



## ANNUAL INVESTMENT STRATEGY 2015/16

### 1. INTRODUCTION

- 1.1 The Town Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.
- 1.2 This Strategy complies with the revised requirements set out in the Office of the Deputy Prime Ministers Guidance on Local Government Investments and Chartered Institute of Public Finance and Accountancies, Treasury Management in Public Services, Code of Practice and Cross Sector Guidance Notes and takes account of the Section 15 (1) (a) of the Local Government Act 2003 and Best Practice from the National Association of Local Council's and CIPFA.

### 2. INVESTMENT OBJECTIVES

- 2.1 In accordance with Section 15 (1) of the 2003 Act, the Council will have regards to
  - (a) such guidance as the Secretary of State may issue and
  - (b) such other guidance of the Secretary of State may by regulations specify.
- 2.2 The Council's investment priorities are the security of reserves and liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. Such investments will only be made having sought advice where appropriate.
- 2.3 All investments will be made in sterling.
- 2.4 The Department for Communities and Local Government maintains the borrowing of money purely to invest or to lend and make a return is unlawful and the Council will not engage in such activity.
- 2.5 Where external investment managers are used they will be contractually required to comply with the Strategy.
- 2.6 When investing funds the Council will take account of Cornwall Council's party list rating.
- 2.7 The amount of any specified investment can be up to 100% of the Council's available funds for investing.



### 3. SPECIFIED INVESTMENTS

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

3.2 For the prudent management of its treasury balances maintaining sufficient levels of security and liquidity, the Council will use:

- Deposits with banks, building societies, local authorities or other public authorities
- The Debt Management Agency of HM Government

The Council's current investments are with Natwest Bank PLC and Lloyds Bank PLC which provides a secure yield rate of interest and liquidity.

### 4. NON SPECIFIED INVESTMENTS

4.1 These investments have greater potential risk – examples include investment in the money market, stocks and shares.

4.2 Given the unpredictability and uncertainty surrounding such investments the Council will not use this type of investment.

### 5. LIQUIDITY OF INVESTMENTS

5.1 The Finance & General Purposes Committee will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

### 6. LONG TERM INVESTMENTS

6.1 When investing in corporate bonds and/or government bonds the credit rating alone is not sufficient to make an investment it needs to be reviewed within the context of the wider financial economic information available and advice.



- 6.2 The Council **does not currently** hold any funds in long term investments. Such investments will only be made having sought advice where appropriate.
- 6.3 The Council's current reserves as at 1st April 2015 consist of the following:

Natwest Current Account £252,871  
Natwest Deposit Account £79,106  
Natwest (Gee) Account £5,198  
Lloyds Investment Account £107,564  
**Total £444,739**

## 7. REPORTING ON INVESTMENT PERFORMANCE

- 7.1 Investment performance statements will be circulated regularly to the Finance & General Purposes Committee.
- 7.2 The Council will ensure that the Committee and RFO have sufficient training to underpin their responsibility to scrutinise this treasury management function.
- 7.3 Investment forecasts for the coming year were accounted for when the budget was prepared. At the end of the financial year the RFO will report on investment activity to the Committee.

## 8 REVIEW AND AMENDMENT OF REGULATIONS

- 8.1 This Strategy will be reviewed annually. The annual Strategy for the coming year will be prepared by the RFO and presented for approval by the Finance & General Purposes Committee.
- 8.2 The Council reserves the right to make variations to the Strategy at any time subject to the approval of Full Council. Any variations will be made available to the public.

## 9. FREEDOM OF INFORMATION

- 9.1 In accordance with the Freedom of Information Act 2000 this document will be posted on the Council's website.

Helen Dowdall  
Town Clerk & Responsible Finance Officer