



Investment Strategy

Diss Town Council

Adopted by Full Council on 13/03/2023

Resolution No: FC/

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Investment Strategy

1. Background

- 1.1 Diss Town 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 Council.
- 1.2 Diss Town Council will ensure it has adequate though not excessive cash resources, to enable it at all times to have the level of funds available which are necessary for the achievement of its service objectives.
- 1.3 Investment Strategies approved after 1 April 2018 must also be in line with the Government's "Statutory Guidance on Local Government Investments" which in particular includes much detail on the provision of loans.

2. Investment Objectives

- 2.1 Diss Town Council's investment priorities are the security of general and emergency reserves and adequate liquidity of its investments.
- 2.2 Diss Town Council will aim to maximise income from its investments commensurate with proper levels of security and liquidity. All investments will be made in sterling.
- 2.3 Diss Town Council will seek to ensure that investment income is consistent from one year to the next.
- 2.4 Where external investment managers are used, they will be contractually required to comply with this Strategy.
- 2.5 In balancing risk against return, this Council will give priority to avoidance of risk against maximum returns.

3. Specified Investments

- 3.1 Specified investments are those offering high security and high liquidity, made in sterling and maturation 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, Diss Town Council will use:
 - Deposits with banks, building societies, local authorities or other public authorities.
 - Other recognised funds specifically targeted at the Public Sector.
 - The choice of institution and length of deposit will be at the discretion of the Responsible Financial Officer, in consultation with the Chairman of the Executive Committee.

4. **Non-Specified Investments**

- 4.1 These investments have greater potential risk such as investments in the money market, stocks, and shares. Given the unpredictability and uncertainties surrounding such investments, Diss Town Council will not use this type of investment.
- 4.2 Long-term investments, defined as greater than 36 months, will not be used at this time unless the Council makes a resolution to agree to these investments.
- 4.3 Diss town Council will expect the RFO to diversify their available funds in banks and buildings societies allowing for maximum returns on their funds and the spread of risk.

5. **Loans**

- 5.1 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

6. **Review**

This Strategy will be reviewed annually. The Executive Committee reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council.