



Investment Strategy

ADOPTED

October 2024

REPLACES POLICY

New

INTRODUCTION

1. This policy is created under guidance issued by the Secretary of State for Communities and Local Government in accordance with the Local Government Act 2003. The extant guidance was issued by DCLG in 2010
2. 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.
3. 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.

STRATEGY

The Parish Council has adopted 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 will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
3. In balancing risk against return, this Council is more concerned to avoid risks than to maximise returns.
4. 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.
5. A significant percentage of the Council's bulked reserves shall be placed on interest bearing term/notice deposits.
6. To retain liquidity these shall be placed with phased end dates i.e. there will always be some maturing sooner than others
7. The Council shall invest only in:
 - 'Specified Investments' and
 - bodies with high credit ratings.

RISK MANAGEMENT

Risk management issues are considered within the Strategy Document and also the annual Financial Risk assessment approved by Full Council on an annual basis.

IMPLEMENTATION

Parish Clerk

MONITORING

The Finance Committee shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new financial year. Where no changes are proposed, Full Council shall note the policy.

POLICY APPROVAL

Council Minute 10.24.16.a

POLICY REVIEW DUE

May 2025