

BUCKDEN PARISH COUNCIL - PRINCIPLES FOR INVESTMENT OF BPC CASH ASSETS

For Information BPC May 2022

Agreed by Finance Advisory Group April 2020

Adopted by Council May 2020

We are required to manage the Council Tax payers' money prudently and efficiently.

This statement sets out the principles Buckden Parish Council will follow to achieve that in relation to management of cash which could be invested

Overview

This document sets out the principles we have agreed to follow when considering proposed investments and other management of BPC cash assets to ensure:

- The return on its investments commensurate with proper levels of security and liquidity;
- External borrowing and other long-term liabilities are within prudent and sustainable levels;
- Treasury Management decisions are taken in accordance with good professional practice.

The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice defines Treasury Management as: *'The management of the Council's cash flows, 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'*

Proposed Investment Objectives and Risk Assessment

In accordance with the revised guidance issued by Ministry for Communities and Local Governance that became effective on or after 1 April 2018, the Council's investment priorities are **Security, Liquidity and Yield in that order of importance.**

- 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 and any payments or repayments will also be in sterling;
- All investments will be made in the name of the Council and with UK registered financial institutions registered with and regulated by the Financial Conduct Authority;
- Investments will be made with a body and investment scheme which has been awarded a high credit rating and credit ratings will be monitored regularly.
- Where possible the evidence for the commitment of the institutions to the mitigation of climate change will be taken into account when choosing where to invest.

If external investment managers are used, they will be contractually required to comply with these Principles.

Liquidity of Investments

The Responsible Finance Officer (the Clerk) will determine the maximum periods for which funds may prudently be committed in specified investments so that liquidity is not compromised.

Prepared by Chairman, Finance AG

with acknowledgement to St Neots Town Council Investment Strategy