



## ANNUAL INVESTMENT STRATEGY 2017-2018

### 1. **OVERVIEW**

This Strategy complies (as appropriate) with the revised requirements set out in Guidance on Local Government Investments issued by the Department of Communities and Local Government in April 2010

This Strategy should be read in conjunction with the Council's Financial Regulations.

### 2. **INVESTMENT STRATEGY**

#### 2.1. **Introduction**

The Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

This Strategy complies with the revised requirements set out in the Department for Communities and Local Government's *Guidance on Local Government Investments* and Chartered Institute of Public Finance and Accountancy's *Treasure Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes* and takes account of the Section 15(1)(a) of the Local Government Act 2003.

#### 2.2. **Investment Objectives**

In accordance with Section 15(1) of the 2003 Act, the Council will *have regard to (2) such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify.*

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.

All investments will be made in sterling.

The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this Council will not engage in such activity.

Where external investment managers are used, they will be contractually required to comply with the Strategy.

### 2.3. **Specified Investments**

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 or parish council will automatically be Specified Investments.

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

- \* Deposits with banks, building societies, local authorities or other public authorities
- \* The debt management agency of HM Government

The Council will only invest in institutions of high credit rating. Reference will be made in the assessment of credit worthiness to the general economic and political environment in which institutions operate.

Current investments are with Lloyds, two one year fixed investments and a 6-weekly investment, CCLA Instant Access investment.

### 2.4. **Non-Specified Investments**

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

Given the unpredictability and uncertainties surrounding such investments, Calne Town Council will not use this type of investment.

### 2.5. **Liquidity of Investments**

The Responsible Finance Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

### 2.6. **Long Term Investments**

Long term investments are defined in the Guidance as greater than 36 months.

## **2.7. End of Year Investment Report**

Investment forecasts for the coming financial year were accounted for when the budget was prepared. At the end of the financial year, the Responsible Finance Officer will report on investment activity to the Finance Working Group Committee.

## **2.8 Review and Amendment of Regulations**

This Strategy will be reviewed annually and at other times as necessary. The Annual Investment Strategy for the financial year will be prepared by the Responsible Finance Officer and presented for approval at the Policy & Resources Committee and at Full Council.

## **2.9 Publication**

In accordance with the Freedom of Information Act 2000, the Council's Investment Strategy will be published on the Town Council's website [www.calne.gov.uk](http://www.calne.gov.uk) and is also available as hard copy from the Town Council Offices.

**Adopted by Full Council – 19<sup>th</sup> June 2017**

**Date of Review: March 2018**