



SOUTH MOLTON
TOWN COUNCIL

ANNUAL INVESTMENT STRATEGY

INTRODUCTION

South Molton Town Council acknowledges the importance of prudently investing surplus funds 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 the Section 15(1)(a) of the Local Government Act 2003.

INVESTMENT OBJECTIVES

In accordance with Section 15(1) of the 2003 Act, the Council will have regard (a) To such guidance 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.

SPECIFIED INVESTMENTS

Specified Investments 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 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

Current Investments are held with Lloyds TSB.

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.

LIQUIDITY OF INVESTMENTS

The Responsible Finance Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity

LONG TERM INVESTMENTS

Long term investments are defined as greater than 36 months.

The Council does not currently hold any long term investments. However the Council does hold a property fund ("CCLA Property Fund") and this can be drawn down within 30 days. It is likely that this will be held for more than 36 months.

END OF YEAR INVESTMENT REPORT

At the next budget meeting the Responsible Finance Officer will report on Capital Reserves and movements thereon and also will outline the investment proposals for the forthcoming year.

REVIEW AND AMENDMENT OF REGULATIONS

The strategy will be reviewed annually.

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.

Andrew Coates

RFO

Compiled 16th April 2018.