

LISKEARD TOWN COUNCIL

INVESTMENT STRATEGY

1. Introduction

1.1 Liskeard Town Council acknowledges the importance of prudently investing their 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 Minister's Guidance on Local Government Investments and Chartered Institute of Public Finance and Accountancy's Treasury 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 and best practice from the National Association of Local Councils and CIPFA.

2. Investment Objectives

2.1 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.

2.2 The Council's investment priorities will be centred on the security of reserves and whilst also providing sufficient liquidity and profit.

2.3 All investments will be made in sterling.

2.4 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.

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

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 or parish council will automatically be Specified Investments.

3.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Liskeard Town Council will use:
Deposits with banks, building societies, local authorities or other public authorities.

Any short term surplus will be invested with the Council's Bankers in an appropriate account in order to maximise the return.

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 uncertainties surrounding such investments, Liskeard Town Council will not use this type of investment.

5. Liquidity of Investments

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

5.2 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.

6. Long Term Investments

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

6.2 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

7. Reporting on Investment Performance

Investment performance statements will be circulated once a quarter to the Finance and Human Resources (FHR) Committee.

8. Review and Amendment of Regulations

This Strategy will be reviewed as and when necessary.

9. Freedom of Information

In accordance with the Freedom of Information Act 2000, this document will be posted on the Council's Website www.liskeard.gov.uk