BONINGALE PARISH COUNCIL

Investment Strategy

Introduction

The investment of surplus funds by local authorities, including parish councils, is governed by the Local Government Act 2003 and statutory guidance issued by the Secretary of State.

The guidance recommends that councils adopt an Annual Investment Strategy which gives priority to the security and liquidity of investments whilst recognising the importance of obtaining an appropriate return on public funds.

Boningale Parish Council has an annual precept of £3,494.17 In addition, the Council has received a Community Benefit Grant of £58,800 from the Pepperhill Solar Farm. These funds are held on behalf of the community and are designated for projects and initiatives that benefit the parish.

The Council recognises its responsibility to ensure that public funds are invested prudently and that investments are managed in accordance with the principles of security, liquidity and return.

This Investment Strategy shall be approved by Full Council and reviewed annually.

Investment Objectives

The Council's investment priorities are:

- **Security of capital;**
- **Liquidity of investments; and**
- **Return on investments.**

The Council will seek to achieve the optimum rate of return consistent with maintaining appropriate levels of security and liquidity.

All investments will be made in sterling.

The Council will comply with all relevant statutory guidance relating to local authority investments.

The Council will not borrow money solely for the purpose of investment or to generate investment income.

Investment Choices

The Council will only make Specified Investments.

Specified Investments are those offering a high level of security and liquidity, denominated in sterling and with a maturity period of no more than twelve months.

The Council will only invest funds with UK regulated banks, building societies or other institutions permitted under relevant legislation and guidance.

The Council does not invest in shares, stocks, corporate bonds, money market funds, cryptocurrencies or other higher-risk investment products.

The Council does not make loans as an investment activity.

Current Investment Arrangements

The Council currently holds its Community Funds as follows:

- Approximately £800 in the Council's current account to meet routine operational expenditure;
- £3,000 in a 30-day notice account with the Co-operative Bank;
- The remaining balance of the Pepperhill Solar Farm Community Benefit Grant in a 90-day notice account with the Co-operative Bank.

These arrangements are considered to provide an appropriate balance between:

- Immediate access to funds for routine expenditure;
- Availability of funds for short-term community projects and commitments; and
- Protection of longer-term community funds whilst generating an appropriate level of interest income.

Security and Liquidity

The Responsible Financial Officer shall monitor the Council's investments and ensure that adequate funds remain available to meet the Council's financial obligations.

The Council will seek to minimise risk by limiting investments to institutions authorised and regulated within the United Kingdom.

Should concerns arise regarding the security of any institution holding Council funds, the matter will be reported to Full Council and alternative arrangements considered.

Reporting and Review

Investment income and investment activity shall be reported to the Council as part of regular financial reporting arrangements.

The Council shall consider its investment arrangements during the annual budget-setting process.

This Investment Strategy shall be reviewed annually and approved by Full Council.

The Council reserves the right to amend this Strategy at any time by resolution of Full Council.