

Royal Wootton Bassett Town Council

ADOPTED BY COUNCIL

13th February 2020

Treasury Management Policy

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1. Introduction

- 1.1 Royal Wootton Bassett 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.
- 1.2 This policy is in accordance with the Local Government Act 2003 section 15(1)(a) and must be approved by the full Council but may be varied from time to time as circumstances dictate. The policy will be a public document as defined by the Freedom of Information Act 2000. Royal Wootton Bassett 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:
 1. All investments will be made in sterling and any payments or repayments will also be made in sterling
 2. All investments will be short term investments not to exceed 12 months
 3. 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
- 2.2 A credit rating agency will be taken as one of the following

Standard and Poor's
Moody's Investors Services Ltd
Fitch Ratings Ltd
- 2.3 A high credit rating will be defined as 'AAA' 'High Credit Quality' although it is recognized that in times of financial unrest, such a rating may not be possible to achieve. At these times, the Council will seek the highest credit quality available in the market, taking professional financial advice where appropriate.
- 2.4 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**

- 3.1 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.