

Adderbury Parish Council

Treasury Management Policy

Adderbury Parish Council has a policy to aim for four 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 fiduciary responsibility to the Council Tax payers and to the priority for security and liquidity of those investments. The Parish Council is required by the Local Government Act 2003 to determine an Annual Investment Strategy. This Strategy must be approved by the Parish 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.

Investment Strategy

All of the Parish 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, with UK registered institutions only;
- b) All investments will be short term investments not to exceed 12 month;
- 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; and
- 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 e) Investments will remain in the UK mainland and will not invest in schemes that seek to avoid tax.

A high credit rating will be defined as 'A' 'High Credit Quality', referring to the Long Term grade issued in relation to an institution.

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.

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 does not have any external borrowing in 2023/2024 and does not anticipate any external borrowing to be undertaken during 2024/2025.