



## **Investment Strategy**

1. Councils have the power to invest for any purpose relevant to their functions under any enactment, or for the purposes of the prudent management of their financial affairs. This power is not limited to certain types of instruments or institutions.
2. Councils have to take note of Government 'guidance' issues by the Department for Communities and Local Government. This guidance applies to all authorities in England, although parish councils with less than £10,000 to invest are not required to take any action; those with less than £500,000 have to only formally decide whether or not to take any action. Advice from SLCC considers it good practice for all Councils to prepare an investment strategy as a framework for decisions about investments to be made.
3. In line with the guidance investments will be considered in the following order of priority: Security, liquidity then yield. Council may also consider if there is any additional benefit to the community in the investment.
4. Council will carry out an annual cash flow forecast to determine expenditure commitments for the coming year and on the basis of that forecast invest only in:
  - a. Specified Investments  
Investments made in sterling for less than 12 months with high credit rating, FSC scheme insured or made with the UK Government or other local authority.
  - b. Unspecified Investments  
Prior to investing in unspecified investments, independent professional financial advice will be sought.
5. All funds held on behalf of other bodies will be held in instant access Specified Investments.
6. Investments will be reviewed quarterly or in the case of changes in the financial markets.

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