

**WYRE FOREST DISTRICT COUNCIL**

**INVESTMENT STRATEGY**

**BACKGROUND**

1. Following the issue by the Office of the Deputy Prime Minister (ODPM) of Local Government Investments - Guidance under Section 15(1)(a) of the Local Government Act 2003, the Council are required to update Wyre Forest's Investment Strategy and review on an annual basis.

**COMPLIANCE**

2. The Council's Investment Strategy shall comply with Guidance issued by the ODPM (now known as the Department for Communities and Local Government (DCLG)) and shall have regard to the Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) on Treasury Management in the Public Services: Code of Practice and Cross-Sectional Guidance Notes.
3. The Investment Strategy shall be reviewed on an annual basis by Council as part of the Budget Process.

**OVERRIDING PRINCIPLE**

4. Priority should be given to security and liquidity. Whilst seeking the highest rate of returns on the Council Investments consistent with the proper levels of security and liquidity.

**INVESTMENT STRATEGY**

5. All Investments will be made in accordance with the Council's investment policies and prevailing legislation, regulations and guidance.
6. Direct investments be made with only those Organisations identified in the 'Approved Organisations for Investments' - see Appendix 6.
7. Individual investment limits to be those identified on Appendix 6.
8. Minimum credit ratings for individual Organisations should be adhered to and be those identified on the Schedule. Credit Ratings to be monitored on an ongoing basis with information provided by the Council's Treasury Management Consultants 'Butlers'. In respect of Building Societies, the Council will continue to use Total Assets as 'credit ratings' are not always available.
9. Whilst taking into account the overriding principle (see paragraph 4 above) the Strategy for investments is to lend funds which are surplus (after cash flow requirements have been taken into account) on a longer term basis where interest rates are projected to fall or show little upwards movements. Alternatively, should interest rates be forecast to move noticeably upwards, to lend surplus funds on a shorter term basis, unless

materially higher long term interest rates can be obtained, when surplus funds should be lent on a longer term basis.

10. The use of specialist investment managers be considered by the Head of Financial Services on an ongoing basis, to manage a proportion of the Council's Investments (minimum market requirement usually £10 million) where market conditions are considered favourable to achieve higher overall investment returns. Specialist investment managers will be appointed by the Head of Financial Services under delegated powers and subject to the Council's Standing Orders Relating to Contract if applicable.
11. No more than the maximum sums to be invested (see 5.7.2 of this report) of the Council's Investments shall be made as follows, which are now classified as Non-Specified Investments :-

Investments in excess of one year.

Small Building Societies without Credit Rating (note the Council's individual limit detailed in Appendix 6).