

## **INVESTMENT POLICY**

### **Introduction**

This document gives guidance on investments by Ringmer Parish Council in accordance with the Local Government Act 2003. The Council acknowledges its duty of care to the community and the prudent investment of funds.

It highlights that the Council is committed to professional Treasury Management practices to ensure that:

- Capital expenditure plans are affordable;
- Treasury Management decisions are taken in accordance with good professional practice.

The CIPFA Treasury Management Code of Practice defines Treasury Management as:

The management of the Council's cashflows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

### **Objectives**

1. The Council's priorities are, in the following ranking order –
2. The security of capital to minimise the risk of losses;
3. The liquidity of investments to meet the cash flow needs of the council; and
4. Maximising income within the framework of the national economic situation.

The Council will aim to achieve a high rate of return on investments commensurate with adequate safeguards of security and liquidity.

### **Investment Strategy**

#### **Introduction**

The Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community. This Strategy complies with the revised requirements set out in the Department for Communities and Local Government'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 Sectoral Guidance Notes and takes account of Section 15(1)(a) of the Local Government Act 2003.

All investments and money under the control of the Full Council must be in the name of Ringmer Parish Council.

#### **Investment Objectives**

In accordance with Section 15(1) of the 2003 Act, the Council will have regard to:

- such guidance as the Secretary of State may issue; and
- to such other guidance as the Secretary of State may be regulations specify.

The Council's investment priorities 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 pound sterling (£) and will be with banks or building societies registered in the United Kingdom.

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 which mature in no more than a year. Such sort-term investments made with the UK Government or a local authority or town or parish council will automatically be specified investments.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Ringmer Parish Council will use:

Deposits with banks, building societies, CCLA deposit Fund, local authorities or other public authorities

### **Liquidity of Investments**

Following advice from the Responsible Finance Officer, the Office and Finance Committee (O&F) will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity. Investments will be regarded as commencing on the date on which the funds are paid over to the counterparty.

### **Long Term Investments**

Long term investments are defined in the Guidance as greater than 36 months. The Council does not currently hold any long-term investments. No long-term investments are currently envisaged.

### **Risk Assessments**

The Parish Council's reserves are covered by the Financial Services Compensation Scheme up to £120,000 with any one institution and monies must therefore be carefully managed to mitigate the risk of losses. In order to spread the financial risk to a minimum, investments will be made with a minimum of two financial institutions.

### **Reporting on Investment Performance**

Reports on investment performance will be presented to the O&F Committee on an annual basis.

### **Review and Amendments of Regulations**

This strategy will be reviewed annually. The annual strategy for the coming financial year will be presented for approval to the O&F Committee. The 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.

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| <b>Next review:</b>                             | <b>May 2027</b>                  |
| <b>Reviewed and amended:</b>                    | <b>9<sup>th</sup> June 2026</b>  |
| <b>Reviewed:</b>                                | <b>10<sup>th</sup> June 2025</b> |
| <b>Reviewed at Full Council Meeting:</b>        | <b>11<sup>th</sup> June 2024</b> |
| <b>Adopted at Office and Finance Committee:</b> | <b>2<sup>nd</sup> May 2024</b>   |