

# The Charltons Parish Council

## Investment Strategy

### 1. INTRODUCTION

The Charltons 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 Ministry for Housing, Communities and Local Government 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 £ 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 Communities and Local Government 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 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 an optimum return on its investments commensurate with the proper levels of security and liquidity.

#### 5. 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 to the counterparty.

#### 6. LONG TERM INVESTMENTS

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

#### 7. RISK ASSESSMENT

To reduce risks, 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.

#### 8. INVESTMENT STRATEGY 2023-24

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. A minimum of three month's expected operational costs will be kept in the current account. 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.

#### 9. 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 the Full Council.

## 10. 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 the Council. Any variations will be made available to the public.

## 11. FREEDOM OF INFORMATION

In accordance with the Freedom of Information Act 2000, the Council's Investment Strategy will be published on the Parish Council's website: [www.thecharltonsparishcouncil.gov.uk](http://www.thecharltonsparishcouncil.gov.uk) and is available as a hard copy from the Parish Clerk.