



PENRYN TOWN COUNCIL

Investment Policy

INTRODUCTION

Penryn Town Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

This Policy is reviewed under guidance issued by the Ministry of Housing, Communities and Local Government in 2018 *Statutory Guidance on Local Government Investments (3rd Edition)*

INVESTMENT OBJECTIVES

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 make a return, is unlawful and this Council will not engage in such activity.

Where external investment managers are used, they will be contractually required to comply with the Policy.

POLICY

The Town Council shall diversify its reserves between multiple relatively highly rated UK banks and/or building societies.

The Town Council shall retain a minimum of four months estimated expenditure in current and deposit account giving immediate access.

A significant percentage of the Council's reserves shall be placed in interest bearing deposits such as a Fixed Term Deposit.

To retain liquidity Fixed Term Deposits should be placed with phased end dates.

Investments shall be decided and placed by the Town Clerk & Responsible Finance Officer following a due diligence exercise.

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 or Town or 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, local authorities or other public authorities
- The debt management agency of HM Government

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 Finance Officer in consultation with 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 in the Guidance as greater than 36 months.

The Council does not currently hold any long term investments.

END OF YEAR INVESTMENT REPORT

At the end of the financial year, the Finance Officer will report on investment activity to the Council.

REVIEW AND AMENDMENT OF REGULATIONS

The Policy will be reviewed annually. The annual strategy for the coming financial year will be prepared by the Finance Officer and presented for approval at a Council meeting.

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