



# Brixham Town Council

## INVESTMENT STRATEGY

### Review History

Reviewed May 2012, July 2013, May 2014, May 2015

### 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 on the 23<sup>rd</sup> June 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 in accordance with the budget setting schedule.
- 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

Copies of the Investment Strategy are available from:

Brixham Town Council Clerk: Tracy Hallett, Town Council Office, Town hall, New Road Brixham TQ5 8TA

**Tel: 01803 859678**

**email: info@brixhamtowncouncil.gov.uk**