

LITTLETON & HARESTOCK PARISH COUNCIL

INVESTMENT STRATEGY 2021-22

This investment strategy was adopted by the Finance and General Purposes Committee at its meeting held on 27th April 2021.

1 INTRODUCTION

- 1.1 The Investment of surplus funds by local authorities is governed by the Local Government Act 2003, section 15(1)(a) and Guidance issued by the Secretary of State under that Act.
- 1.2 The guidance issued by the Secretary of State applies to Parish Councils providing the total investments exceed or are expected to exceed £100,000 at any time during the financial year. Where the total investments are between £10,000 and £100,000, it is encouraged to adopt the principles in the guidance.
- 1.3 The Guidance recommends that a council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security.
- 1.4 A 'Specified Investment' is one which is made in sterling, is not long term (less than 12 months) not defined as capital expenditure and is placed with a body which has a high credit rating or made with the UK Government, a UK Local Authority or a parish or community council.
- 1.5 Any other type of investment is considered 'Non Specified Investment' to which there can be greater risk and where professional investment advice might be required.
- 1.6 Local authorities should keep strategies simple and maintain prudence at all times.

2 STRATEGY

Littleton & Harestock Parish Council (the Council) has adopted the following:

- 2.1 The Council acknowledges the importance of prudently investing its temporary surplus funds held on behalf of the community.
- 2.2 The Council's priorities are and will be centred on the security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed) of its reserves.
- 2.3 Adopt the Secretary of State's Guidance in relation to council investment in full as specified in "Statutory Guidance on Local Government Investments 3rd Edition applicable from 1st April 2018.
- 2.4 Carry out an annual cash flow forecast to ascertain expenditure commitments for the coming financial year.
- 2.5 On the basis of that cash flow forecast, to invest only in:
 - 'Specified Investments' and/ or in
 - 'Non Specified Investments' including longer term investment i.e. 12 months or more but which still offers the greatest security (such as a UK financial institution which offers the full £85,000 UK Financial Services Compensation Scheme)
 - bodies with high credit ratings.

- 2.6 To review investments at least annually.
- 2.7 It is anticipated that in the 2021-22 financial year reserves will be reduced due to major works to refurbish the Parish Office, therefore additional investments will not be required as all existing investments will be covered by the full £85,000 UK Financial Services Compensation Scheme. Additionally, due to general low UK interest rates it is not thought there would be any benefit to changing the existing investment arrangements.

Annex A: List of Parish Council Investments in place as at 31st March 2021

1. £84,306.92 in National Savings Investment Account: one month's notice required for withdrawals. Current rate of interest: 0.01%
2. £80,155.22 in the Nationwide Building Society. Current rate of interest: 0.05%
3. Remaining Parish funds sit in the following Lloyds Bank accounts:
 - Treasurers Account (00308107) (current account): no interest paid
 - Business Instant Access Account (00308212): 0.05% interest paid

No other funds are held.

Signed and Dated: *Morgan* 12 May 21

Name of Chairman: *S.C. BURGESS*