

ASTON, COTE, SHIFFORD & CHIMNEY PARISH COUNCIL

Loans and Investments Policy

Document Control

Review date is indicative and will depend on changes in legislation, best practice or when required.

Alternative formats of this document may be available upon request.

1.0 INTRODUCTION

1.1 Should the Parish Council need a loan from the Public Works Board Loan or wish to place an investment of its monies, the terms shall be negotiated by the Parish Clerk in the name of the Council and shall be for a set period of time in accordance with resolution from Full Council.

1.2 This policy sets out the financial management procedures for the monitoring of the cash flow and banking arrangements of Aston, Cote, Shifford and Chimney Parish Council.

1.3 Authority reference is to the Council's Financial Regulations.

1.4 The Local Government Act 2003 Section 12 provides the power to invest in the following circumstances -

- a. for any purpose relevant to its functions under any enactment; or
- b. for the purpose of the prudent management of its financial affairs.

Section 15(1) of the Act requires a local authority to have regard to guidance issued by the Secretary of State.

1.5 The Council acknowledges its duty of care to the community and the prudent investment of funds.

1.6 Changes to loans and investments should be reported to the Full Council at the earliest opportunity.

1.7 The Council's Sustainability Framework will be considered when approving the Council's financial institution for investments and when ensuring that the Council's reserves are invested wisely.

2.0 OBJECTIVES

2.1 The Council's priorities are, in the following ranking order -

- a. The security of capital to minimise the risk of losses;
- b. The liquidity of investments to meet the cash flow needs of the council; and
- c. Maximising income within the framework of the national economic situation.

2.2 The Council will aim to achieve a high rate of return on investments commensurate with adequate safeguards of security and liquidity.

3.0 LOANS

3.1 Any loans made by the Council should be approved by the Full Council and in the name of Aston, Cote, Shifford and Chimney Parish Council.

3.2 Any loans given should be reviewed by the Full Council on an annual basis against the Terms of the Contract.

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4.0 BORROWING

4.1 All borrowings shall be taken out in the name of Aston, Cote, Shifford and Chimney Parish Council.

4.2 Any formal decision to apply for and to exercise a borrowing approval must be made by Full Council.

4.3 The Council may borrow funds but will require the formal written approval of the Secretary of State.

4.4 The Council must contact the Oxfordshire Associations of Local Councils (OALC) to discuss the proposal and to obtain the Application Form for the Approval.

4.5 Borrowing must be for a specific, generally capital expenditure, purpose detailed on the application form and in a report to council.

4.6 Whilst the loan may be taken from any source, the Public Works Loan Board (PWLB) is preferred. Irrespective of the source, an Approval is required and no mortgage or charge on property is allowed.

5.0 INVESTMENTS

5.1 All investments and money under the control of the Full Council shall be in the name of Aston, Cote, Shifford and Chimney Parish Council.

5.2 All investment certificates and other relating documents shall be retained in the custody of the Parish Clerk.

5.3 All investments, deposits and interest will be in pound sterling (£).

5.4 All investment and deposits will be with banks or building societies registered in the United Kingdom.

5.5 The credit ratings of the institutions will be a minimum of 'A' and these will be monitored regularly.

5.6 In order to spread the financial risk to a minimum, investments will be made with a minimum of two financial institutions.

5.7 Investments for current expenditure will be on instant access accounts with a daily feeder to the current account.

5.8 Investments not required for current expenditure (i.e. earmarked reserves) may be placed on medium term deposits to be reviewed each year one year.

5.9 Investments not required for current expenditure (i.e. general reserve) may be placed on longer term deposits of up to two years.

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