

Treasury Management Policy and Investment Strategy

Daventry Town Council aims to hold in reserves an amount that will cover six months' expenditure as detailed in the annual precept. This means that surplus funds will be shown in the Council's accounts and such funds are to be invested prudently with due regard to the Council's fiduciary responsibility to the Council Taxpayers and to the priority for security and liquidity of those investments.

Investment Strategy

All the Town Council's investments will be specified investments which means that all investments will be made in sterling and any payments or repayments will also be made in sterling, with UK registered institutions only.

To safeguard the Town Council's funds, monies will be invested in different banking institutions, authorised and regulated by the Financial Conduct Authority (FCA), in an amount protected by the Financial Services Compensation Scheme (FSCS).

Investments must be:

- (i) Low risk
- (ii) Accessible short to medium term notice (long term investments will be considered for investment of the 6-month precept amount, with due consideration to penalties should a withdrawal be required).
- (iii) Give a reasonable yield, wherever possible

Investments will be split between:

- (i) HSBC Current
- (ii) HSBC Deposit
- (iii) Unity Trust Current
- (iv) Unity Trust Deposit
- (v) CCLA Public Sector Deposit Fund

External Borrowing Strategy

The Council acknowledges the importance of borrowing funds and the financial impact on the Council and the local community.

In the event that the Council need to borrow monies to fund capital expenditure, approval must first be given from the Secretary of State by way of the Ministry of Housing Communities and Local Government (MHCLG). The process to be followed and the criteria applied in deciding whether or not approval should be given are detailed in the Guide to Parish and Town Council Borrowing in England jointly published by the Department and the National Association of Local Councils (NALC).

External approval is not required for temporary loans or borrowing by way of an overdraft.

This Strategy complies with the revised requirements set out in the Department of Communities and Local Government *Guidance on Local Government Investments* and takes into account Section 15(1)(a) of the Local Government Act 2003 and guidance within Governance and Accountability for Local Councils *Practitioner's Guide 2018*. This strategy must be approved by the full Council, on an annual basis but may be varied from time to time

Treasury Management Policy and Investment Strategy

as circumstances dictate. The Strategy will be a public document as defined by the Freedom of Information Act 2000.

Current External Borrowing

The Council has the following external loan:

Town Council Premises (3 New Street) - £350,000 commencing May 2020 for a period of 20 years.

	Period Remaining	Loan Outstanding
31 st March 2021	19.5 years	£343,023
31 st March 2022	18.5 years	£328,833
31 st March 2023	17.5 years	£314,323