



St Stephen in Brannel Parish Council

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Annual Investment Strategy (2020/21)¹

1	Introduction
1.1	St Stephen in Brannel acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.
1.2	This Strategy complies with the revised requirements set out in the Office of the Deputy Prime Minister's Guidance on Local Government Investments and Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice and Cross Sector Guidance Notes and takes account of the Section 15(1) (a) of the Local Government Act 2003, best practice from the National Association of Local Councils, CIPFA and guidance contained in the Governance and Accountability for Smaller Authorities in England publication.
2	Investment Objectives
2.1	In accordance with Section 15(1) of the 2003 Act, St Stephen in Brannel Parish Council will have regard a) to such guidance as the Secretary of State may issue, and b) to such other guidance as the Secretary of State may by regulations specify.
2.2	St Stephen in Brannel Parish Council's investment priorities will be centred on the security of reserves and whilst also providing sufficient liquidity and profit.
2.3	All investments will be made in sterling.
2.4	The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and St Stephen in Brannel Parish Council will not engage in such activity.

¹ Adopted by Full Council at the meeting held on Wednesday 15th July 2020 under minute FPC168/20. For review prior to the 2021/22 financial year.

2.5	Where external investment managers are used, they will be contractually required to comply with the Strategy.
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3	Specified Investments
3.1	Specified Investments are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. Such short term investments made with the UK Government or a Local Authority or Town/Parish Council will automatically be specified investments.
3.2	<p>For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, St Stephen in Brannel Parish Council will use:</p> <ul style="list-style-type: none"> • Deposits with banks, building societies, local authorities or other public authorities • The Debt Management Agency of HM Government <p>St Stephen in Brannel Parish Council's current investments are with Lloyds Bank PLC, Unity Bank and CCLA.</p>
4	Non-Specified Investments
4.1	These investments have greater potential risk – examples include investment in the money market, stocks and shares.
4.2	Given the unpredictability and uncertainty surrounding such investments, St Stephen in Brannel Parish Council will not use this type of investment.
5	Liquidity of Investments
5.1	The Finance and General Purposes Committee, following advice from the Responsible Finance Officer, will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.
6	Risk Assessments
6.1	The Parish Council's reserves are covered by the Financial Services Compensation Scheme up to £85,000 with any one institution and monies must therefore be carefully managed to mitigate the risk of losses.

7	Long Term Investments
7.1	Long term investments are defined in the guidance as greater than 36 months.
7.2	When investing in corporate bonds and/or government bonds the credit rating alone is not sufficient to make an investment it needs to be reviewed within the context of the wider financial economic information available and advice.
7.3	St Stephen in Brannel Parish Council does not currently hold any funds in long term investments.
8	Reporting on Investment Performance
8.1	Investment performance will be circulated once a quarter to the Finance and General Purposes Committee through the quarterly accounts document.
8.2	St Stephen in Brannel Parish Council will ensure that the Finance & General Purposes Committee and Responsible Finance Officer have sufficient training to underpin their responsibility to scrutinise the treasury management function.
8.3	Investment forecasts for the coming financial year were accounted for when the budget was prepared. At the end of the financial year, the Responsible Finance Officer will report on investment activity to the Finance & General Purposes Committee.
9	Review and Amendment of Regulations
9.1	This Strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared by the Responsible Finance Officer and presented for approval by Full Council.
9.2	St Stephen in Brannel Parish Council reserves the right to make variations to the Strategy at any time subject to the approval of Full Council. Any variations will be made available to the public.
10	Freedom of Information
10.1	In accordance with the Freedom of Information Act 2000 this document will be posted on the Councils website. www.ststepheninbrannel-pc.org.uk