



# Saltash Town Council



**Policy/Procedure:**

Annual Investment Strategy

**Date of Adoption:**

07.04.2011

This is a Policy or Procedure document of Saltash Town Council to be followed by both Councillors and employees.

Current Status			
Version	1	Approved by	FTC
Date	07.04.2011	Date of approval	07.04.2011
Responsible Officer		Minute reference	16/11/12b
Responsible Committee	FTC	Review date	Annual

Version History			
Date	Version	Author/Editor	Comments
07.04.2011	1	RL	

Review Record				
Date	Type of Review	Date of completion	Summary of actions	Completed by

# ANNUAL INVESTMENT STRATEGY

## Preamble

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.
5. Any other type of investment is considered 'Non Specified Investment' to which there can be greater risk and where professional investment advice might be required.
6. The council should keep its strategy simple and maintain prudence at all times.

## Strategy

The Council adopted the following Strategy at its meeting held on 7<sup>th</sup> April 2011 agreeing to:

1. Adopt the Secretary of State's Guidance in relation to council investments in full.
2. Carry out an annual cash flow forecast to ascertain expenditure commitments for the coming year.
3. On the basis of that cash flow forecast, to invest only in:
  - a. 'Specified Investments' or in
  - b. 'Non Specified Investments' including longer term investment i.e. 12 months or more but which still offers the greatest security
  - c. bodies with high credit ratings.
4. Any investment in longer term funds (12 months or more) should not exceed the surplus of cash balances above the Town Council's annual budgeted expenditure reduced by the annual precept.

5. To review investments annually.

### Version History

<b>Date</b>	<b>Details</b>
September 2018	Note: Words importing the masculine gender only shall include all other genders and vice versa.