

Arborfield & Newland Parish Council

Investment Policy

1 Introduction

- 1.1 The Council acknowledges the importance of prudently saving and investing funds held on behalf of the community.
- 1.2 This policy has been produced in accordance with guidance issued by the Secretary of State under Section 15(1) of the Local Government Act 2003 and guidance within the Governance & Accountability for Local Councils Practitioners Guide 2018.

2 Investment Objectives

- 2.1 The Council's investment priorities are:
 - The security of its reserves
 - The adequate liquidity of its investments
 - To achieve the optimum return on its investments commensurate with proper levels of security and liquidity
- 2.2 All investments are in sterling and within the United Kingdom only
- 2.3 The Council aim to maintain investments purely to ensure the liquidity of Council and to ensure it is covered for any eventuality.
- 2.4 Long-term investments are defined in the Guidance as greater than 12 months.
- 2.5 The Department of Communities and Local Government (DCLG) maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and the Council will not engage in such activity
- 2.6 If external investment managers are used, they will be contractually required to comply with this policy
- 2.7 This policy should be read in conjunction with the Council's Financial Regulations.

3 Investment Strategy

- 3.1 For the prudent management of its balances the Council will deposit all reserves within an account connected to the Councils main bank accounts. However, the choice of institution and length of deposit will be at the discretion and approval of Full Council.

4 Liquidity of Investments

4.1 The Responsible Financial Officer and the F&GP Committee will recommend to Council the amount and the maximum periods for which funds may be prudently committed so as not to compromise liquidity

5 Long-term Investments

5.1 Long-term investments are defined in the Guidance as greater than 12 months and require that, should the parish Council wish to invest for periods greater than 12 months, it must identify the procedures for monitoring, assessing and mitigating the risk of loss of invested sums.

6 Reporting

6.1. The Responsible Financial Officer will report the investment activity to Full Council at the time of budget preparation and at the end of the financial year.

7 Review

7.1 The policy will, in conformity with the CLG Guidance Note, be reviewed by the Responsible Financial Officer for consideration and approval annually by Full Council.