

Policy

Annual Investment Strategy

This Procedure is a document that sets out the organization's approved and agreed practices. Any deviation must be discussed with the originating author.

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|---------------------------------------|-----------------|--|--------------|
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1. Document Control Sheet

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| Purpose of document: | The Council acknowledges the importance of investing funds held on behalf of the community prudently. |
| Dissemination: | This policy will be disseminated to all staff and council members and be made available on the parish website |
| Implementation: | This document will be accessible via the parish council website and is applicable to all staff and council members. |
| Review: | This document will be reviewed in 2026 in line with the setting of the budget unless there are significant changes in legislation or practice in which case it will be reviewed earlier. |
| Documents replaced or superseded by this document: | |
| This document supports (enter Standards and Legislation: | Local Government Act 2003 Section 15(1) |
| Key related documents: | Statutory guidance of local government investments. |
| Financial Implications: | This document has no financial implications for Billingham Parish Council. |
| Key word search | Investment, funds. |

2. Table of contents

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3. Introduction

a. Billingham Parish Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

b. The Strategy complies with the revised requirements set out by the Secretary of State for Communities and Local Government under section 15(1)(a) of the Local Government Act 2003, which came into effect on the 1 April 2010.

4. Investment Objectives

a. 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.

b. The Council's investment priorities are the security of reverses and its liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

c. All investments will be made in sterling.

d. The Department for communities and Local Government 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.

5. Specified Investments

a. Specified Investments are those offering high security and high liquidity, made in sterling and maturing within 2 years. Such short-term investments made with the UK Government or a local authority, or town, Parish Council will automatically be Specified Investments.

b. For the prudent management of its treasury balances the council may use Deposits with banks, building societies, local authorities or other approved public sector investment funds (ie CCLA).

c. The choice of institution and length of deposit will be at the approval of full council.

6. Non-specified Investments

a. These investments have greater potential risk. Examples include investment of funds in:

i. The money market.

ii. Stocks and shares.

b. Given the unpredictability and uncertainty surrounding such investments the Council will not use this type of investment.

7. Liquidity of Investments

a. The Clerk/Responsible Finance Officer in consultation with Full Council will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

b. Investments will be regarded as commencing on the date the commitment to invest is entered rather than the date on which the funds are paid over to the counterparty.

8. Long Term Investments

a. Long term investments shall be defined as greater than 2 years. The Council will use the same criteria for assessing long term investment as identified above for Specified investments.

9. Investment Approval

a. The Full Council shall consider and make investments, in accordance with the Annual Investment Strategy.

10. Investment Reports

a. The Responsible Finance office will twice yearly prepare a report on investment activity for full Council.

11. Review and Amendment of Regulations

a. The strategy will be reviewed annually. The Annual Strategy for the coming finance year will be prepared by the Responsible Finance Office and presented for approval **in line with the setting of the budget.**

b. The Council does not employ in-house or external finance advisors but will rely on information which is publicly available.

c. The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the full Council. Any variations will be made available to the public.

12. Freedom of Information

a. In accordance with the Freedom of Information Act 2000, this Document will be posted on the Parish Council website and a hard copy will be available from the Parish Office.