

## Report of the Responsible Financial Officer

### Council Investments

#### Background

1. Your officers continue to seek opportunities to maximize investment income for the council. Recent changes in Bank of England base rate have not, as yet, produced changes in interest rates offered by 'high street' financial institutions.
2. Inquiries with colleagues at similar and larger councils in the area have revealed that some place deposits with CCLA's Public Sector Deposit Fund.
3. CCLA (Churches, Charities & Local Authorities) is a mutually owned firm of investment managers, owned by LAMIT (Local Authorities Mutual Investment Trust), the Church of England (Central Board of Finance) Investment Fund and the Charities Investment Fund (COIF). It has 36,000+ clients and manages £7.8bn+ of cash and investments.
4. It is an AAmmf rated (Fitch Ratings) money market fund with the priorities of security, liquidity and yield.
5. The Fund governance includes an Advisory Board made up of representatives of the Local Government Association (LGA), Chartered Institute of Public Finance and Accountancy (CIPFA) and treasury specialists from the sector including representatives of the London Borough of Waltham Forest and the Greater London Authority (GLA).
6. The Fund is managed on a very conservative basis (beyond the requirements of AAA-rating), only using plain cash products with well rated (minimum F1 short term) banks: call; notice; term and certificates of deposit. There is no exposure to the stock market, derivatives, other funds, or asset backed securities.
7. The minimum initial investment is just £25,000 which helps explain why there are a number of parish and town councils making use of the Fund, besides principal authorities - access is same day.
8. The RFO / Town Clerk met with a representative of the CCLA at the recent NALC Larger Councils Conference.
9. Authorization is sought from committee for the RFO and his staff to open discussions with CCLA prior to a report to council to agree to add CCLA to the list of suitable institutions for the council to place deposits with.

#### Recommendation

1. That council authorize the RFO / Town Clerk to open discussions with CCLA.