

# North Hinksey Parish Council Investment Strategy

## 1. Introduction

- 1.1 North Hinksey Parish Council (the Council) acknowledges the importance of prudently saving and investing the temporary surplus funds held on behalf of the community as part of its fiduciary duty.
- 1.2 This strategy has been prepared in accordance with the revised requirements set out in the Department of Communities and Local Government *Guidance on Local Government Investments* and takes into account Section 15(1)(a) of the Local Government Act 2003 and guidance within Governance and Accountability for Local Councils Practitioners Guide 2020.
- 1.3 The Guidance states: Where a 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.
- 1.4 North Hinksey Parish Council expects its investments during the 2021-22 financial year to exceed £100,000 and therefore agrees to apply the Guidance as set out below.

## 2. Investment objectives

- 2.1 The Council's investment priorities are:
  - i. The security of its reserves, and;
  - ii. The adequate liquidity of its investments and;
  - iii. To support effective treasury management.
- 2.2 All investments will be made in sterling and within the United Kingdom only.
- 2.3 The Council aims to maintain investments purely to ensure the liquidity of the Council and to ensure it is covered for any eventuality.
- 2.4 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, North Hinksey Parish Council will deposit all reserves within a deposit account connected to the Council's main bank account. However, the choice of institution and length of deposit will be at the discretion and approval of full Council.
- 2.5 Long term investments are defined in the Guidance as greater than 12 months.
- 2.6 The Council and Responsible Financial Officer (RFO) and the Finance Committee will monitor all investments by regular review.

## 3. Investment strategy

3.1 North Hinksey Parish Council will save and invest as much of its surplus balance as possible into its reserves and deposit account, in order to achieve its annual project goals and its investment objectives.

3.2 North Hinksey Parish Council currently has a current account with Unity Trust Bank, and two business premium savings accounts with Barclays Bank. The balances of these accounts are documented monthly on the meeting agendas. No long-term investments are held.

#### **4. Reporting**

4.1 Cashflow, reserves and investments are accounted for when the budget is prepared and at the end of the financial year (31<sup>st</sup> March).

#### **5. Risk assessment**

5.1 The Parish Council's reserves are covered by the Financial Services Compensation Scheme up to the deposit limit of the scheme and must therefore be carefully managed to mitigate the risk of losses.

5.2 The Council will only invest in  
UK banks and UK building societies  
Public Bodies (including the UK Government and local authorities)  
UK FCA regulated qualifying money market funds with a triple A rating

#### **6. Review and Amendment of regulations**

6.1 The Clerk/RFO and full council are to review the policy annually and revise it if necessary.

6.2 The Full Council reserves the right to make variations to the Savings and Investment Policy at any time subject to the approval of Council. All variations will be made available to the public.

**Adopted: 28<sup>th</sup> October Finance and General Purposes Meeting**

**Review Date: October 2022**