

SALISBURY
CITY COUNCIL



ANNUAL INVESTMENT STRATEGY

Policy	Version	Owner	Doc	PDF	Date Published	Review Due	Review Team
FP002	7	RFO	68954		XX Mar 19	Mar 20	Finance
FP002	6	RFO	62611	62787	25 Sep 17	Sept 18	Finance
FP002	5	RFO	56808	57613	26 Sep 16	Sept 17	Finance
FP002	4	RFO	50804	51628	13 July 15	July 16	Finance
FP002	3	RFO	36298	44719	19 Mar 12	March 14	Finance
FP002	2	RFO	35486		09 Nov 09		
FP002	1	RFO	00675		15 June 09		

ADOPTED by Salisbury City Council at the Full Council meeting on **XXXXXX**

ANNUAL INVESTMENT STRATEGY 2019

1. General

- 1.1 Salisbury City Council (the Council) acknowledges the importance of prudent investment of treasury funds through adherence to the Statutory Guidance on Local Government Investments (3rd Edition) issued under section 15(1)(a) of the Local Government Act 2003, effective from 1 April 2018.
- 1.2 This Strategy should be read in conjunction with the Council's Financial Regulations and Internal Financial Controls.
- 1.3 This Strategy sets out the requirement to prioritise Security, Liquidity and Yield in that order of importance, to achieve the prudent management of treasury balances throughout the financial year.
- 1.4 This Strategy sets out to balance its investments with the Council's duty to manage daily revenue expenditure alongside an affordable capital programme.

2. Investment Objectives

- 2.1 Under Section 12 of the 2003 Act, a local authority has the power to invest for "any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs".
- 2.2 The general policy objective of the Council is to ensure that its investments contribute to the objectives of the local authority and its functions, through effective treasury management activities and the prudent management of its finances. The policy will adhere to the principle to prioritise Security, Liquidity and Yield in that order of importance.

3. Specified Investments

- 3.1 A specified investment, as provided in paragraph 31 of the Statutory guidance, is one where:
 - The investment and any payments in the respect of the investment are in sterling.
 - The investment is not long term, such that the local authority has contractual right to repayment within 12 months.
 - The making of the investment is not defined as capital expenditure by Regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
 - The investment is made with a body or investment scheme of "high credit quality" or the United Kingdom Government, a local authority (as defined in section 23 of the 2003 Act) or a parish council or community council.

3.2 The Council will invest in:

- bank deposit accounts of “high credit quality” from instant access up to twelve months in term.
- the Public Sector Deposit Fund, a UK FCA Qualifying Money Market Fund.

3.3 The Council has in place two specified investments.

4. Non-Specified Investments

4.1 Non-specified investments are long-term investments i.e. those that are due to mature 12 months or longer from the date of arrangement.

4.2 The Council will not make non-specified investments.

5. Liquidity of Investments

5.1 The City Clerk will determine the period investments can be prudently committed and shall risk assess fixed term investments.

5.2 The City Clerk may, with due consideration to the economic climate, the Council’s current resources and liquidity, its expenditure commitments and contingencies, determine that none of the Council’s balances can be prudently committed to fixed term investments.

5.3 The Council will manage any surplus funds through only specified investments to maintain security and liquidity.

6. Review of the Strategy:

6.1 This Investment Strategy will be reviewed annually and reported to Full Council.

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