

## **Woughton Community Council**

# **Investment Strategy 2020**

## **Introduction**

Woughton Community Council acknowledges the importance of prudently investing surplus funds held on behalf of the community. All investments will be made in line with the Council's financial procedures and observations, or advice received from the Council's internal and external auditors, supported as necessary by advice from the Responsible Finance Officer.

The Council will ensure it has adequate though not excessive cash resources, overdraft or standby facilities to enable it always to have the level of funds available which are necessary for the achievement of its service objectives.

## **Policy**

1. Woughton Community Council's investment priorities are the security of reserves and adequate liquidity of its investments.
2. Woughton Community Council will aim to maximise income from its investments commensurate with proper levels of security and liquidity.
3. Woughton Community Council will seek to ensure that investment income is consistent year on year.
4. Where external investment managers are used, they will be contractually required to comply with this strategy.
5. In balancing risk against returns, the Council is more concerned to avoid risks than to maximise return(s)
6. All investments will be in Sterling (GBP)

## **Specified Investments**

Specified investments are those offering high security and high liquidity, made in Sterling (GBP) and maturation of no more than one year. Such short-term investments made with the UK Government or local authority or a town or parish council will automatically be Specified Investments.

For prudent management of its treasury balances, maintaining sufficient levels of security and liquidity Woughton Community Council will use;

1. Deposits with banks, building societies, local authorities or other public authorities.

2. Other recognised funds specifically targeted at the Public Sector.
3. The choice of institution and length of deposit will be at the discretion of the Responsible Finance Officer in consultation with the Chair of the Policy and Resources Committee. Recommendations must be agreed at Full Council by majority vote.

## **Non-Specified Investments**

These investments have greater potential risk such as investments in the money market, stocks, and shares. Woughton Community Council will use the services of an appointed FSA accredited Financial Advisor on the investment of these funds and will undergo a suitability report. The choice of investment company will be reviewed within the first year of every new administration following an election or more frequently if the performance of the investments is not meeting the required objectives.

Long term investments, defined as greater than 36 months will be required to have the appropriate level of security as all other public investment criteria. Long term investments must be planned and under scrutiny to ensure there is a purpose for holding funds with a long-term view of investment.

The Council will expect the RFO to act as the Investment Manager to invest in a balanced portfolio that will yield a consistent income/growth year on year whilst having regard to the Council's objectives and security of its investments. The RFO will be encouraged to consider social, ethical and /or environmental factors or criteria when selecting retaining or disposing of assets.

## **End of Year Investment Report**

At the end of each financial year the RFO will present the final AGAR report at Full Council which will include all investment activity.

The position of all investments at year end should be reported, and an assessment should take place each new Financial year to review what, if any of our reserves should be invested into any of our investment funds.

## **End of Year Investment Report**

This strategy will be reviewed annually by the Policy and Resources Committee. The Committee reserves the right to make variations to the Strategy at any time, subject to approval at Full Council.

<b>Last review date:</b>	<b>September 2021</b>
<b>Next review date:</b>	<b>September 2022</b>
<b>Lead:</b>	<b>Responsible Finance Officer</b>
<b>Overseeing Committee:</b>	<b>Finance and Resources Committee</b>
<b>Approved:</b>	
<b>Review cycle:</b>	<b>Annually</b>

