Committee	**Full Council**
Date	**17 June 2024**
Agenda Item	**7g**

To consider a further investment in CCLA

HTC made an initial investment of £45,000 in CCLA in January 2022, after the Clerk met a representative at the SLCC National Conference 2021. The amount invested now stands at £48,365, after 2 years.

CCLA stands for Churches, Charities and Local Authorities, and it was invited to develop this fund in 2011 by the Local Government Association after the Icelandic banking crisis. The fund is used by County, District and Parish councils, as well as NALC, SLCC and the LGA.

It is not covered by the Financial Services Compensation Scheme, which covers holdings in banks up to £85,000, but it has the highest possible Fitch rating, which means that it is believed that funds invested with CCLA are in a safe position. It would therefore be possible to safely invest more than £85,000 in the fund.

It is suggested for now that an additional £40,000 is invested in CCLA, as the funds are better protected there than in our bank accounts, once the sum in the bank account is above £85,000.

The funds are run on an instant access basis, and there is no fee for withdrawal. Alongside this investment, the new HTC Investment Strategy, appended below, should also be approved.

Recommendation: that HTC approves the Investment Strategy and invests a further £40,000 in CCLA

Sarah Greatorex

Sarah Greatorex Town Clerk

Halstead Town Council investment strategy 2024-25

1.Introduction

Halstead Town Council (HTC) acknowledges the importance of prudently investing the temporary surplus funds held on behalf of the community. This strategy complies with guidance issued by the Secretary of State under Section 15(1)(a) of the Local Government Act 2003.

2. Investment objectives

The general policy objective for HTC is the prudent investment of its balances. Its investment priorities are:

a) Security of its reserves
b) The liquidity of its investments
c) The yield obtained from any investment

All investments will be made in sterling.

3. Specified investments

Specified investment are those offering high security and high liquidity, made in sterling and with maturity of no more than a year. Such short term investments made with the UK Government of a Local Authority or Town/Parish Council will automatically be specified investments

For the prudent management of its treasury balances HTC may use :

- Deposits with banks, building societies, local authorities or public authorities
- Treasury deposits with UK clearing banks
- Other approved public sector investment funds

The choice of institution and length of deposit will be at the approval of Full Council.

4. Risk Assessment

To reduce risks, funds should be held in more than one organisation/fund. HTC will invest only in institutions of “high credit quality”. The RFO will monitor the risk of loss on investment by reference to credit ratings, relying on publicly available information.

5. Investment Strategy 2024/25

HTC will invest as much of its balance as possible in a low risk product in order to achieve its investment objectives. This will provided better protection for funds in HTC’s 2 bank accounts.

The CCLA (Churches, Charities and Local Authorities) has been identified as low risk. It has the highest possible Fitch rating, and has already been used successfully for an investment of HTC funds. Funds are available on instant access.

6.Review and Amendment of Investment strategy

The investment strategy will be reviewed annually by HTC, and revised if considered necessary.

June 2024 to be reviewed June 2025