**UPPINGHAM TOWN COUNCIL**

**ANNUAL INVESTMENT POLICY**

**INTRODUCTION**

Uppingham Town Council (UTC) recognises the importance of investing any surplus funds wisely, minimising any risk involved and maximising any returns that may be obtained. With in excess of £400,000 in bank accounts at the beginning of the 2021/22 year, UTC needs to have a clear strategy for managing the money.

This strategy complies with the requirements of Section 15(1)(a) of the Local Government Act 2003, which came into effect in 2010.

**TYPES OF INVESTMENT**

Investments will only be of a specified or long term nature, as defined as below.

Non specified investments, such as investment in money markets, stocks and shares, should not be considered.

**Specified Investment:**

1. The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
2. The investment is due to be repaid in less than 12 months after the date it was made.
3. The making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital and Finance Accounting)(England) Regulations 2003 (SI3146 as amended).

**Long Term Investment**

Long term investments are those due to be repaid more than 12 months after the investment was made.

**BANKING POLICY**

Funds can be invested with any UK bank, building society or other institution providing the following rules are observed:

1. The institution should be a member of the FSCS Protection Scheme
2. Investments with any one banking entity should not exceed £85,000.
3. Investments, and any associated interest or dividends, will be in sterling.
4. Any penalties for early withdrawal should not affect the capital sum invested.
5. No investment should put at risk the capital sum invested.

Investments may also be made with the United Kingdom Government or other local authorities.

The Department for Levelling Up, Housing and Communities maintains that the borrowing of monies purely to invest or lend to make a return, is unlawful.

Page 1 of 2

**THE INVESTMENT STRATEGY**

Before the start of each new financial year, an investment strategy should be prepared. This should take into account the following considerations:

1. The likely rate of return which is receivable for specified and long term investments.

An investment is defined as a transaction which relies upon the power in Sect 12 of the 2003 Act and is recorded in the balance sheet under the heading of investments within current assets or long term Investments.

1. The amounts of liquid funds available and their eligibility for specified and long term investments. The strategy should set out procedures for determining the maximum periods for which funds may be committed.

Eligibility will vary due the nature of funds received. Typically, they may be analysed as follows:

Precept monies Will normally be spent within the year and should not qualify for long term

investment.

CIL Monies Can be eligible for long term investment but will need to be analysed by item.

Reserves Can be eligible for long term investment.

This strategy should be approved by Full Council before the year to which it relates begins. Changes can be made at any time, subject to the same process of approval by Full Council.

It will be reviewed annually at the Annual Parish Council Meeting, usually held in May.

**FREEDOM OF INFORMATION**

The Secretary of State recommends that the initial Strategy and any revised Strategy should, when approved, be made available to the public free of charge, online or in print. Hard copies should therefore be held by the Clerk, and it should be available on UTC's website.

Page 2 of 2