

SHANKLIN TOWN COUNCIL INVESTMENT STRATEGY POLICY

1. INTRODUCTION

1.1 Shanklin Town Council acknowledges the importance of prudently investing all funds held on behalf of the Town by the Town Council as part of its fiduciary duty.

1.2 This strategy complies [as appropriate] with the revised requirements set out in the Statutory Guidance on Local Government Investments issued by the Department of communities and Local Government and takes account of Section 15(1)(a) of the Local Government Act 2003

1.3 This Strategy should be read in conjunction with the Town Council's Financial Regulations.

2. INVESTMENT OBJECTIVE & PRACTICE

2.1 In accordance with Section 15(1) of the Local Government Act 2003, the Town Council will have regard:

2.1.1 (a) to such guidance as the Secretary of State may issue,

2.1.2 (b) to such other guidance as the Secretary of State may by regulations specify.

2.2 The Town Council's investment priorities are first the security of reserves, second the liquidity of its investments and thirdly return, in that order.

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

2.4 All investments will be made in sterling.

2.5 The Town Council will not engage in borrowing monies purely to invest or to lend and make a return [this would be unlawful].

2.6 The Town Council's Finance Group will monitor the risk.

2.7 Where external investment managers are used, they will be contractually required to comply with the Strategy.

3. INVESTMENT IN INSTITUTIONS OTHER THAN BANKS

3.1 The Town Council does not place investments with institutions other than banks.

3.2 This investment position will be reviewed on a needs basis.

4. LIQUIDITY

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

5. LONG TERM INVESTMENTS

5.1 Long term investments are defined in the Guidance as those with a maturity date greater than 36 months.

5.2 The Town Council does not currently hold any long-term investments and no long term investments are currently envisaged.

6. END OF YEAR INVESTMENT REPORT

6.1 Investment forecasts for the coming financial year are accounted for when the annual budget is prepared.

7. REVIEW & AMENDMENT OF STRATEGY

7.1 This Investment Strategy will be reviewed by the Finance Committee at its annual budget meeting or as necessary due to legislative change.

7.2 The Town Council reserves the right to make variations to the Investment Strategy at any time subject to the approval of Full Council. Any variations will be made available to the public.

8. PUBLICATION

In accordance with the Freedom of Information Act 2000, the Town Council's Investment Strategy will be published on the Town Council's website and is also available as hard copy from the Town Clerk RFO.

9. FINANCIAL YEAR 2026/2027 INVESTMENT PLAN

9.1 Lloyds is the Town Council's main banker. Funds not required for immediate use are currently invested in a select deposit account at the Co-operative bank.

9.2 The Town Council and the Town Clerk RFO will review the position on a regular basis as set out above and take action as appropriate to deal with any change in circumstances.

9.3 The Town Council does not anticipate borrowing monies in advance of spending needs during the year.

9.4 Given the low absolute level of funds to be invested and the low level of interest rates it is not anticipated that the use of private sector treasury management advisors would benefit the Town Council.