



Perranzabuloe Parish Council

Investment Strategy

1. The Investment of surplus funds by local authorities is governed by the Local Government Act 2003, section 15(1)(a) and Guidance issued by the Secretary of State under that Act. This applies to Investments between £10,000 and £500,000.
2. The Guidance recommends that a council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security.
3. A 'Specified Investment' is one which is made in sterling, is not long term (less than 12 months) not defined as capital expenditure and is placed with a body which has a high credit rating or made with the UK Government, a UK Local Authority or a parish or community council.
4. Any other type of investment is considered a 'Non-Specified Investment' to which there can be greater risk and where professional investment advice might be required.
5. Local authorities should keep strategies simple and maintain prudence at all times.

Perranzabuloe Parish Council (the Council) has adopted the following Investment Strategy:

1. The Council acknowledges the importance of prudently investing its temporary surplus funds held on behalf of the community.
2. The Council's priorities will be centred on the security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed) of its reserves.
3. Adopt the Secretary of State's Guidance in relation to council investments in full (Department for Communities & Local Government "Guidance on Local Government Investments" 2nd Edition dated 11 March 2010).
4. Carry out an annual cash flow forecast to ascertain expenditure commitments for the coming financial year.
5. On the basis of that cash flow forecast, to invest only in:
 - a. 'Specified Investments' or in
 - b. 'Non Specified Investments' including longer term investment i.e. 12 months or more but which still offers the greatest security.

c. Bodies with high credit ratings.

6. To review investments quarterly

Final decisions to invest will be made by Full Council or otherwise a delegated Committee thereof.

The Investment Strategy will be reviewed as a minimum once every Council term (normally four years) and approved by Full Council