

CONGLETON TOWN COUNCIL

COMMITTEE REPORTS AND UPDATES

COMMITTEE:	Council		
MEETING DATE AND TIME	7 th December 2023 7.00 pm	LOCATION	Congleton Town Hall
REPORT FROM	Serena Van Schepdael – Responsible Financial Officer (RFO)		
AGENDA ITEM REPORT TITLE	12 Investment Policy and Strategy Review		
Background	<p>The Council have two investment accounts where we hold temporary surplus funds:</p> <ul style="list-style-type: none">• Cambridge & Counties 1 Year Bond: £250,000• CCLA Public Deposit Fund: £500,100 <p>We also have a Business Reserve Account which varies in balance.</p> <p>Our Investment Policy and Strategy should be reviewed annually.</p> <ul style="list-style-type: none">• The current Investment Policy was approved by Council on 10th February 2022 and the current Investment Strategy was approved at Council on 29th September 2022, which covered the investment period November 2022 to November 2023.• By holding funds over 3 separate entities it ensures that funds would remain available should any of the banks/companies go into financial difficulties. By moving funds about between CCLA and RBS this also enables The Council to gain the best possible interest income available for the investments.• The objectives of our policies are to achieve the optimum return with the priority being:<ul style="list-style-type: none">▪ Security of its reserves.▪ The Liquidity of its investments.▪ The Yield of its investments.		
Updates	<p>The latest updated Policy and Strategy (See Appendix 1 and 2) were presented to Finance and Policy on 5th October 2023. The updated policies cover the period December 2023- December 2024:</p> <p style="text-align: center;">FAP/26/2324 RESOLVED to approve the updated Investment Policy and Investment Strategy and to recommend these to Council for approval and adoption into the Constitution.</p> <p>Cambridge & Counties The renewal for the 1 year Bond has been received, see Appendix 3, the renewal date is 8th December 2023. A recommendation to renew this Bond of £250,000 is being made which was approved by Finance and Policy on 23rd November 2023.</p>		

	Expected interests for this bond is expected to be around £13,000.
Further Information	<p>The outline of the Strategy for 2023-2024 is:</p> <ul style="list-style-type: none"> ○ To continue to have a maximum of £400,000 in RBS. ○ To continue to use CCLA as a sweeper account. ○ Renew the 1 Year Bond with Cambridge & County on 8th December 2023 ○ Introduce a new One Year Bond with a new bank/investor should funds be available to do so. This would run May to May annually. (The Committee will be updated in March 24 regarding this strategy item)
Decision Requested	<ol style="list-style-type: none"> 1. To approve the updated to the Investment Policy and Investment Strategy for 2023-2024 and adopt into the Constitution, as recommended by Finance and Policy. 2. To approve the re-investment with Cambridge & Counties as outlined in Appendix 3. 3. To approve the delegation of the movement of the funds between RBS account and between RBS accounts and CCLA Public Sector Bond to the RFO in accordance with the Strategy. With regular updates via Finance and Policy.

Congleton Town Council

Investment Policy

I. Introduction

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

In preparing its Investment Policy the Council is required to comply with the guidance notes issued under Section 15 (1) of the Local Government Act 2003. The current statutory Guidance on Local Government Investments Guidance notes came into force in February 2018, this document will be available on our website alongside the policy. (Link: [Guidance on local government investments.pdf \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/guidance/2018-02-01-guidance-on-local-government-investments))

Town and Parish Councils with a budget larger than €500,000 are not eligible for compensation under the Financial Services Compensation Scheme (FSCS).

2. Objectives

The general policy objective of the Council is prudent investment of its balances in line with the widely recognised investment policy expressed as SLY, Security, Liquidity and Yield. The Council's priorities are:

1. Security of its reserves.
2. The Liquidity of its investments.
3. The Yield of its investments.

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

3. Policies

1. The procedure for undertaking new investments, considering the need for timely and speedy placing of deals shall be documented by the Responsible Finance Officer and approved by the Finance and Policy Committee and then by Council before any investments are placed.
2. All investments will be made in Sterling
3. No one investment shall be for a period longer than 12 months
4. The Town Council shall only invest with banks/building societies or institutions with high credit quality ratings from credit agencies such as Standard and Poors; Moody's Investors Services Ltd and Fitch Ratings Ltd.

5. Day to day operation of current investments already approved by Finance and Policy and Council will be delegated to the Responsible Financial Officer and Chief Officer, who will provide regular updates to the Finance and Policy committee.
6. Council will be provided with an update on the annual Investment Strategy and investment accounts and balances once approved by Finance and Policy.
7. Any revisions to this policy shall be approved by the Full Council.
8. The Finance Committee shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new investment year. Where no changes are proposed, Full Council shall note the policy.

Congleton Town Council

Investment Strategy

9th December 2023 to 8th December 2024

RBS Business Reserve

To keep the balance in RBS Current & reserve accounts to a maximum of £400,000. Balance over this will be transferred on a monthly basis to the CCLA Instant Access Money Market Account. Should the balance go below £400,000 funds will be transferred from CCLA to RBS. Transfers will be delegated to the RFO, or in the absence by the Chief Officer or Deputy Chief Officer and signed in accordance with our Financial Regulations for Bank Payments.

Cambridge & Counties

Congleton Town Council has £250,000 with Cambridge and Counties Bank¹ on a 1 year deposit. Until 8th December 2023 the interest rate for the 1 Year investment is 3.8%. On renewal on 9th December 2023, the balance of £250,000 will be retained. The monies invested in this account are tied in for the year.

CCLA

Within the balance of the CCLA Public Sector Deposit Account, The Council keep £150,000 of its Ear Marked Reserves, due to this the CCLA account should hold a minimum of £150,000. This is an instant access money market account with fluctuating interest rates every day. Although the capital is not at risk of reducing in value, it is possible at a time of very low interest rates, for the interest rate of a CCLA Public Sector Deposit Fund to be negative. As from 8th November 2022 this account is used as a sweeper account for the balance of funds over £400,000 in the RBS Current and Reserve accounts.

Suggested Strategy:

1. To limit the balance of RBS Current and Reserve account to a maximum of £400,000.
2. To retain the balance of £250,000 in Cambridge and Counties 1 year account to £250,000 on 8th December 2023.
3. To use the CCLA instant access money account as a sweeper account until 8th December 2024.. To hold a minimum of £150,000 in this account.

4. To introduce a new 1 year Bond which will run May to May annually, this account to be reviewed annually dependant on interest rates. Once an account has been sourced approval to open will be required from Full Council.

1 Cambridge and Counties information:

[About us | Our story | Cambridge & Counties Bank \(ccbank.co.uk\)](#)

2 CCLA information

[Our philosophy | CCLA](#)