



STURMINSTER NEWTON TOWN COUNCIL

INVESTMENT POLICY

Adopted: 7th November 2013

Review:

1. Council funds are to be:
 - (a) held in such manner as shall keep them as secure from loss as is reasonable practicable; and
 - (b) invested to produce the best rate of return that is reasonably achievable having regard to the preceding paragraph.Any doubt regarding the suitability of an investment shall be resolved on the assumption that security (and not rate of return) is the paramount consideration.
2. Council funds may be invested in accounts or bonds only and not in stocks, shares or other forms of security.
3. Council funds may be invested only with the following institutions:
 - (a) National Westminster Bank plc
 - (b) Public Sector Deposit Fund
 - (c) Nationwide Building Society
 - (d) Bath Building Society
 - (e) National Savings & InvestmentsAnd such other institutions (if any) as the Council shall from time to time provide.
4. In order to reduce the risk of financial loss, Council funds shall be distributed, so far as reasonably practicable, equally between at least three of the approved institutions listed above.
5. Council funds shall not be placed in investments which require more than 95 days' notice of withdrawal (or to which penalties attach if shorter notice is given). Ideally, all Council funds shall be available at immediate notice without penalty.
6. The distribution of Council funds and the returns received from them shall be reviewed at six-monthly intervals by the Finance & Personnel Committee. Such reviews shall include checking the credit rating of relevant institutions. If such ratings are found to be BBB+ or lower (on the scale operated by Standard & Poors or equivalent) Council funds shall not be invested with that institution and any existing Council funds deposited with it shall be transferred to another institution as soon as practicable. The Town Clerk shall have authority to check credit ratings and make transfers as necessary to give effect to this policy between formal reviews by the Committee.
7. This Policy shall be reviewed by the Finance & Personnel Committee:
 - (a) in May each year; and
 - (b) at its next meeting after Council funds increase by more than £150,000.