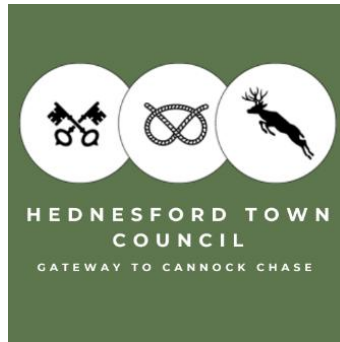


HEDNESFORD TOWN
COUNCIL

GATEWAY TO CANNOCK CHASE

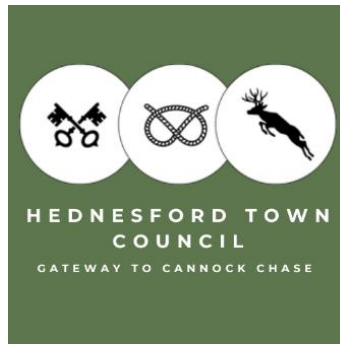
INVESTMENTS & LOANS POLICY





Date Adopted	Adopted By	Minute Ref	Review Date
21.04.2026	Hednesford Town Council		March 2027

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1. Purpose

- 2.1. This policy is created under guidance issued by the Secretary of State for Housing, Communities and Local Government in accordance with the Local Government Act 2003
- 2.2. Hednesford Town Council (HTC) is committed to being transparent. This policy sets out the council's commitment to the community and the importance of prudently investing any reserves held by the Council.

1 Objectives

- 3.1. The general policy objective of the Council is the prudent investment of its balances. The Council investment priorities are;
 - Security of reserves
 - Liquidity of investments

2 Investment Policy

- 2.1 Hednesford Town Council shall diversify its reserves in line with Financial Services Compensation Scheme protection of £120,000 limit and between current account and savings accounts where appropriate.
- 2.2 Reserves will be held in interest bearing accounts where appropriate. Reserves for use within the current year will be held in short term notice interest bearing accounts.
- 2.3 Liquidity and security of reserves will be considered by Finance and Operations Committee (FOPS) when investment accounts mature and re-investment of funds are required.
- 2.4 Unless otherwise agreed, no investment will be for a period longer than 12 months to ensure liquidity of reserves.
- 2.5 Hednesford Town Council will review the location of the investment with regard to investment security and credit rating on an annual basis or as and when funds mature, whichever is soonest. Any changes considered by the FOPS committee will be ratified by Full Council.

3 Loans and Borrowing

- 5.1. The Council acknowledges the importance of borrowing funds and the financial impact on the Council and the local community.

- 5.2. All borrowings made by the Council must be approved by the Full Council and applied for in the name of Hednesford Town Council.
- 5.3. Before agreeing any loans, Council must receive approval to borrow (a loan sanction) from the Secretary of State by way of the Ministry of Housing, Communities and Local Government (MHCLG). Except for a temporary overdraft from a bank or otherwise of sums which the Council may temporarily require to meet revenue expenditure. The process to be followed and the criteria applied in deciding whether or not approval is required from the MHCLG are detailed in the Guide to Parish and Town Council Borrowing in England, published by NALC.
- 5.4. The Public Works Loan Board (PWLB) is the preferred supplier for borrowing but the Council will look for the best possible terms available.
- 5.5. Irrespective of the source and approvals, no mortgage or charge on property is allowed.
- 5.6. The Council will determine the period of any loan. It should not exceed the period for which the expenditure is forecasted to provide benefit to the Council or the Community which it serves.
- 5.7. The maximum period will begin on the date on which the money is borrowed.
- 5.8. Any loans in place should be reviewed by the Finance and Operations Committee (FOPS) on an annual basis.

6. Policy Revisions

Policy to be reviewed annually by the FOPS committee in line with year-end reserve reviews.

Any revisions to this policy are to be approved by Full Council.