



PETWORTH TOWN COUNCIL INVESTMENT STRATEGY

1. Introduction

Petworth 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 the Department for Communities and Local Government's *Guidance on Local Government Investments* and Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes* and takes account of Section 15(1) (a) of the Local Government Act 2003.

In accordance with Governance & Accountability for Local Councils – A Practitioners' Guide (England) March 2014:

Where a council builds up balances these must be safeguarded by investing in an appropriate account; investing balances by local councils must be done prudently and in accordance with the requirements of the Local Government Act 2003 and DCLG Guidance on Local Government investments (second edition) issued on 11 March 2010.

2. Investment Objectives

In accordance with Section 15(1) of the 2003 Act, the Council will *have regard to*

(a) such guidance as the Secretary of State may issue, and

(b) 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 (DCLG) 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 Strategy.

3. Specified Investments

Specified Investments are those offering high security and high liquidity, made in sterling and which mature in 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, Petworth Town Council will use:

- Deposits with banks, building societies, local and other public authorities
- Investing and earmarking General Reserves of the Town Council separately

4. 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, Petworth Town Council will not use this type of investment.

5. Liquidity of Investments

The Town Clerk as Responsible Financial Officer determines the maximum periods for which funds may prudently be committed so as not to compromise liquidity ensuring adequate funds are available for day to day operational needs.

6. Longer-Term Investments

Longer-term investments are defined in the Guidance as greater than 12 months. The Council no longer holds any 'longer-term' investments of more than a year.

7. End of Year Investment Report

Investment forecasts for the coming financial year are accounted for when the budget is prepared. At the end of the financial year, the Town Clerk reports on outcome and investment activity to the Finance and General Purposes Committee.

8. Freedom of Information

In accordance with the Freedom of Information Act 2000, this Investment Strategy Document will be posted on the Council website. www.petworth-tc.gov.uk

The strategy will be reviewed annually.

09.03.2020