Barkham Parish Council



Investment Strategy

2022-23

V1.0

## Introduction

 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.

2. The Guidance states:

a) Where a town or parish council expects its investments at any time during a financial year to exceed £100,000, the Guidance should apply in relation to that year.

b) Where a town or parish council expects its investments at any time during a financial year to exceed £10,000 but not £100,000, 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.

c) Where a town or parish council expects its investments at any time during a financial year not to exceed £10,000, no part of the Guidance need be treated as applying in relation to that year.

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.

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.

5. Any other type of investment is considered ‘Non-Specific’ to which there can be a greater risk and where professional investment advice might be required.

## Strategy

Barkham Parish Council acknowledges the importance of prudent investment whether temporary or longer term, of any surplus funds held on behalf of the community.

6. In accordance with Section 15 (1) of the Local Government Act 2003, Barkham Parish Council will have regard to:

 (a) the Secretary of State’s Guidance in relation to council investments; and

 (b) other such guidance as the Secretary of State may by regulation specify.

7. Barkham Parish Council will adopt a low-risk investment strategy to maintain liquidity of it reserves (keeping the money readily available for expenditure when needed) whilst, where possible, securing and protecting the capital sum from loss.

8. Short term investments are classified by the Joint Panel on Accountability and Governance (JPAG) Practitioners’ Guide (2021) as being:

* deposit and savings accounts typically provided by banks that display the following characteristics:
	+ are denominated in pounds Sterling;
	+ have a maturity of 12 months or less;
	+ the whole of the original sum invested can, from the time that the investment is made, be accessed for use by the authority without any reduction; and
	+ the authority has assessed the counterparty and is satisfied that the original sum invested is not subject to unreasonable risk.

Long term investments are classified by the JPAG Practitioners’ Guide (2021) as any money invested in anything other than a short-term investment.

Although the council may intend for the investment to be used for projects some time into the future, the classification of investment type shall be based on the nature of the investment itself, rather than its intended purpose.

9. All investments made by Barkham Parish Council shall be agreed by full Council.

10. Barkham Parish Council will produce an annual forecast of expenditure commitments for the coming year and, on the basis of that forecast, will review the investments annually.

11. Barkham Parish Council will use quantitative indicators to help explain the opportunities from borrowing and investment decisions, such as rates of return or yield. The Council will also illustrate the authority’s total risk exposure as a result of its investment decisions.

 12. The Investment Strategy will be reviewed annually.

13. Barkham Parish Council reserves the right to make variations to the Strategy at any time.

Annex A: List of Parish Council Investments in place as at 31st March 2022

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Location** | **Investment Type** | **Balance (as at 31.03.2022)** | **Notice**  | **Return** |
| Natwest Business Savings Account | Short Term | £85,014.38 | 3-7 days, Notice must be given in writing and transaction will be processed within 3 working days | Interest following Bank of England Base Rate |
| Nationwide Business Savings Account | Short Term | £85,000.00 | 3-7 days, Notice must be given in writing and transaction will be processed within 3 working days | Interest following Bank of England Base Rate |
| Unity Trust Bank Savings Account | Short Term | £75334.39 | None | Interest following Bank of England Base Rate |
| Unity Trust Bank – Currently account | Not considered an investment – current account only.  | £140829.23 | None | None |

\*current year expenditure still to be transferred

No other funds are held.

Signed and Dated: ………………………………………….

Name of Chairman: ………………………………………...