

# POULSHOT PARISH COUNCIL

## INVESTMENT STRATEGY

### 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. Investments below £10,000 are not subject to the Guidance but for investments between £10,000 and £500,000 the council is required to make a formal decision on the extent to which it would be reasonable to adopt the Guidance either in part or in full.
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 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-Specified Investment' to which there can be greater risk and where professional investment advice might be required.
6. Local authorities should keep strategies simple and always maintain prudence.

### Strategy

Poulshot Parish Council has adopted the following Investment Strategy:

1. The Council acknowledges the importance of prudently investing its surplus of funds and community fund both held on behalf of the community.
2. The Council's priorities will be centered on the security (protecting these funds from loss) and then liquidity (keeping the money readily available for expenditure when needed) of its reserves.
3. Adopt the Secretary of State's Guidance in relation to Council investments in full ([Department for Communities & Local Government "Guidance on Local Government Investments" 3rd Edition 1<sup>st</sup> April 2018](#)).
4. Carry out an annual cash flow forecast to ascertain expenditure commitments for the coming financial year.

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5. On the basis of that cash flow forecast, to invest only in, the Council's main bank or other full council authorised banks & building societies.
6. The placing of such deposits will be determined by the Council's Responsible Financial Officer.
7. To review investments quarterly.

Approved and Adopted on 25<sup>th</sup> July 2023  
Re approved 5<sup>th</sup> March 2024