



Westbury Town Council

The Laverton, Bratton Road, Westbury

Wiltshire BA13 3EN Tel: 01373 822232

E-mail: info@westburytowncouncil.gov.uk

<http://www.westburytowncouncil.gov.uk>

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Investment Strategy

Introduction

Westbury Town Council (the council) recognises the importance of prudently investing temporary surplus funds held on behalf of the community as part of its fiduciary duty. This strategy complies with the current requirements set out in the Ministry of Housing, Communities and Local Government (MHCLG) *Guidance on Local Government Investments* and guidance within *Governance and Accountability for Smaller Authorities in England – A Practitioners' Guide* (the Guide).

The Local Government Act 2003 states that a local authority may invest:

- For any purpose relevant to its functions under any enactment
- For the purpose of the prudent management of its financial affairs.

The council defines its treasury management activities as “**the management of the council’s cash flows, its banking and money market transactions, the effective control of the risks associated therewith, and the pursuit of optimum investment performance consistent with those risks.**”

Investment Objectives

The council’s investment priorities are:

- the security of its reserves,
- adequate liquidity of its investments and,
- the return on investment.

All investments will be made in sterling.

MHCLG maintains that borrowing (by Local Authorities) purely to lend, or to invest and make a return, is unlawful, and the council will not engage in such activity.

The council will monitor the risk of loss on investments by regular review of credit ratings of its chosen investment vehicles.

Investments may be spread over different providers where considered appropriate within overall investment priorities.

Specified Investments

Specified investments are those offering high security and high liquidity, made in sterling with a maturity of no more than one year. These include short term investments made with the UK Government and/or other local authorities.

The prudent management of its treasury balances shall be as set out in the council's Treasury Management Strategy, which will be reviewed at least annually.

Non Specified Investments

Given the unpredictability and uncertainty surrounding such investments, the council will not make this type of investment.

August 2018

Approved by Town Council 03.09.18