

## Report of the Responsible Financial Officer

### Review of Investment Rules

#### Background

1. Council has previously made decisions regarding its approach to investment and risk, and has considered and rejected proposed investments that it felt did not fit those approaches.
2. This is in line with our understanding of appropriate investment measures for an authority of this size.
3. A new government circular on investment policy has been received, and we are required to implement it during financial year 2018-19. The circular is broadly in line with our existing policies, but has new reporting rules which require further examination. Broadly speaking it appears that councils will be required in future to produce more detailed reports of their return on investments and appetite for risk.
4. As officers we acknowledge the concerns elected members have about any mechanism that might allow officers to either open new bank accounts or make transfers between accounts without the full oversight of elected members.
5. It is therefore proposed that the following steps be undertaken as an interim measure;
  - a. That council receive at its April meeting a further report on the implications of the new circular,
  - b. That council adopt as good practice at its AGM, annually, a list of named counter parties (e.g. High Street Banks or their equivalent covered by the FCS compensations scheme) with whom it may open accounts, on the basis of the same signatories and mandates as its existing bank accounts, and
  - c. Delegates to the existing bank account signatories the power to open new bank accounts and transfer funds between accounts so as to effectively manage the councils reserves, provided each new account has the same mandate and signature requirements as its existing accounts.

#### Recommendation

1. That committee consider the report and decide if it accepts the proposed course of action.