



CAMELFORD TOWN COUNCIL

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Investment Strategy

Adopted 15 October 2019

1. The Investment of surplus funds by local authorities is governed by the Local Government Act 2003, section 15(1)(a) and Guidance issued by the Secretary of State under that Act.
2. Investments below £10,000 are not subject to the Guidance but for investments between £10,000 and £500,000 the council is required to make a formal decision on the extent to which it would be reasonable to adopt the Guidance either in part or in full.
3. The Guidance recommends that a council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security.
4. A 'Specified Investment' is one which is made in sterling, is not long term (less than 12 months) not defined as capital expenditure and is placed with a body which has a high credit rating or made with the UK Government, a UK Local Authority or a parish or community council.

Strategy

1. Camelford Town Council (CTC) has adopted the following Investment Strategy:
2. CTC acknowledges the importance of prudently investing its reserves held on behalf of the community.
3. CTC's priorities will be centred on the security (protecting the capital sum from loss), then liquidity (keeping the money readily available for expenditure when needed) of its reserves.
4. Adopt the Secretary of State's Guidance in relation to council investments in full (Department for Communities & Local Government "Guidance on Local Government Investments" 3rd Edition for financial years commencing on or after 1st April 2018).
5. Carry out an annual cash flow and reserves forecast to ascertain expenditure commitments for the coming financial year.
6. Based on that forecast, to invest reserves only in 'Specified Investments' with bodies with high credit ratings, with the benefit of independent financial advice if appropriate.
 - Maximum two thirds of general reserves into CCLA investments
 - Maximum one third of general reserves into NS&I investments
7. To review investments annually. CTC will be mindful of its commitment to the protection and enhancement of the natural environment, and will seek to invest in ethical companies that contribute positively to society.
8. CTC notes the Clerk and RFO, Esther Greig, has the appropriate skills to be involved in investment decision making; being fully qualified financial adviser (CeFA). Clerk will ensure that Councillors have the capacity, skills and information to review CTC's strategic objectives and risk profile.