

**Investment Policy**

|  |  |  |
| --- | --- | --- |
|  | **Date** | **Minute Reference** |
| **Adopted:** | 6th January 2021 | FC20/121(b) |
| **Reviewed:** | 1st February 2023 |  |
| **Next Review:** | February 2024 |  |

**CANEWDON PARISH COUNCIL**

**PO Box 6126, Rochford, Essex, SS1 9YG**

[**www.canewdonparishcouncil.gov.uk**](http://www.canewdonparishcouncil.gov.uk)

**07596 747873**

**Investment Policy**

**Introduction**

The Parish Council acknowledges the importance of investing prudently the temporarily surplus funds held on behalf of the Community.

The Parish Council is required under Section 15(1) of the Local Government Act 2011 to have regard to such Guidance as issued by the Secretary of State.

The Ministry of Housing, Communities and Local Government statutory guidance, Capital Finance: Guidance on Local Government Investments (3rd edition) came into force on 1st April, 2010.

The Guidance Note makes distinction between investments that are:

1. High Security and high liquidity (specified investments) and
2. Those with potentially greater risk and lower liquidity (non specified investments)

Where the Parish Council expects its investments at any time during the financial year to exceed £100,000 but not £500,000 it should decide on the extent, if any, to which it would be reasonable to have regard to the Investment Guidance Note in relation to that year.

**Investment Objectives**

The Council’s investment objectives are the security of reserves and liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

All investments will be made in Sterling.

The Department of Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make return is unlawful and the Council may not engage in such activity.

If external investment managers are used, they will be contractually required to comply with the policy.

All loans can only be made through the Public Works Loan Board.

**Specified Investments**

Specified Investments are, by definition in the Guidance note, offering high security and high liquidity, made in Sterling and with a maturing of no more than one year. Such short term investments made with the UK Government or local authority to the Parish Council will automatically be Specified Investments, as will those with bodies or investments schemes of “high credit quality”.

For prudent management of its treasury balances maintaining sufficient levels of security and liquidity the Parish Council will use deposits with UK banks, UK Building Societies, UK local authorities or other UK public authorities.

**Non-specified Investments**

These have greater potential risk – examples include investment in the money market, subordinated bonds from banks, permanent interest beating shares from building societies and corporate stocks and shares.

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

**Liquidity of Investments**

The Responsible Financial Officer/Clerk will recommend to the Council any investments to be made.

**Long-term Investments**

These are defined as longer than 12 months and require that, should the Council wish to invest for periods longer than 12 months, it must identify the procedure for monitoring, assessing and mitigating the risk of loss of invested sums.

**End of Year Investment Report**

At the end of the Financial Year, the Responsible Financial Officer/Clerk will report on investment action to the Council.

**Review and Amendment of the Policy**

The Policy will conform with CLG Guidance Note and will be reviewed by the Responsible Financial Officer/Clerk for consideration and approval annually.