

# LEDBURY TOWN COUNCIL

## INVESTMENT STRATEGY

### Introduction

This guidance has been prepared in accordance with the Guidance on Local Government Investments (“the Guidance”), issued under section 15(1)(a) of the Local Government Act 2003, effective from 1 April 2018.

The Guidance states:

- a. Where a Town or Parish Council expects its investments at any time during a financial year to exceed £100,000, the Guidance should apply in relation to that year.
- b. Where a Town or Parish Council expects its investments at any time during a financial year to exceed £10,000 but not £100,000, it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year.
- c. Where a Town or Parish Council expects its investments at any time during a financial year not to exceed £10,000, no part of the Guidance needs to be treated as applying in relation to that year.

The Guidance recommends that a Council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security.

A “Specified Investment” is one which is made in sterling, is not long term (less than 12-months) not defined as capital expenditure and is placed with a body which has a high credit rating or made with the UK Government, a UK Local Authority or a Parish or Community Council.

Any other type of investment is considered “Non-Specific” to which there can be greater risk and where professional investment advice might be required.

### Strategy

Ledbury Town Council are requested to adopt the following investment strategy:

1. The Council acknowledges the importance of prudently investing its temporary surplus funds held on behalf of the community.
2. The Council’s priorities will be centred on the security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed) of its reserves, sustainability and ethical investments (consider not investing in companies that are not sustainable or ethical).

3. Adopt the Secretary of State's Guidance in relation to council investments in full (Department for Communities & Local Government "Guidance on Local Government Investments" 3<sup>rd</sup> Edition dated 11 March 2010.  
[https://assets.publishing.service.gov.uk/media/5a74512440f0b646ce8d9b0e/Guidance\\_on\\_local\\_government\\_investments.pdf](https://assets.publishing.service.gov.uk/media/5a74512440f0b646ce8d9b0e/Guidance_on_local_government_investments.pdf)
4. Carry out an annual cash flow forecast to ascertain expenditure commitments for the coming financial year.
5. On the basis of that cash flow forecast, to invest only in:
  - Specified Investments or in
  - Non-specified investments including longer term investments i.e. 12 months or more but which still offers the greatest security
  - Bodies with high credit ratings

Adopted: 4 June 2026

Minute No. C1370(6)

Review date: June 2027