

# **PEASEDOWN ST. JOHN PARISH COUNCIL INVESTMENT STRATEGY & POLICY**

Written: September 2023  
Adopted: Full Council Min. C071 - 21/11/2023  
Last Reviewed:

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## **1. INTRODUCTION**

Peasedown St John Parish Council (the Council) acknowledges the importance of prudently investing the temporary surplus funds held on behalf of the community as part of its fiduciary duty.

This Strategy complies with the requirements set out in:

- The Department for Levelling Up, Housing and Communities Guidance on Local Government Investments
- Section 15(1)(a) of the Local Government Act 2003
- Guidance within Governance and Accountability for Local Councils Practitioners Guide

The Council currently has £252,615.57 of investments, as detailed in Appendix A

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

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 with those activities, and the pursuit of best value performance consistent with those risks.”

## **2. POLICY**

This strategy establishes formal objectives, policies and practices and reporting arrangements for the effective management and control of the Council’s treasury management activities and the associated risks.

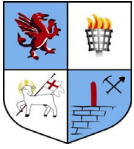
## **3. INVESTMENT OBJECTIVES**

The Council’s investment, in priority order, are:

- the security of its funds,
- the adequate liquidity of its investments, and
- the return on investment –

the Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

All investments will be made in sterling.



The Department for Levelling Up, Housing and Communities maintains the borrowing of money purely to invest or to lend and make a return is unlawful and the Council will not engage in such activity.

The choice of investment will ensure that both credit rating and investment spread over different providers require they are reviewed regularly to ensure that the council only invest in institutions of high credit quality, based on information from credit rating agencies (as defined) and spread over different providers to minimise risk.

#### **For Information: Definitions covered in section 4 to 7.**

#### **4. SPECIFIED INVESTMENTS**

Specified investments are those offering high security and high liquidity, made in sterling and with a maturity of no more than a year. Such short-term investments made with the UK Government or a Local Authority (as defined) or a Town/Parish Council will automatically be Specified Investments.

The Council, for prudent management of its treasury balances may use:

- Treasury Deposits with UK clearing banks.
- Local Authorities or other Public Authorities.
- Other approved public sector investment funds.

The choice of institution and length of deposit will be at the approval of Full Council.

The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

#### **5. NON-SPECIFIED INVESTMENTS**

These investments have greater potential risk – examples include investment in the money market, stocks, and shares. Given the unpredictability and uncertainty surrounding such investments the Council will not use this type of investment.

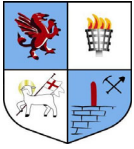
#### **6. LIQUIDITY OF INVESTMENTS**

Full Council in consultation with the Responsible Finance Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

Investments will be regarded as commencing on the date the commitment to invest is entered into rather than the date on which the funds are paid over to the counterparty.

#### **7. LONG TERM INVESTMENTS**

Long Term Investments are defined in the Guidance is greater than 36 months.



## **8. RISK ASSESSMENT**

The Parish Council's funds are covered by the Financial Services Compensation Scheme as the annual budget does not exceed £430,065 (rate applied for 2023/24 financial year).

Although, to mitigate risk, funds should be held in more than one organisation/fund. The Council will only invest in institutions of "high credit quality". The Council will monitor the risk of loss on investments by reference to credit ratings. The Council will also have regard for the general and political environment in which institutions operate. The investment position will be reviewed by the Clerk/Responsible Financial Officer and reported to Full Council if necessary.

The Council does not employ, in-house or externally, any financial advisors but will rely on information which is publicly available.

## **9. INVESTMENT STRATEGY 2023-24**

For 2023/2024, the Council will continue to invest as much of its balance as possible in a low-risk product in order to achieve its investment objectives.

The Council will have separate accounts for its working balances and reserves. No accounts will be held within the same banking group. Money will be separated in this way to minimise risk. All accounts will be held with banks and building societies which are regulated by the FCA.

## **10. END OF YEAR INVESTMENT REPORT**

Investment forecasts for the coming year are considered when the budget is prepared. At the end of the financial year the Clerk/Responsible Finance Officer will report on investment activity to Full Council.

## **11. REVIEW AND AMENDMENT OF REGULATIONS**

The Annual Investment Strategy must be reviewed annually and revised if considered necessary. The Council reserves the right to make variations to the Investment Strategy at any time subject to the approval of Council. Any variations will be made available to the public.



**APPENDIX A – Statement of investment position as at 21<sup>st</sup> November 2023**

**Specified Investments**

Unity Trust Bank – Instant Access Savings Account £172,615.57

Nat West Bank – Liquidity Manager 95-Day Notice Account £80,000.00 (account creation and transfer currently pending with bank)

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The foregoing ***Investment Strategy & Policy*** has been revised and amended to reflect the changes in the Council's working practices and the latest Government legislation. They were adopted by Peasedown St John Parish Council at a meeting held on 21<sup>st</sup> November 2023.

**Signed:**

**Chair: Cllr Jonathan Rich**

**Date: 21<sup>st</sup> November 2023**

**Signed:**

**Clerk & RFO: Tanya West**

**Date: 21<sup>st</sup> November 2023**