



## Investment Policy

### INTRODUCTION

Under section 15(1)(a) of the Local Government act 2003, the Secretary of State for Local Government has issued “Statutory Guidance on Local Government Investments”. Local councils are required to “have regard” to this guidance and for each financial year local councils with investments over £100,000 are required to prepare an investment strategy.

This investment strategy has been prepared on the basis of the revised requirements set out in the Statutory guidance on local government investments issued in 2018 (3rd edition effective for financial years commencing on or after 1 April 2018).

When making investments over £100,000 local councils are required to adopt the guidance in full and to put an investment strategy in place.

Bletchley and Fenny Stratford Town Council acknowledges the importance of prudently investing surplus funds held on behalf of the community. All investments will be made in line with the Council’s financial procedures and observations or advice received from the Council’s internal and external auditors, supported as necessary by advice from the Council’s financial advisors.

The Council will ensure it has adequate though not excessive cash resources or standby facilities to enable it at all times to have the level of funds available which are necessary for the achievement of its service objectives.

## **INVESTMENT OBJECTIVES**

The Council is required to prioritise Security, Liquidity and Yield in that order of importance.

1. The Council's investment priorities are the security of reserves and adequate liquidity of its investments
2. The Council will aim to maximise its income from its investments commensurate with proper levels of security and liquidity
3. The Council will seek to ensure that investment income is consistent one year to the next
4. Where external investment managers are used, they will be contractually required to comply with this strategy.
5. In balancing risk against return, the Council will be careful to avoid risks rather than to maximise returns.
6. All investments will be in sterling,
7. The council will not make any loans.
8. The Council will monitor the risk of loss on investments by review of credit ratings on a regular basis.
9. The Council will only invest in institutions of high credit quality – based on information from credit rating agencies (ie Standard and Poor's; Moody's Investors Service Ltd; or Fitch Ratings Ltd.).
10. Investments will be spread over different providers where appropriate to minimise risk.

## **SPECIFIED INVESTMENTS**

Specified investments are those offering high security and high liquidity, made in sterling and maturation of no more than a year. Such short-term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.

For prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, West Bletchley Council will use:

- Deposits with banks, building societies, local authorities or other public authorities.
- Other recognised funds specifically targeted at the Public Sector.
- The choice of institution and length of deposit will be subject to approval by the Full Council.

## **NON-SPECIFIED INVESTMENTS**

These investments have greater potential risk such as investments in the money market, stocks and shares. The Council will use the services of an appointed FSA accredited financial advisor on the investment of these funds. The choice of investment company will be reviewed within the first year of every new administration following an election or more frequently if the performance of the investments is not meeting the required objectives

Long term investments, defined as greater than 36 months, will, if considered appropriate, be used to support the 3-5 year Capital Programme which will be reviewed and agreed annually. Capital growth of the fund should be maximised but at least equal to RPI whilst being consistent with the required level of security and all other public investment criteria.

The Council will expect the investment to be in a balanced portfolio that will yield a consistent income/growth year on year whilst having regard to the Council's objectives and security of its investments. When considering any investments, this Council will be encouraged to consider social, ethical and/or environmental factors or criteria when selecting, retaining or disposing of assets.

## **END OF YEAR INVESTMENT REPORT**

At the end of each financial year the Responsible Financial Officer will present a report on the Investment activity to Full Council.

## **REVIEW AND AMMENDMENT OF REGULATIONS**

This Strategy will be reviewed annually by the Finance & General Purposes Committee. The Committee reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council.