



## INVESTMENT STRATEGY

Whitehill Town Council is a local authority funded largely by public money and acknowledges the importance of prudently investing any temporary, surplus funds or longer term funds held on behalf of the community.

A local council has a general power to invest its funds for any purpose relevant to its functions under any enactment and for the prudent management of its financial affairs (Local Government Act 2003, ss12 &15).

This Strategy complies with the revised requirements set out in the Department of Communities and Local Government guidance on investments (2010).

### Investment Objectives:

1. The **SECURITY** of reserves
2. Adequate **LIQUIDITY** of investments
3. Optimum **YIELD** on investments commensurate with proper levels of security.

All investments will be made in sterling.

Short term investments shall be defined as 1 year or less.

Long term investments shall be defined as over 1 year.

### Security:

The Council shall give priority to the security of investments.

Specified investments are relatively high security and high liquidity investments such as short term deposits and high investment accounts with high street banks, building societies, local authorities, other public authorities or other approved public sector investment funds.

Non-specified investments generally have a greater, potential risk, such as stocks and shares.

The Responsible Finance Officer shall research and present options to the Policy & Resources Committee for decision. The Policy & Resources Committee shall be responsible for risk assessing each option before agreeing the institution and length of deposit.

Where possible, investments will be spread over different providers to minimise risk.

The Council shall avoid non-specified risks, given the uncertainty and unpredictability of such investments.



### **Liquidity -**

The Council shall consider liquidity of its investments as a second objective.

The Policy & Resources Committee shall be responsible for determining short, medium and long term investments and agreeing maximum periods which funds may prudently be committed to ensure the Council has properly assessed the risk of not having immediate access to some of its funds. The Committee shall consider the Council's asset register, financial risk assessment, strategic plan and earmarked reserves.

### **Yield:**

The Policy & Resources Committee shall be responsible for agreeing investments which aim to achieve the optimum return on the Council's investments commensurate with the proper levels of security and liquidity.

The Council will rely on interest rate information which is publicly available.

### **Monitoring & Review:**

The Council reserves the right to make variations to this strategy at any time.

In accordance with the Secretary of State's recommendation, this strategy will be reviewed at regular intervals, at least annually.

### **Publication:**

This strategy is available to download online, free of charge in accordance with Secretary of State guidance and the Freedom of Information Act.