



Ashburton Town Council

Annual Investment Strategy

Date Adopted	12 May 2026
Review date	2027 - 2028

Signed by Town Mayor:

Date:



Annual Investment Strategy 2026

Introduction

Ashburton Town Council (the Council) acknowledges the importance of prudent investment of temporary surplus funds held on behalf of the community, through adherence to the Statutory Guidance on Local Government Investments (3rd Edition) issued under section 15(1)(a) of the Local Government Act 2003, effective from 1 April 2018.

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

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 prudent management of its financial affairs

This Strategy complies with the requirements set out in:

- The Ministry of Housing, Communities, and Local Government Guidance on Local Government Investments (which applies where the Council's total investments exceed or are expected to exceed £100,000 at any time during the financial year.)
- Section 15 (1) (a) of the Local Government Act 2003
- Guidance within Governance and Accountability for Local Councils Practitioner's Guide

This Strategy should be read in conjunction with the Council's Financial Regulations and Internal Financial Controls.

Strategy

Ashburton Town Council (the Council) has adopted the following Investment Strategy.

1. The Council's priorities will be centered on the security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed) of its reserves.
2. The Council shall adopt the Secretary of State's Guidance in relation to council investments in full. (Department for Communities & Local Government "Guidance on Local Government Investments" 2nd Edition dated 11 March 2010).
3. Carry out an annual cash flow forecast to ascertain expenditure commitments for the coming financial year.
4. On the basis of that cash flow forecast, to invest only in 'Specified Investments' or 'Non-Specified Investments' including longer-term investment i.e. 12 months or more but which still offers the greatest security.



4.1 Specified Investments

A specified investment, as provided in paragraph 31 of the statutory guidance, is one where:

- The investment and any payments in respect of the investment are in sterling.
- The investment is not long term, such that the local authority has contractual right to repayment within 12 months if required.
- The making of the investment is not defined as capital expenditure by Regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
- The investment is made with a body or investment scheme of “high credit quality” or the United Kingdom Government, a local authority (as defined in section 23 of the 2003 Act) or a parish council or community council.

The Council will invest in:

- bank deposit accounts of “high credit quality” from instant access up to twelve months in term.
- the Public Sector Deposit Fund, a UK FCA Qualifying Money Market Fund managed by the CCLA, one of the UK's largest charity fund managers.

4.2 Non-Specified Investments

Any other type of investment is considered ‘Non-Specified Investment’ to which there can be greater risk and where professional investment advice might be required.

As provided in paragraphs 35 and 36 of the statutory guidance Non-Specified Investments are where:

- The investment is not a loan and does not meet the criteria to be treated as a specified investment.
- Procedures are set out determining which categories of investments may be prudently used.
- Categories for investments have been defined as suitable for use.
- State the upper limits for the maximum amounts both individually and cumulatively that may be held in each identified amount and for the overall amount held in non-specified investments.

5. Council Investments

5.1 The Council holds its day-to-day funds in non-interest-bearing Lloyds Community Accounts at the local Totnes branch. These accounts each incur monthly £4.25 service charges. Due to the bi-annual receipt of the precept, there may be brief periods when funds held in the main account are in excess of the Financial Services Compensation Scheme (FSCS) limits.

5.2 The Council may also hold a specified investment in the form of an instant-access, fixed interest deposit at a commercial bank, in addition to funds in the Public Sector Deposit Fund which is a variable term, variable interest investment vehicle that



facilitates flexibility in investments and withdrawals.

6. Review of Strategy

This Investment Strategy will be reviewed annually and reported to Full Council.

CHAIRMAN.....

CLERK.....

DATE.....

Reviewed and adopted 12th May 2026 Full Council (Annual Meeting), Minute No:
006.26AM.iv.