



## **Investment Policy**

*Adopted on 25<sup>th</sup> January 2024 – Finance and General Purposes – 1627*

### **1.0 POLICY STATEMENT**

- 1.1 Folkestone Town Council acknowledges its responsibility on behalf of the community and the importance of prudently investing any reserves held by the council.
- 1.2 This strategy complies with the revised requirements set out in the Guidance on Local Government Investments issued by the Department of Housing, Communities and Local Government.
- 1.3 The council defines its treasury management objective as “the management of the council’s cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks.”
- 1.4 The Local Government Act 2003 states that a local authority may invest: - for any purpose relevant to its functions under any enactment - for the purpose of management of its financial affairs.
- 1.5 Where a council builds up balances these must be safeguarded by investing in an appropriate account. Investing balances must be done prudently.

### **2.0 OBJECTIVES**

2.1 The general policy establishes formal objectives, practices and reporting arrangements for the effective management and control of the Council’s treasury management activities and the associated risks.

The council’s investment priorities are:

1. Security – Protecting the capital and reserves invested from loss.
2. Liquidity – Ensuring the funds invested are available for expenditure when needed.
3. Optimum return on investment.

The council’s investment duties are:

1. All investments to be made in sterling.
2. Investments to be spread over different providers where appropriate to minimise risk.
3. The council to monitor the risk of loss on investments reviewed on a regular basis.

2.2 The procedure for undertaking investments, considering the need for timely and speedy placing of deals shall be documented by the Responsible Financial Officer and approved by the Finance and General Purposes Committee or Council before any investments are placed.

2.3 The Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies.

2.4 A significant percentage of the Council's bulked reserves shall be placed on interest bearing term/notice deposits.

2.5 The Town Council may also invest in the CCLA Public Sector Deposit Fund.

### **3.0 REPORTS**

3.1 Investment forecasts for the coming financial year are considered when the budget is prepared.

3.2 During each financial year, the Finance and General Purposes Committee or Council and Town Clerk shall report to the full Council any investments made in line with this Strategy.

### **4.0 REVIEW OF THIS STRATEGY**

4.1 Any revisions to this policy shall be approved by the Finance and General Purposes Committee or Full Council.

4.2 The Finance and General Purposes Committee shall review this policy annually and recommend any proposed changes prior to the commencement of the new financial year.

———— **POLICY ENDS HERE** ————