



The Vestry Rooms
25 Fore Street
St Erth TR27 6HT
Tel: 01736 757575
Email: clerk@sterth-pc.gov.uk
Website: www.sterth-pc.gov.uk

Annual Investment Strategy 2022/23

Introduction

St Erth Parish Council has a responsibility to wisely invest reserves and surplus funds which are not immediately required to meet expenditure.

This Strategy has been prepared in accordance with the Statutory Guidance on Local Government Investments ('the Guidance'), issued under Section 15(1) of the Local Government Act 2003 and effective from 1st April 2018 (3rd edition).

The Guidance applies to a parish council, where its total investments exceed, or are expected to exceed £100,000 at any time during a financial year. Where it expects its total investments to be between £10,000 and £100,000, it is encouraged to adopt the principles in this guidance.

The definition of an investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit, for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

Investment Objectives

Investment priorities will be centred on the security of reserves whilst also providing sufficient ease of access and profit.

Any investment made will be in Sterling.

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 the Council will not engage in such activities.

Where external investment managers are used, they will be contractually required to comply with the Strategy.

Specified Investments

Specified Investments are those offering high security and high liquidity, made in sterling and with a maturity date 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.

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

- Deposits with banks, building societies, local authorities, or other public authorities;
- Other recognised funds specifically targeted at the Public Sector.

The Council has a current account with Barclays Bank and needs to agree where to invest its reserves. Once this has been agreed by Council, details will be added to the Strategy here.

Loans

A local authority may choose to make loans to local enterprises, local charities, wholly owned companies, and joint ventures as part of a wider strategy for local economic growth. However, to do so is not financially prudent and is considered a financial high-risk activity and the Council will not engage in such activities.

Non-Specified Investments

These investments have greater potential risk – examples include investment in the money market, stocks, and shares.

Given the unpredictability, uncertainty and high risk surrounding such investments, the Council will not use this type of investment.

Liquidity of Investments

The Council, following advice from the Responsible Finance Officer, will determine the maximum periods for which funds may prudently be committed so as not to compromise ease of access.

Risk

The Council is mindful that monies must be carefully managed to mitigate the risk of losses.

The Council will invest in institutions which meet a required Credit Rating of ‘A’ or above from Moody’s Investment Service Ltd or Fitch Ratings Ltd, or the bank is registered with the Financial Services Authority and the Council is otherwise satisfied as to its levels of capital and liquidity.

Reporting on Investment Performance

At the end of the financial year, the Responsible Finance Officer will report on investment activity to the Council.

Review and Amendment of Regulations

This Strategy will be reviewed annually by the Council.

The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the Council

Adopted	6 th December 2022	137/12/22-23d)
Next review due	Annually	