

INVESTMENT STRATEGY 2019/20**Introduction**

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. 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 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-Specific' to which there can be a greater risk and where professional investment advice might be required.

Strategy

Ash Parish Council acknowledges the importance of prudent investment whether temporary or longer term, of any surplus funds held on behalf of the community.

6. In accordance with Section 15 (1) of the Local Government Act 2003, Ash Parish Council will have regard to:
 - (a) the Secretary of State's Guidance in relation to council investments; and
 - (b) other such guidance as the Secretary of State may by regulation specify.
7. Ash Parish Council will place priority on securing and protecting the capital sum from loss, and then on the liquidity (keeping the money readily available for expenditure when needed) of its reserves.
8. Short term investments shall be defined as 1 year or less. Long term investments shall be defined as 1 year or greater.
9. All investments made by Ash Parish Council shall be discussed fully by the Amenities, Finance and Administration Committee with recommendations made to full Council. Relevant Council Members are required to demonstrate a general competence in simple terms, of the risks and opportunities of investments.
10. Ash Parish Council will produce an annual forecast of expenditure commitments for the coming year and on the basis of that forecast, will review the investments annually.
11. Ash Parish Council will use quantitative indicators to help explain the opportunities from borrowing and investment decisions, such as rates of return or yield. The Council will also illustrate the authority's total risk exposure as a result of its investment decisions.

12. The Investment Strategy will be reviewed annually in line with all other Council policies at the Meeting of the Full Council in March of each year.
- 12.1 The CCLA Local Authorities Property Fund will be reviewed at the meeting held in March of each year.
- 12.2 The Close Brothers Investments will be reviewed at the meeting held one month before the maturity date of the investments, currently May each year.
- 12.3 Ash Parish Council reserves the right to make variations to the Strategy at any time.

Drafted 4 May 2018

Adopted 14 May 2018 by Council

Updated 20 May 2019 for Consideration at 28 May 2019's Amenities, Finance and Administration Committee