Treasury Management Policy

Adopted by Council 22nd July 2019

Introduction

At 1st April 2019, the Town Council had some **£273,888** of Reserve Funds held in its Current Bank Account.

In summary, the Reserves break down as follows:

General Reserve	**£98,463**
Earmarked Funds	**£175,425**

This can vary during the year as Council uses reserve funds or adds to them. Funds in the can also increase when the Precept instalments are received in advance.

In total, these balances attracted interest of £221 in the last Financial Year, reflecting the current very poor rate of return available. This amount has reduced significantly in recent years as the Council's previously preferred Investment Vehicle, consisting of a judicious mix of Fixed Term Treasury Deposits (3, 6 and 12 month terms) are no longer available from the Council's Bankers (Barclays Bank PLC) at meaningful rates of interest.

Policy

Whilst the previous Strategy is undoubtedly preferable, the Council may consider alternative investment vehicles until Fixed Term Treasury Deposits are again available, at meaningful rates of return.

The Council will operate a current account once the electronic banking is operational, from which payments will be made, and a separate account for salary payments.

Electronic payments will require approval by two councillor signatories in accordance with Financial Regulations. The Responsible Financial Officer and Proper Officer will both be authorised to view accounts and set up electronic payments.

The Council will additionally operate a savings account with their bank, attached to the current account and amounts above £10,000 (or minimum determined by the Bank to minimise charges) will be automatically transferred to the savings account and held on deposit. The link between the accounts will ensure that the current account is continuously topped up to the required level.

The Council will review investment rates at least quarterly and may if advantageous, place a proportion of the deposited money in to other low risk deposit funds, ensuring that such investments qualify as a Revenue Investment for Annual Return purposes and deposits/withdrawals do not fall for classification as Expenditure/Income in the Annual Return. Advance precept payments may also be invested for short periods until needed.

Approval and Mechanism

Although the transactions do not represent expenditure/payment by Council for accounting purposes, instructions to Barclays Bank to make other investments will still require signature by two councillors.

Credit Cards

The Council will establish a credit card for both the Town Council Manager and the Finance Manager, each with a credit limit of £1000.