*Margate Charter Trustees Adopted:* 30th November 2020

*Investment Policy 2020/21 Version 1*

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Margate Charter Trustees

**Investment Policy 2020/21**

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| Date of Approval |  |
| Date of Review | It is due for review not later than 4 years from its last reveiw |

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1. **Introduction**

1.1 Margate Charter Trustees acknowledges the importance of

prudently investing its temporarily held surplus funds on behalf of

the community.

1.2 This Strategy complies with the revised requirements set out in the Office of the Deputy Prime Minister’s Guidance on Local Government Investments and Chartered Institute of Public Finance and Accountancy’s Treasury Management in Public Services; Code of Practice and Cross Sectoral Guidance Notes and takes into account of the Section 15(1) of the Local Government Act 2003 and best practice from the National Association of Local Councils and CIPFA.

**2. investment Objectives**

2.1 In accordance with Section 15(1) of the 2003 Act, the Charter Trustees will have regard to (a) such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify.

2.2 The Charter Trustee’s investment priorities are the security of reserves whilst also providing sufficient liquidity and profit

2.3 All investments will be in sterling, using only deposit or bond accounts covered by the Financial Services Compensation Scheme and sums invested will be kept within the sum guaranteed by the FSCS.

2.4 The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and the Margate Charter Trustees will not engage in such activity.

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2.6 Where external investment managers are used, they will be contractually required to comply with the Strategy

2.7 The Margate Charter Trustees will consider credit ratings as part of its credit risk management process. These ratings to be reviewed periodically.

**3. Specified Investments**

3.1 Specified investments are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. Such short-term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.

3.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Margate Charter Trustees will use:

* Deposits with UK banks and building societies that are authorised and regulated by the Prudential Regulation Authority (PRA), or local authorities or other public authorities that are managed through HM Treasurer’s UK Debt Management Office, and are
* Guaranteed by the Financial Services Compensation Scheme (FSCS) with funds deposited being kept within the specified guaranteed sum (currently £85,000)

**4. Non-Specified Investments**

4.1 These investments have greater potential risk – examples include in the money market, stocks and shares.

4.2 Given the unpredictability and uncertainties surrounding such investments, the Margate Charter Trustees will not use this type of investment.

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**5 Liquidity of Investments**

5.1 The Margate Charter Trustees, following advice from the Responsible Finance Officer, will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

**6. Long-Term Investments**

6.1 Long-term investments are considered by the Margate Charter Trustees as any investment other than (a) one that is due to be repaid within 12 months of the date on which the investment was made, and (b) one which the local authority may be required to be repaid within that period.

6.2 No long-term investments (12 months or longer) are envisaged during the financial year 2023/21

6.3 The Margate Charter Trustees do not currently hold any long-term investments.

6.4 When investing in corporate bonds and/or government bonds the credit rating alone is nor sufficient to make an investment it needs to be reviewed withing the context if the wider financial economic information available and advice.

**7. End of Year Investment Report**

7.1 Investment performance will be circulated once a quarter to the full body of the Margate Charter Trustees.

7.2 Investment forecasts for the coming financial year will be accounted for when the budget is passed. At the end of the financial year, the RFO will report on investment activity to the

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7.3 The Margate Charter Trustees will ensure that the Responsible Finance Officer have sufficient training to underpin their responsibility to scrutinise the treasury management function.

**8. Review and Amendment of Regulations**

8.1 This policy will be reviewed annually for the coming financial year, will be prepared by the RFO and presented for approval by the Margate Charter Trustees.

8.2 The Margate Charter Trustees reserves the right to make variations to this policy at any time. Any variations will be made available to the public.