



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 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 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 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.

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

Current investment is with Lloyds Bank Commercial Banking, which provides a 0.43% rate of interest.

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.