

Pembury Parish Council

Working for Pembury People



Investment Strategy

Adopted 14/05/2018

Version:	Date Approved:	Review Date:
1.0	14/05/2018	01/04/2019

1. Introduction

- 1.1. Pembury Parish Council acknowledges the importance of prudently investing all funds held on behalf of the community by the Council.
- 1.2. This Strategy complies (as appropriate) with the revised requirements set out in Guidance on Local Government Investments issued by the Department of Communities and Local Government in April 2010 and takes account of Section 15(1)(a) of the Local Government Act 2003.
- 1.3. This Strategy should be read in conjunction with the Council's Financial Regulations.

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 are the security of reserves and the liquidity of its investments.
- 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 made a return, is unlawful and this Council will not engage in such activity.
- 2.6. The Council's Audit, Finance and Personnel Working Group will monitor the risk
- 2.7. Where external investment managers are used, they will be contractually required to comply with the Strategy.

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 and parish council will automatically be Specified Investments.
- 3.2. For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Parish Council will use deposits with banks and building societies, local authorities or other public authorities.

4. Non-Specified Investments

- 4.1. These investments have greater potential risk – examples include investment in the money market, stock and shares. The Parish Council will not use this type of investment.

5. Liquidity of Investments

- 5.1. The Responsible Financial Officer 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 to the counterparty.

6. Long Term Investments

- 6.1. Long term investments are defined in the Guidance as greater than 36 months. The Council currently holds no such investments.

7. End of Year Investment Report

- 7.1. Investment forecasts for the forthcoming year are accounted for when the budget is prepared. At the end of the financial year, the Responsible Financial Officer will report on investment activity to the Audit, Finance and Personnel Working Group.

8. Review and Amendment of Regulations

- 8.1. The Strategy will be reviewed annually and at other times as necessary. The Annual Investment Strategy for the financial year will be prepared by the Responsible Financial Officer and presented for approval at the Audit, Finance and Personnel Working Group Meeting and the Full Council.
- 8.2. The Parish Council reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council.

9. Publication

- 9.1. In accordance with the Freedom of Information Act 2000, the Council's Investment Strategy will be published on the Parish Council's website and is also available as a hard copy from the Parish Council Offices.