



STONEHOUSE TOWN COUNCIL

INVESTMENT STRATEGY adopted 21 May 2018

The Council will follow guidance issued by the MHCLG when it holds investments in excess of £100,000 as issued under section 15(1) of the Local Government Act 2003.

1. In the Autumn of each financial year the Council will prepare at least one Investment Strategy.

For the year 2018-19 this Strategy was drafted by Finance & Strategy Committee at their meeting of 14 May 2018

2. The Strategy will be approved at a meeting of the full Town Council prior to the start of the new financial year.

The Strategy was approved on 21 May 2018

3. Any revisions to the Strategy must be presented to the full Town Council.

No revisions to date

4. The Strategy will be published on the Town Council's website.

Published date:

5. The Strategy will disclose whether the investments are held for treasury management purposes or as other investments. In the case of treasury management investments the principles set out in the Treasury Management Code will apply and the contribution that these investments make to the objectives of the local authority to support effective treasury management activities.

All of the sums below are treasury management investments held for capital projects:

Invested In:	Amount	Term	Interest Rate
Cambridge Bldg Soc	75000	90 day notice	.50%
National Westminster	75101	95 day notice	.50%
Nationwide	75297	6 month term	1%
Melton Bldg Soc	85000	30 day notice	.40%
Charity Bank	75000	40 day notice	.30%
Lloyds Fixed Term	75000	6 month term	.70%



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6. The Strategy will prioritise Security, Liquidity and Yield in that order of importance.

The Council has spread investments below the limit guaranteed by the Financial Services Compensation Scheme of £85000. The Council has chosen short term investments to ensure that funds are available for capital projects. Yields are not particularly good but are dictated by the lack of accounts of this type open to local authority investment.

7. The Council will define what type of contribution other investments make.
There are no other investments.

8. The Strategy will include quantitative indicators (consistent from year to year) to allow people to assess the Council's total risk exposure. This will include how investments are funded and the rate of return. Borrowing should include details of debt servicing costs.

Details as in 5. There is no borrowing currently.

9. The Strategy will include financial and non-financial investments.

Under the Strategy the Council will hold sufficiently liquid funds to realise projects. The Council will consider investing in land and buildings for community benefit. Any asset purchase of this nature will need to generate an income and the Council will take steps to obtain a fair valuation and security of the investment.

10. The Strategy will state the Council's approach to assessing risk of loss before entering into an investment.

The Council has adopted a low risk approach.

11. The Council may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a strategy for wider economic growth, if:

- Total financial exposure is proportionate
- They have measured the risk as defined by the IFRS
- There are appropriate credit control arrangements in place
- The loan is formally approved by full council as to the type they are willing to make and within accepted limits

There are currently no loans.

12. The Council will assess risk to investments by making its own assessment of the market but may from time to time obtain external expert advice

The Council has not yet engaged an expert.

13. The Council will ensure that elected members and statutory officers involved in the investment decision making process have appropriate capacity, skills and information to enable them to take informed decisions as to whether to enter into a specific investment, to assess individual assessments in the context of the strategic objectives and risk profile of the local authority and to enable them to understand how the quantum of these decisions have





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changed the overall risk exposure of the local authority

The Council has access to advice from GAPTC and NALC and the RFO is qualified in Local Council Administration and Finance. The Council sets out an overall strategy of its aims which will be referred to in the decision making. The Council will refer to its Standing Orders and Financial Regulations in the decision making process.



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