



BUCKINGHAM TOWN COUNCIL ANNUAL INVESTMENT STRATEGY

INTRODUCTION

Buckingham 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 Section 15(1)(a) of the Local Government Act 2003, the Guidance on Local Government Investments issued by the Department of Communities and Local Government in 2010 and Governance and Accountability for Smaller Authorities in England 2017.

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. Through this guidance issued in 2010 para 3.3 states that if a Parish Council invests more than £500,000 then the guidance applies in full. However, if the investment is between £10,000 and £500,000 "it should decide on the extent, if any, to which it would be reasonable to have regard to the guidance in relation to that year."

The Town Council will comply with the guidance in full.

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.

SPECIFIED INVESTMENTS

Specified Investments are those offering high security and high liquidity, made in sterling and maturing within 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, funds specific for Town and Parish Councils, local authorities or other public authorities.

The Town Council's investments for the financial year will consist entirely of Specified Investments

NON-SPECIFIED INVESTMENTS

These investments have greater potential risk – examples include investment in the money market, stocks 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 in consultation with the Finance Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity. However, this will not be any longer than 12 months.

Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

INVESTMENT RISK

The Town Council will only invest in Specified Investments i.e. deposits with banks, building societies, funds specific for Town and Parish Councils, local authorities or other public authorities. This will reduce the risk of loss. Credit rating will play a limited scope within the decision of who to invest with. The length of the investments will be limited but if there is a significant change in credit rating then action will be taken.

The Town Council will not use Treasury management advisors over the course of the financial year.

The Responsible Finance Officer and the Finance Officer will attend any sector specific training which is relevant for Council investments

REVIEW AND AMENDMENT OF REGULATIONS

The strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared by the Responsible Finance Officer and presented for approval at a Resources Committee Meeting which will then make a recommendation to the Full Council.

The Council reserves the right to made variations to the Strategy at any time, subject to the approval of the Full Council. Any variations will be made available to the public.

FREEDOM OF INFORMATION

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

