



FLITWICK TOWN COUNCIL
Investment Management Policy

1. Purpose

This policy will guide Officers in implementing appropriate investment into the Public Sector Deposit Fund (PSDF) operated by CCLA (Churches, Charities and Local Authorities) Investment Management Limited.

This policy is to be followed in line with the Council's adopted Financial Regulations and General Reserves Policy.

2. Strategy

Since the Council qualifies as a 'Super Council' as its Precept exceeds £1m and has significant self-generated income from its traded service of the Rufus Centre, it is prudent to have a CCLA account. The Council benefits from competitive interest rates, and the funds are easily accessible, with withdrawals appearing in the Council's bank account within 24 hours.

In line with the agreed General Reserves policy, priority will be given to retaining 1.5 months of net expenditure (£120k) in the Council's Business Reserves account. Any surplus funds are deposited to the CCLA account to receive a maximum return of interest. The Business Reserves account balance will be reviewed on the first working day of each month.

Surplus funds will be transferred to CCLA at the earliest convenience, and Officers will proactively draw from the CCLA account monthly to pay large invoices, direct debit bills, and salaries. This gives adequate resilience to ensure the Council bank account is not overdrawn and that bills are paid on time. When the Council receives significant income at once, such as receiving Precept funds, Officers will prioritise depositing this into the CCLA account as quickly as possible.

For clarity, the Council maintains an Operations Reserve (code 319) in the accountancy system for contingencies.

3. Year End

CCLA investments qualifies as a Revenue Investment and deposits/withdrawals do not fall within the classification of Income & Expenditure on the Annual Return.

The end-of-year balance will be included in the Bank & Cash Balances (as a Short-Term Investment) in the Annual Return.

Projected interest should be included in budget papers for the ensuing Financial Year. Members can agree to utilise interest funds (income received) for set projects as part of a resolution at Year End. If a resolution of this kind is not recorded, the interest funds will be transferred to General Reserves.

4. Authorisation

Only named Officers on the CCLA account will be authorised to transact the necessary business of deposits or withdrawals. These Officers are limited to the Town Clerk, the RFO (as 'Directors'), and the Senior Finance Officer (as a 'Signatory') to operate the account.

On completion of any probationary period, additional Finance Team Officers are to be included as signatories on the account for resilience.

Should the Town Clerk or RFO leave employment with the Council, Officers will prioritise removing these 'Directors' from the CCLA records.

Once the Council adopts this policy, no further approvals are required to authorise investments. Members should raise questions on the CCLA transactions at the Finance & General Purposes (GP) Committee upon consideration of the monthly Balance Sheet.

5. Review

This policy is to be reviewed annually by the Finance & GP Committee.