



WORTH PARISH COUNCIL

INVESTMENT POLICY

This policy has been prepared using:-

Department of Communities and Local Government (DCLG): (2010): Guidance on Local Government Investments.

Joint Practitioners' Advisory Group (2016): Governance and Accountability for Smaller Authorities in England.

INTRODUCTION

Both the CIPFA Code and the DCLG Guidance require the Council to invest its funds prudently, and to have as its objectives security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed). Once proper levels of security and liquidity are determined it will then be reasonable to consider what yield can be obtained consistent with those priorities. The Council is ultimately responsible for its investments.

POLICY STATEMENT

Worth Parish Council will make investments in line with current, published guidance from the Department of Communities and Local Government, Chartered Institute of Public Finance and Accountancy and the Joint Practitioners' Advisory Group. Consideration will be given to security of the original capital sum, liquidity and yield in that order of priority.

The Council does not currently employ in-house or externally any financial advisors but will rely on information which is publicly available supported by professional guidance as necessary. Any organisation, person or company, giving such advice, including professional financial advisors will be required to ensure that advice given complies with this policy.

All investments will be managed and administered by the Responsible Financial Officer, who will ensure that dates of maturity are noted, and will advise the General Purposes and Finance Committee of such dates to allow sufficient time for it to consider re-investment options for recommendation to Council if necessary.

SHORT TERM INVESTMENTS

Short term investments are those made in sterling which have a maturity of less than 12 months. Investments will be regarded as commencing on the date on which the funds are paid over to the counterparty. The Council will undertake an assessment to ensure that the original sum invested is not subject to unreasonable risk and that it is available to be accessed by the authority without any reduction from the time the investment is made.

Short term investments will be authorised by the Finance and Administration Committee with a determined maximum period for which funds may be committed so as not to compromise availability, using the appropriate cash flow projection.

For the prudent management of its treasury balances, maintaining sufficient levels of security and availability, the Council, as a preference, will use deposits with banks or building societies (Specified investments) for short term investments.

LONG TERM INVESTMENTS

Long term investments are those made in sterling and maturing over a period of 12 months or more. On acquisition, long term investments will be recorded in the cash book as expenditure in the year and also as an increase in assets and long term investment until its maturity. At maturity the total proceeds will be recorded as income.

The Council may wish to consider specified investments and non-specified investments for long term investments. Non-specified investments, such as investment in the money market, stocks and shares or peer to peer lending have greater potential risk than specified investments and therefore will be limited to 25% of the precept for that financial year in total per year. Non-specified investments will be agreed by full Council following recommendation by the General Purposes and Finance Committee.

FREEDOM OF INFORMATION

In accordance with the Freedom of Information Act 2000, this Document will be posted on the Parish website and a hard copy will be available from the Parish Office.

REVIEW AND AMENDMENT OF REGULATIONS

The policy will be reviewed annually by the General Purposes and Finance Committee and recommendations made accordingly to the Council. The Council reserves the right to make variations to the Policy at any time, subject to the approval of the full Council. Any variations will be made available to the public.

Adopted June 2017