

Loddon Parish Council

Investment Policy

Legal Background

Loddon Parish Council is mindful of the Statutory Guidance on Local Government Investments (3rd Edition), issued by the Secretary of State, under section 15(1)(a) of the *Local Government Act 2003* and effective for financial years commencing on or after 1 April 2018. Loddon Parish Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community, and its Investment Policy complies with the revised requirements set out by the Secretary of State for Communities and Local Government.

Investment Objectives

The Council's investment priorities are the security of reserves and its 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.

Unlawful Investments

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 this Council will not engage in such activity.

Specified Investments

Specified Investments are those offering high security and high liquidity, made in sterling and maturing within a specified number of years. Any such investments must only be made with consideration of the Council's budget planning and projects. The Council will use deposits and bonds with banks and building societies which hold a UK banking licence. Monies can also be invested in NS&I products as NS&I is part of the UK Treasury department. Investment in stocks and shares will not be undertaken.

Process

The RFO will discuss and agree an Investment Strategy with the Council. The Council in consultation with the RFO will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity. The Strategy will be reviewed on an annual basis. Where investments reach maturity the RFO will inform the Council and any decision on reinvestment will be made by reference to the Strategy.

Financial Regulations will include a reference to the Investment Policy and an Investment Strategy.

Review of the Investment Policy

This Investment Policy will be reviewed by Council every third year or when advised by Internal or External Audit reports. This review will be made ahead of a new financial year.

The Policy will be displayed on the Parish Council's website.

Adopted Date: 13 February 2020