



Investment Strategy

1. Background

- 1.1 Diss Town Council (the 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 The 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 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 The Council's investment priorities are the security of general and emergency reserves and adequate liquidity of its investments.
- 2.2 The 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 The 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, the 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 The Council will not use non-specified investments in the money market, stocks, and shares given their unpredictability and greater potential risk.
- 4.2 The Council will not use long-term investments, defined as greater than 36 months.
- 4.3 The Council will expect the RFO to recommend the diversification of available funds in banks and buildings societies allowing for maximum returns and the spread of risk.

5. **Loans**

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 Full Council.