

Orton Waterville Parish Council

INVESTMENT STRATEGY

July 2012

Adopted by Orton Waterville Parish Council at the meeting on 18th July 2012

Issue Record

<u>Issue</u>	<u>Date</u>	<u>Author</u>	<u>Purpose</u>	<u>Issued</u>
A	May 2012	P L Froggitt	For Comment	10/05/12
B	July 2012	P L Froggitt	For Adoption	18/07/12

Investment Strategy

INTRODUCTION

Orton Waterville Parish Council acknowledges the importance of prudently investing any temporarily surplus funds held on behalf of the community.

This Strategy complies with the revised requirements set out by the Secretary of State for Communities and Local Government under section 15(1)(a) of the Local Government Act 2003, which came into effect on the 1st of April 2010.

INVESTMENT OBJECTIVES

In accordance with Section 15(1) of the 2003 Act, the Council will have regard (a) to 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 its 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 made a return, is unlawful and this Council will not engage in such activity.

SPECIFIED INVESTMENTS

Specified Investments are those offering high security and high liquidity, made in sterling and maturing within 2 years. Such short term investments made with the UK Government or a local authority, or town, parish council will automatically be Specified Investments.

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.

Currently the Council will invest spare monies in banks which satisfy the risk analysis as agreed by the Council. To satisfy this strategy each bank must hold a UK banking licence. Consideration will also be given to other factors such as tier one capital ratios and credit ratings issued by major Credit Rating Agencies.

Monies can also be invested in NS&I products as NS&I is part of the UK Treasury department.

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, the Council will not use this type of investment.

LIQUIDITY OF INVESTMENTS

The Clerk/ Responsible Finance Officer in consultation with the Parish Council 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.

LONG TERM INVESTMENTS

Long term investments shall be defined as greater than 2 years. The Council will use the same criteria for assessing long term investment as identified above for Specified investments. The Council does not currently hold any long term investments.

INVESTMENT REPORTS

Twice yearly the Responsible Finance Officer will prepare a report on investment activity for the full Council.

REVIEW AND AMENDMENT OF REGULATIONS

The strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared by the Responsible Finance Officer and presented for approval to the full Council.

The Council does not employ in-house or externally any financial advisors but will rely on information which is publicly available.

The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the full Council. Any variations will be made available to the public.

FREEDOM OF INFORMATION

In accordance with the Freedom of Information Act 2000, this Document will be posted on the Parish website and a hard copy will be available from the Parish Clerk.