



Helston Town Council

Konsel an Dre Hellys

Investments Policy

January 2018

1.0 INTRODUCTION

- 1.1 This Policy is drafted under guidance issued by the Department for Communities and Local Government in 2010.
- 1.2 Helston Town Council acknowledges its responsibility to the community and the importance of prudently investing reserves held by the Council.

2.0 OBJECTIVES

- 2.1 The Policy objective is the prudent investment of the Council's balances.
- 2.2 Investment priorities are:-
- i) Security - protecting the capital sum from loss;
 - ii) Liquidity - keeping the money readily available for expenditure when needed;
and then
 - iii) Yield – return on the investment.
- 2.3 The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

3.0 POLICY

- 3.1 The Town Council shall diversify its reserves between multiple relatively highly rated UK banks and/or building societies.
- 3.2 A significant percentage of the Council's reserves shall be placed in interest bearing deposits such as Fixed Rate Bonds, if available.
- 3.3 To retain liquidity Fixed Rate Bonds should be placed with phased end dates.
- 3.4 No one investment shall be for longer than 12 months.
- 3.5 Investments shall be decided and placed by the Town Clerk & Responsible Financial Officer following a due diligence exercise.
- 3.6 Investments will be reported to the Policy, Finance & Resources Committee.
- 3.7 The Town Clerk & RFO shall review credit ratings of organisations in which the Council holds investments on a quarterly basis and take action as necessary.
(A Credit Rating Agency is one of the following three companies: Standard & Poor's; Moody's Service Ltd; and Fitch Ratings Ltd).

4.0 **REVIEW**

4.1 This Policy shall be reviewed by the Policy, Finance & Resources Committee annually in January.

4.2 Any revisions to the Policy shall be approved by Full Council prior to the commencement of the new financial year.

4.3 If no revisions are recommended, the Full Council shall note the Policy.