



## Treasury Management Strategy

### Introduction

Sprowston Town Council has a policy to aim for six months costs included in the annual precept to be held in reserves. This means that we regularly have appropriate surplus funds available and it is important that such funds are invested prudently with due regard to the Council's reputation and responsibility to the Council Tax payers and to the priority for security and liquidity of those investments.

The Town Council is required by the Local Government Act 2003 to determine an annual Funding Strategy (Precept). This strategy must be approved by the full Council but may be varied from time to time as circumstances dictate. The Strategy will be a public document as defined by the Freedom of Information Act 2000.

Sprowston Town Council will also from time to time need to borrow money and, whilst it may borrow by temporary loan or overdraft to meet expenses pending the receipt of revenues receivable will invariably be required to meet capital expenditure.

All loans and investments shall be negotiated by the Responsible Financial Officer in the name of the Council and shall be for a set period of time in accordance with Council policy. Changes to loans and investments should be reported to the Council at the earliest opportunity.

### Investment Strategy

All of the Town Council's investments will be Specified Investments which means that:

- 1 All investments of money under the control of the Council shall be in the name of the Council.
- 2 All investments will be made in sterling and any payments or repayments will also be made in sterling, with UK registered institutions only.
- 3 All investments will be made in financial institutions registered with and regulated by the Financial Services Authority.
- 4 All investments will be short term investments not to exceed 12 months unless otherwise agreed by Council.
- 5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

- 6 All documentation relating to authorisation of investments will be retained in order to provide an auditable trail.
- 7 All investments will be made with a body or investment scheme which has been awarded a high credit rating by a credit rating agency.
- 8 Credit ratings will be monitored regularly and if the rating falls consideration will be given at the next Council meeting of the appropriate action to be taken.

### **Current Investments**

The Town Council's investment position at 31 March 2017 is as follows:

£1m Treasury Deposit for six months termination October 2017.

### **External Borrowing**

No borrowing approval is required for temporary loans or borrowing by way of an overdraft. However in order to borrow to fund capital expenditure, approval must first be given by the Department for Communities and Local Government. The process to be followed and the criteria applied in deciding whether or not approval should be forthcoming are detailed in the Guide to Parish and Town Council Borrowing in England jointly published by the Department and NALC.

### **Current External Borrowing**

The Council's external borrowing position is reported to Council on receipt of the demand for payment from the Public Works Loan Board.

### **Monitoring and Review**

The Treasury Management Strategy will be reviewed by Council annually in conjunction with its Financial Regulations.