

Financial Investment Strategy

1. Introduction

This Strategy has been prepared in accordance with the Guidance on Local Government Investments ('the Guidance') issued under Section 15(1) (a) of the Local Government Act 2003.

Where a Parish Council expects its investments at any time during a financial year to exceed £10,000, but not £500,000, it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year. The Guidance recommends that a Council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to liquidity and security.

Hatfield Peverel Parish Council expects its investments during the 2023-24 financial year to exceed £10,000, but not £500,000 and has agreed to apply the Guidance as set out below.

2. Investment Objectives

The Parish Council's investment priorities are: (1) the security of its reserves; (2) the liquidity of its investments; and (3) return. 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 Levelling Up, Housing and Communities maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this Council will not engage in such activity.

Where external investment managers are used, they will be contractually required to comply with the Strategy.

3. Security and Investments

3.1 Specified Investments

Specified Investments are those offering high security and high liquidity, made in sterling, and which mature in no more than a year. For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use:

- UK banks and UK building societies
- Public Bodies (including local authorities or other public authorities)
- Other approved public sector investment funds

3.2 Non-specified Investments

Non-Specified Investments have a greater potential risk, such as investment in stocks and shares, and the Council will not participate in such investments, which are considered not to offer the level of security and liquidity required.

4. Governance and Risk

There will be due regard to the Financial Services Compensation Scheme (FSCS) and the Council will aim to spread 'specified investments' over a range of different providers in such a way as to limit exposure and minimise risk.

The Responsible Financial Officer (RFO) in consultation with Full Council, will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

The Council will monitor the yield on investments by having regard to the general financial, economic and political environment nationally.

All resolutions relating to investments will be recorded in the minutes.

5. Review and Amendment

The Council's investment position will be reviewed regularly (as a minimum every six months) by the RFO and reported to the Full Council for consideration.

This Investment Strategy will be reviewed annually.

The Council reserves the right to make variations to the Strategy at any time, subject to the approval of Full Council. Any variations will be recorded in the minutes and made available to the public.

6. Freedom of Information

In accordance with the Freedom of Information Act 2000, this document will be published on the Council's website and a hard copy will be available from the Parish Clerk.

Signed:.....Date: 3rd July 2023

Chairman

Review dates: 12th May 2025; 11th May 2026