Newark
TOWN COUNCIL

Investment Policy

June 2026

INVESTMENTS POLICY

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INTRODUCTION

This policy is created under guidance issued by the Secretary of State for Housing, Communities and Local Government in accordance with the Local Government Act 2003. The extant guidance was issued by MHCLG in 2018. Newark Town Council acknowledges its responsibility to the community and the importance of prudently investing its reserves.

OBJECTIVES

The Council's general policy objective is the prudent investment of its balances. The Council's investment priorities are:

(i) Security of reserves

(ii) Liquidity of investments

The Council will aim to achieve the optimal return on its investments, commensurate with appropriate levels of security and liquidity.

INVESTMENT POLICY

The Town Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies. The Town Council shall only use specified investments as defined by MHCLG guidance. A significant percentage of the Council's bulked reserves shall be placed on interest-bearing term/notice deposits.

To retain liquidity, these shall be placed with phased end dates, i.e. there will always be some maturing sooner than others. No one investment shall be for a period longer than 36 months. The Town Council shall only invest with banks/building societies which it defines as "High Credit Quality". This being those with a credit rating of A with Moody's Investors Service or BBB with Standard and Poor's or Fitch Ratings Ltd.

The Town Council may also invest in the CCLA Public Sector Deposit fund subject to it maintaining a credible credit rating

Investments shall be decided and placed by the RFO having used due diligence, including, at a minimum, financial search engines and ratings agencies.

a. This shall be under the oversight of the Finance and General Purposes Committee.

b. The actual movement of money shall be by the usual authorised signatories.

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 Committee before any investments are placed.

The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a quarterly basis. Should the credit rating of an organisation fall below that specified, the Responsible Financial Officer shall consult the Banking and Investments working group and take the appropriate action.

The Town Council considers that by only using specified investments, the officers and members involved in determining the placement of investments have sufficient capability and skills.

INVESTMENT OF CURRENT YEAR FUNDS

The Town Clerk may transfer a portion of current year funds into instant access interest-bearing accounts and transfer funds from such accounts on a routine basis as required, subject to oversight from the Banking and Investments working group.

The Town Clerk shall determine and routinely review the minimum balance to be held in the current account in consultation with the Banking and Investments working group and shall ensure this is maintained.

The CCLA Public Sector Deposit Fund shall usually be used for this purpose, and the effectiveness of this shall be reviewed by the Town Clerk in consultation with the Banking and Investments working group at least annually. In accordance with the Local Government Act 1972, Parish Property is defined by the Local Government Act 1933.

REVISION

Any revisions to this policy shall be approved by the Full Council. The Finance and General Purposes Committee shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new financial year. Where no changes are proposed, Full Council shall note the policy.

Notwithstanding this, this policy shall be reviewed in the event the Bank of England increases its base rate above 3% or the Financial Services Compensation Scheme is extended to cover the Town Council.