

Clifford Parish Council - Investment Policy

Adopted 18th July 2012

INTRODUCTION

Clifford Parish 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 by the Secretary of State for Communities and Local Government under section 15(1)(a) of the Local Government Act 2003, which came into effect on the 1st of April 2010.

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.

The Council's investment priorities are the security of reserves and its 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 2 years.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use Deposits with banks and building societies which hold a UK banking licence. Monies can also be invested in NS&I products as NS&I is part of the UK Treasury department.

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 Council in consultation with the Clerk/ Responsible Finance Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.