



CAMPBELL PARK PARISH COUNCIL

ANNUAL INVESTMENT STRATEGY 2009/10

Introduction

When making and managing investments the Council is bound by Section 5(1) of the Local Government Act 2003 "which requires us to 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...".

In practice this means advice from the Department for Communities and Local Government (DCLG) and CIPFA.

Investment Strategy

The purpose of this report is to clarify the Council's position with regard to investments and to propose an investment strategy for the period to May 2010 when it will be reviewed.

The Annual Investment Strategy sets out the Council's consideration in respect of:

- Specified investments
- Non-specified investments
- Investment objectives
- Security and liquidity of investment balances

These are:-

Specified Investments - the idea of specified investments is to identify investments offering high security and high liquidity. All should be in sterling and with a maturity of no more than one year. Short-term investments made with the UK Government or a local authority or parish council will automatically count as specified investments.

All investments will be made with a body or an investment scheme which has been awarded a "High Credit Quality" rating by one of the following credit rating agencies:-

Standard and Poor's
Moody's Investors Services Ltd
Fitch Ratings Ltd

Campbell Park Parish Council, for the prudent management of treasury balances may use:

- Deposits with banks, building societies, local authorities or other public authorities (currently CPPC only has investments with "UK" banks)
- The Debt Management Agency of HM Government
- Treasury Bills

Non-specified Investments – as the term implies these are not specified and may be for longer periods and/or with bodies not highly credit rated. CPPC does not use these.

Investment Objectives - All investments are in sterling. The general policy objective for CPPC is the prudent investment of its treasury balances. The Council's investment priorities are the security of capital and the liquidity of its investments.

CPPC will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

The DCLG maintains that borrowing of monies purely to invest or on-lend and make a return is unlawful. Therefore this Council will not do so.

Liquidity of Investments - In practice, the Council has invested solely with bank and/or building societies. The period of commitment for which funds may prudently be committed is determined by the Responsible Financial Officer (RFO) but it is noted that the guidance is that terms should not exceed one year.

External Borrowing

Currently the Council has not borrowed any funds from external sources and no external borrowing is anticipated during 2009/10.