



## **BARTON-LE-CLAY PARISH COUNCIL ANNUAL INVESTMENT POLICY 2024/25**

### **1. Introduction**

1.1 Barton-le-Clay Parish Council acknowledges the importance of prudently investing its temporarily held surplus funds on behalf of the community.

1.2 This Policy complies with the revised requirements set out in the Department for Levelling Up, Housing and Communities' *Guidance on Local Government Investments (3<sup>rd</sup> Edition)* and Chartered Institute of Public Finance and Accountancy's *Treasury Management in Public Services: Code of Practice and Cross Sectorial Guidance Notes* and takes account of the Section 15(1)(a) of the Local Government Act 2003, effective from 1<sup>st</sup> April 2018.

### **2. Investment Objectives**

2.1 In accordance with Section 15(1) of the 2003 Act, the Council will *have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify.*

2.2 The Council's investment priorities in order of importance are:

- the security of reserves
- liquidity of its investments
- the yield obtained from any investment

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

2.4 All investments will be made in sterling.

2.5 The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this Council will not engage in such activity.

2.6 Where external investment managers are used, they will be contractually required to comply with the Policy.

### **3. Specified Investments**

3.1 Specified Investments are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. Such short-term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.

3.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Barton-le-Clay Parish Council will use:

- Deposits with UK banks & building societies
- Public Bodies (including the UK Government and local authorities)
- UK FCA regulated qualifying money market funds with a triple A rating

3.3 Currently investments are held with Hampshire Trust, as a 12 month Business Bond and as shares in the Public Sector Deposit Fund. Funds likely to be surplus for three months are invested in a short-term deposit with Nationwide Building Society 45 Day Notice Savings account; all of which provide a secure rate of interest and allow multiple signatures for withdrawals.

#### **4. Non-Specified Investments**

4.1 Non-specified investments are usually for longer periods (i.e. more than one year) and with bodies that are not highly credit-rated. These investments have greater potential risk – examples include investment in the money market, stocks and shares.

4.2 Given the unpredictability and uncertainties surrounding such investments, Barton-le-Clay Parish Council **will not** use this type of investment.

#### **5. Liquidity of Investments**

5.1 The Responsible Finance Officer in consultation with the Policies & Resources Committee will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

5.2 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.

#### **6. Long Term Investments**

6.1 Long-term investments are defined in the Practitioners' Guide (2014) as greater than 12 months.

6.2 The Council has currently no long-term investments.

6.3 No further long-term investments (12 months+) are envisaged during the financial year 2024-2025.

#### **7. Risk Assessment**

7.1 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 loss.

7.2 The Council will only invest in institutions of high credit quality. Investments will be spread over different providers where appropriate to minimize risk.

7.3 The Council will monitor the risk of loss on investments by reference to credit rating agencies. The Council will also have regard for the general economic and political environment in which institutions operate.

#### **8. End of Year Investment Report**

8.1 Investment forecasts for the coming financial year were accounted for when the budget was prepared. At the end of the financial year, the Responsible Finance Officer will report on investment activity to the Policies & Resources Committee.

## **9. Review and Amendment of Regulations**

9.1 This Policy will be reviewed annually. The Annual Strategy for the coming financial year, will be prepared by the Responsible Finance Officer and reviewed by the Policies & Resources Committee which will then make a recommendation to the Full Council.

9.2 The Council reserves the right to make variations to the Policy at any time, subject to the approval of the Full Council. Any variations will result in an updated strategy being published.

9.3 The Council formally ratified changes to, and adoption of, the policy on: **12<sup>th</sup> February 2024.**