

LOOE TOWN COUNCIL

K O N S E L T R E L O G H

Investment Strategy



Re-Adopted by Council:
15h May 2023

Next Review due: 31st May 2024

LOOE TOWN COUNCIL



ANNUAL INVESTMENT STRATEGY

1. INTRODUCTION

Looe Town Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community. 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 Section 15(1)(a) of the Local Government Act 2003.

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

3. SPECIFIED INVESTMENTS

Specified Investment 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 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
- The debt management agency of HM Government

Current investment is with the Bank of Ireland which provides a secure high yield rate of interest.

4. NON-SPECIFIED INVESTMENTS

These investments have greater potential risk – examples include investment in the money market, stock and shares. Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment.

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5. LIQUIDITY OF INVESTMENTS

The Responsible Finance Officer in consultation with the Finance Committee 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 onto, rather than the date on which the funds are paid over to the counterparty.

6. LONG TERM INVESTMENTS

Long term investments are defined in the Guidance as greater than 36 months. The Council does not currently hold any long term investments. No long term investments are envisaged during the financial year 2021/22.

7. END OF YEAR INVESTMENT REPORT

Investment forecasts for the coming financial year were accounted for when budget was prepared. At the end of the financial year, the Finance Officer will report on investment activity to the Finance Committee.

8. REVIEW AND AMENDMENT OF REGULATIONS

The strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared and presented for approval at a Finance Committee Meeting. 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.

9. ALTERNATIVE FORMATS

If you require this document in amended formats, please contact the Council on 01503 262255 or e-mail enquiries@looetowncouncil.gov.uk

10. FREEDOM OF INFORMATION

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