INVESTMENT STRATEGY

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Review Frequency	Every 5 years		
Next Review Date:	2028 Jun	**Item**	

1 Introduction

1.1 Harlington Parish Council acknowledges the importance of prudently investing its temporarily held surplus funds on behalf of the community.

1.2 This Strategy 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 Sectorial Guidance Notes* and takes account of Section 15(1)(a) of the Local Government Act 2003 and best practice from the National Association of Local Councils and CIPFA.

2. Investment Objectives

2.1 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) to such other guidance as the Secretary of State may be regulations specify.*

2.2 The Council's investment priorities are S L Y that is, in order of priority:

- Security of reserves
- Liquidity of investments
- Yield

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

2.4 All investments will be made in sterling.

2.5 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.

2.6 Where external investment managers are used, they will be contractually required to comply with the Strategy.

3. Specified Investments

3.1 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.

3.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Harlington Parish Council will use:

- Deposits with UK banks and building societies that are authorised and regulated by the Prudential Regulation Authority or local authorities or other public authorities
- The Debt Management Agency of HM Government

3.3 Currently the Council holds its money in Barclays Bank with its reserves in an interest-bearing Tracker Account enabling 12 withdrawals per year before the Council incurs charges.

4. Non-Specified Investments

4.1 These investments have greater potential risk – examples include investment in the money market, stock, and shares.

4.2 Given the unpredictability and uncertainties surrounding such investments, Harlington Parish Council **will not** use this type of investment.

5. Liquidity of Investments

5.1 The Clerk, as the Responsible Financial Officer (RFO), will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

5.2 Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

6. Long Term Investments

6.1 Long-term investments are defined in the Practitioners' Guide (2014) as greater than 12 months.

6.2 The Council does not currently hold any long-term investments.

6.3 No long-term investments are envisaged during the financial year 2015/16.

6.4 No investment beyond 12 months may be made without a resolution of the Full Council.

7. Reporting on Investment Performance

7.1 Investment forecasts for the coming financial year will be accounted for when the budget is prepared. At the end of the financial year, the RFO will report on investment activity to the F&GP Committee.

7.2 The Council will ensure that the F&GP Committee members and the RFO have sufficient training to underpin their responsibilities to scrutinise the Treasury Management Function.

8. Review and Amendments of Regulations

8.1 This Strategy will be reviewed annually for the coming financial year, will be prepared by the RFO and presented for approval at the F&GP Committee.

8.2 The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council. Any variations will be made available to the public.