



# GREAT GLEN PARISH COUNCIL

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Parish Manager - Joanne Adkins

## INVESTMENT POLICY

This policy was adopted by Great Glen Parish Council at its meeting held on 10<sup>th</sup> December 2024, noted under Minute reference number 95/25/1

### 1. INTRODUCTION

This 'Investment Policy' complies with the revised requirements set out in the Department of Communities and Local Government Guidance on Local Government Investments (3rd Edition) and takes into account Section 15(1)(a) of the Local Government Act 2003 and guidance within Governance and Accountability for Local Councils Practitioner's Guide 2018.

An investment strategy is required for all investments expected to exceed £100,000.00 at any time during the financial year.

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.

Great Glen Parish Council acknowledges the importance of investing the temporary surplus funds held on behalf of the community as part of its fiduciary duty.

This policy establishes formal objectives, policies and practices and reporting arrangements for the effective management and control of the Parish Council's investment activities and the associated risks and should be read in conjunction with the Parish Council's Financial Regulations.

### 2. INVESTMENT OBJECTIVES & PRINCIPLES

The Parish Council aims to invest its reserves in order to maintain the value of these funds in real terms, to support future service delivery.

The Parish Council is required to consider investments in line with the following principles:

- a) Security – protection of the investment sum from loss of value and to minimise risk; and,
- b) Liquidity – how quickly the invested funds can be encashed if required.

Once principles (a) and (b) have been determined, the Parish Council can reasonably consider suitable investments to maximise the Parish Council's income (yield).

The Parish Council should consider the appropriate balance between security, liquidity and yield in relation to risk when making any investment decisions and in order to achieve the optimum return on investment.

All investments shall be made in the name of the Parish Council and be deposited in sterling.

The decision to invest funds must be recommended by the Finance Committee to the Full Council.

The choice of institution and length of the deposit shall be decided by Full Council.

The Parish Council will consider spreading its investments across financial institutions to minimise risk and to protect its funds. Should the Parish Council appoint an investment manager or financial advisor, this appointment shall be reviewed from time to time. Advisors will be made aware of this policy as well as the regulatory and statutory framework applicable to Parish Councils.

All investments will be with financial institutions, banks and building societies registered in the UK.

The Investment Policy will be published on the Parish Council's website.

The Parish Council does not currently plan on investing in non-financial assets.

### 3. SHORT TERM SPECIFIED INVESTMENTS

Short term specified investments are defined as those offering high security and high liquidity, made in sterling and with a maturity of no more than twelve months. Short term investments made with the UK Government or to a local authority or Parish Council will automatically be defined as a specified investment.

For the prudent management of the Parish Council's balances and in order to maintain adequate levels of security and liquidity the Parish Council may choose to invest short term funds with:

- Banks, building societies, local authorities or other public authorities who are all based in the UK
- Other approved public sector investment funds.

### 4. LONG TERM NON-SPECIFIED INVESTMENTS

Non-specified investments are defined as any investments that do not meet the criteria of short term specified investments detailed in section 3. In general, non-specified investments have greater risk potential and include investment in money markets, stocks and shares.

Funds may be invested for periods of more than twelve months. In specifying the length of the investment, the Parish Council's anticipated expenditure requirement over the proposed investment period will be assessed to ensure sufficient funds remain available.

The Parish Council may place investments not required for current expenditure with long term non-specified investments with a maturity period of up to five years, at which point the investment objectives should be fully reviewed to determine whether the investment should continue.

The Parish Council will determine the upper limits for the maximum amounts that can be held individually or accumulatively in non-specified investments and will confirm annually that the investments have remained within these limits.

The Parish Council will seek the advice of an independent financial advisor prior to making any long-term investments, as part of the risk management process.

### 5. RISK MANAGEMENT & MONITORING

A risk assessment is to be maintained for each investment, as recorded in the Parish Council's Financial and Management Risk Assessment document. The assessment should include details of the market appraisals appropriate to the investment type, investment monitoring reports.

Investments will be spread over different providers where appropriate to minimise risk.

Investment performance reports will be provided by the investment institutions and reported to the Finance Committee in November to allow current/new investments to be reviewed as part of the budgeting process.

The Parish Council will monitor the risk of loss on investments by reviewing credit ratings for the investment institutions at least annually. This will be achieved by asking the institutions to confirm their current credit rating.

The Parish Manager, as Responsible Financial Officer, shall be the contact for the financial advisor and any other appointed counterparties and is authorised to deal with administrative matters and give instructions on behalf of the Parish Council as necessary to protect the Parish Council's investments.

#### 6. END OF YEAR INVESTMENT REPORT AND GOVERNANCE

At the end of the financial year the Parish Manager will supply an annual report to the Finance Committee.

The Parish Manager is responsible for bringing to the Parish Council's attention any matters which may affect the security of the Parish Council's investments. The Full Council is responsible for agreeing any course of action required to safeguard its investments.

The Investment Policy must be reviewed annually by the Finance Committee prior to being ratified by Full Council.

Any amendments required to the Investment Policy must be approved by Full Council prior to implementation. Amendments can be proposed at any time during the year, as required.

#### 7. INVESTMENT STRATEGY 2023/24

The Parish Council will continue to use NatWest Bank as the banking provider.

The Parish Council will ensure it has adequate cash resources to enable it at all times to have the level of funds available which are necessary for the achievement of its service objectives.