

BRACEBRIDGE HEATH PARISH COUNCIL

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Investment strategy

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1 Purpose & scope

- 1.1 The Parish Council acknowledges the importance of prudently investing surplus funds held on behalf of the community. All investments will be made in line with the Council's financial procedures and observations or advice received from the Council's internal and external auditors, supported as necessary by advice from the Council's financial advisors.
- 1.2 The Council will ensure it has adequate though not excessive cash resources, overdraft or standby facilities to enable it at all times to have the level of funds available which are necessary for the achievement of its service objectives.

2 Objectives

- 2.1 In accordance with Section 15 (1) of the Local Government Act 2003, the Council will have regard to
 - such guidance as the Secretary of State may issue, and
 - such other guidance as the Secretary of State may by regulations specify.
- 2.2 The council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. The Council will therefore aim to achieve the optimum return on its investments commensurate with appropriate levels of security and liquidity.
- 2.3 The council's investment priorities therefore are, in order of importance:
 - the **security** of its reserves
 - the adequate **liquidity** of its investments
 - the **return** (yield) on investments
- 2.4 The council will:
 - aim to maximise income from its investments commensurate with proper levels of security and liquidity.
 - seek to ensure that investment income is consistent one year to the next.
 - ensure that any external investment managers used are contractually required to comply with this strategy.
 - in balancing risk against return, prioritise the avoidance of risk.
 - Make all investments in sterling.

3 Specified and non-specified investments

3.1 Specified investments

- 3.1.1 The DLUHC Guidance defines specified investments as those
 - denominated in pound sterling
 - due to be repaid within 12 months of arrangement
 - not defined as capital expenditure by legislation, and
 - invested with one of:
 - the UK Government
 - a UK local authority, parish council or community council, or
 - a body, bank or investment scheme of 'high credit quality'
- 3.1.2 The council defines 'high credit quality' organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign

country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds 'high credit quality' is defined as having credit rating of A- or higher

- 3.1.3 Specified Investment 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 parish council will automatically be Specified Investments.
- 3.1.4 For the prudent management of its treasury balances, including maintaining sufficient levels of security and liquidity, the council will place deposits with banks, building societies, local authorities and other public authorities/bodies.

3.2 Non-specified investments

- 3.2.1 Any investment not meeting the definition of a specified investment is classed as non-specified.
- 3.2.2 Non-specified investments will therefore be limited to long-term investments i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies or schemes not meeting the definition on 'high credit quality'. These investments have greater potential risk – examples include investment in the money market, stock and shares.
- 3.2.3 Capital growth of the fund should be considered and equal to RPI whilst being consistent with other priorities
- 3.2.4 The council's exposure to this type of investment will initially be limited to:
 - CCLA – The Local Authorities Property Fund (pooled)

4 End of year investment report

- 4.1 At the end of the financial year the Responsible Finance Officer will report on investment activity to the Full Council.

5 Treasury management advice

- 5.1 The council may wish to seek independent, expert, external advice to review its investment strategy and allocations to specific investments.
- 5.2 Treasury Management advice would typically come from either:
 - the principal local authority
 - treasury management advisory firms who specialise in local authority and local town & parish councils
 - other local independent financial advisors with expertise in advising business and individuals with significant cash sums to manage and invest.

6 Strategy review

- 6.1 This strategy will be reviewed on a biennial basis or in response to changes in relevant legislation or guidance.

7 Version control and amendment history

Date approved	Version Number	Revision / amendments made	Review date
November 2022	1.0	New policy	October 2024
December 2025	1.1	Document header changed; reference to withdrawn committees changed.	December 2027