and takes account of the Section 15(1)(a) of the Local Government Act 2003.

Investment Objectives

In accordance with Section 15(1) of the 2003 Act, the Council will have regard (a) to such guidance as the Secretary of State may issue, and (b) to other such guidance as the Secretary of State may by regulations specify.

The Council's priorities are security of reserves and liquidity of its investments, in this order.

All investments will be made in sterling.

The Department of Communities and Local 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.

Specified Investments

Specified Investments are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. Such short-term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.

Strategy

The Council shall continue to use a current account with the Unity Trust Bank for its day-to-day transactions. This account will normally operate with a credit balance. In the event that, on any day the account is overdrawn, the RFO will decide whether it is more economic to transfer funds, incur a penalty charge or arrange for a temporary overdraft facility; or a combination of these actions. In any event the account will be put back into surplus at the earliest opportunity.

In addition to the primary current account, the Council has identified the sum of £75,000 in an alternative current account (currently held in reserves) as mitigation against a future financial crisis; resulting in the loss or inability to access monies held in the primary current account.

Surplus funds may be invested in the money market, in a Specified Investment. Alternatively, an investment may be made into the existing CCLA Public Sector Deposit Fund.

Non-Specified Investments

Given the current unpredictability and uncertainties surrounding non-specified investments such as the money market, stocks & shares and cryptocurrency, Camborne Town Council will not use these financial instruments for the foreseeable future. The Council will, however, monitor these potential investment options as they become more secure and reliable.

Liquidity of Investments

The Council will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

Long Term Investments

Long term investments are defined in the Guidance as greater than 12 months. The Council does not currently hold any long-term investments.

Risk

The Council will monitor the risk of loss on investments by review of credit ratings on a regular basis. The Council will only invest in institutions of high credit quality – based on information from approved credit rating agencies.

Investments will be spread over different providers where appropriate to minimise risk.

Non-Financial Investments

The Council does not currently hold any non-financial investments. These are non-financial assets that are held primarily or partially to generate a profit.

With the acquisition, construction & remodelling of the buildings on the Basset Centre and White House plots a greater emphasis will be placed on income generation to offset the costs of providing services from the Basset Community Hub complex. All profits will be re-invested into the improvement of the infrastructure and levels of service provided.

Borrowing in Advance of Need

In accordance with the Prudential Code, this Council will not borrow more than, or in advance of, it's need, in order to profit from the investment of the extra sums borrowed.

Loans

The Council does not make any loans to any external bodies.

End of Year Investment Report

Investment forecasts for the coming financial year were accounted for when the budget was prepared. During the financial year the amount the Council has invested will be reported at each meeting of the Finance & General Purposes Committee as part of the Management Accounts Reports.

Capacity, Skills and Knowledge

This Council is committed to an ongoing programme of training and development to ensure Members have sufficient knowledge and understanding to make informed decisions.

Treasury Management Advice

In the event of a significant long-term increase in reserves, in excess of that deemed prudent when factoring in inflationary pressures and predicted economic challenges, the Council will seek treasury management advice from an independent external expert.

Such as:

- The principle local authority
- Specialist treasury management advisory firms-who specialise in local authority and local town and parish councils.
- Other independent financial advisors – with expertise in advising business and individuals with significant cash sums to manage and invest.

Review and Amendment of Regulations

The strategy will be reviewed annually. The Annual Strategy for the coming year will be prepared by the Town Clerk and presented for approval at Full Council.

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 be made available to the public.

Freedom of Information

In accordance with the Freedom of Information Act 2000 this document will be posted on the Council's website. www.camborne-tc.gov.uk and is also available as a hard copy from the Town Council offices.