

WESTON-SUPER-MARE TOWN COUNCIL

POLICY & RESOURCES COMMITTEE – 23rd FEBRUARY 2015

TREASURY MANAGEMENT IN THE PUBLIC SECTOR

1. INTRODUCTION

Weston-super-Mare Town Council will, from time to time, have surplus funds available and it is important that such funds are invested prudently with due regard to the Council's fiduciary 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 Investment Strategy. 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.

Weston-super-Mare 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.

2. INVESTMENT STRATEGY

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

- (a) All investments will be made in sterling and any payments or repayments will also be made in sterling;
- (b) All investments will be short term investments not to exceed 6 months;
- (c) All investments will be made with a body or an investment scheme which has been awarded a high credit rating by a credit rating agency;
- (d) A credit rating agency will be taken as one of the following:-

Standard and Poor's
Moody's Investors Services ltd
Fitch Ratings Ltd

- 2.2. A high credit rating will be defined as 'A' 'High Credit Quality'.
- 2.3. 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.

3. 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.

4. CURRENT EXTERNAL BORROWING

The Town Council's external borrowing position as at 1st April 2014 is as follows:-

	Outstanding as @ 1st April	Redemption Date
PWLB (Blakehay)	£186,000	1st May 2029
PWLB (Water Park)	£271,801	31 st March 2035

The Council does not anticipate any further external borrowing to be undertaken during 2015/ 2016