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Burlescombe Parish Council Investment Strategy

2019 – 2020

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**PART 1. INTRODUCTION**

**THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

Burlescombe Parish Council (“the Council”) acknowledges the importance of prudently saving and investing the temporary surplus funds held on behalf of the community as part of its fiduciary duty. This policy complies with the revised requirements set out in the *Department of Communities* and *Local Government Guidance on Local Government Investments* and takes into account the *Local Government Act 2003, Section 15, Subsection (1) (a)* and guidance within *Governance and Accountability for Local Councils Practioners Guide 2018*.

Parish Councils have the power to invest surplus funds and the Local Government Act 2003 states that a local authority may invest:

▪ For any purpose relevant to its functions under any enactment.

▪ For the purpose of prudent management of its financial affairs.

The Council defines its treasury management activities as ‘the management of the Council’s cash flows, its banking and money market transactions, the effective control of the risks associated with those.

 **PART 2. POLICY**

This strategy establishes formal objectives, policies and practices and reporting arrangements for the effective management and control of the Council’s treasury management activities and the associated risks and should be read in conjunction with the Council’s Financial Regulations.

**PART 3. INVESTMENT OBJECTIVES**

The Council’s investment priorities are:

▪ The security of its reserves, and;

▪ The adequate liquidity of its investments and;

▪ To support effective treasury management.

To this end:

1. All investments will be made in sterling and within the United Kingdom only.
2. The Council aim to maintain investments purely to ensure the liquidity of Council and to ensure it is covered for any eventuality.
3. For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Burlescombe Parish Council will deposit all reserves within a deposit account connected to the Council’s main bank account. However, the choice of institution and length of deposit will be at the discretion and approval of full Council.
4. Long term investments are defined in the Guidance as greater than 12 months.
5. The Council and Responsible Financial Officer will monitor all investments by regular review.

**PART 4. INVESTMENT STRATERGY**

Burlescombe Parish Council will save and invest as much of its surplus balance as possible into its reserves and deposit account, in order to achieve its annual project goals and its investment objectives.

▪ Burlescombe Parish Council will seek to hold one non-specified long-term investment with Lloyds Bank PLC. The balance held in this investment is to be documented monthly on the meeting agendas.

▪ All other reserves will continue to be held centrally within the main bank account, also with Lloyds Bank PLC. Again, the balance of such is to documented monthly on the meeting agendas.

**PART 5. REPORTING**

Cashflow, reserves and investments will be accounted for when the budget is prepared and at the end of the financial year (31st March), the Responsible Financial Officer will report the investment activity to full council.

**PART 6.**  **REVIEW OF REGUALTIONS**

The Clerk/RFO and full council will review this policy annually and revise it if necessary.

The Council reserves the right to make variations to the Savings and Investment Policy at any time subject to the approval of Council. All variations will be made available to the public.