

INVESTMENT STRATEGY 2022-23

Proposed to Council following presentation to the Finance Advisory Group

For BPC Council - Tuesday 10 May 2022

It is proposed that this Investment Strategy for Buckden Parish Council for 2022-23 is adopted by full Council.

This document is brought to Council for ratification. That will enable BPC to have it in place prior to 2022 internal and external financial audits.

Having an agreed Investment Strategy in place is a statutory requirement, due to the current turnover of BPC.

- There is no prescribed format for the strategy.
- The model below has been adapted from another Parish Council in Cambridgeshire.
- It is similar in content to a number of other Parish Council Investment Strategies which have been reviewed online by The Finance AG Chairman.

This document sets out in further detail the Principles for investment recommended by the Finance AG in April 2020 adopted by full Council in May 2020. No conflicts between that previous document¹ and this proposed, more detailed Strategy have been identified.

The Investment Strategy for BPC now before Council was presented at the Finance Advisory Group meeting on 26 January 2021 where we also considered in detail:

- Suggestions/information about investing in environmentally-friendly stocks and shares prepared by Cllr A Jones, and
- the statutory guidance on Local Government Investments and the Briefing on that produced by the UK government.

In addition, account has been taken of national advice and guidance in Good Councillors' Guide to Finance and Transparency; Joint Panel on Accountability & Governance Practitioner's Guide (Finance); BPC Financial Regulations and Standing Orders.

Cllr S Ashwell, Finance AG Chairman

Attachment:

Proposed Strategy recommended for ratification by Council for 2022-23

¹ Previously adopted document on investment: PRINCIPLES FOR INVESTMENT OF BPC CASH ASSETS May 2020

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1	Introduction
1.1	Buckden Parish Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.
1.2	This Strategy complies with the current requirements set out in the Ministry of Housing, Communities and Local Government 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 the Section 15(1) (a) of the Local Government Act 2003 and best practice from the National Association of Local Councils and CIPFA.
2	Investment Objectives
2.1	In accordance with Section 15(1) of the 2003 Act, Buckden Parish Council will have regard a) to such guidance as the Secretary of State may issue, and b) to such other guidance as the Secretary of State may by regulations specify.
2.2	Buckden Parish Council's investment priorities will be centred on the security and liquidity of reserves and whilst also giving consideration as to yield.
2.3	All investments will be made in sterling.
2.4	The Department for Housing, Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and Buckden Parish Council will not engage in such activity.
2.5	Where external investment managers are used, they will be contractually required to comply with the Strategy.
3	Specified Investments
3.1	Specified Investments are those offering high security and high liquidity, made in sterling and with a maturing 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.
3.2	For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Buckden Parish Council may use: • Deposits with banks, building societies, • Local authorities or other public authorities Buckden Parish Council's current investments are with Unity rust Bank, Nationwide Building Society, NatWest Bank and Bank of Scotland
4	Non-Specified Investments
4.1	These investments have greater potential risk – examples include investment in the money market, stocks and shares.
4.2	Given the unpredictability and uncertainty surrounding such investments, BPC will <u>not</u> use this type of investment during the period covered by this Investment Strategy.

For adoption by Full Council at the meeting held on 10 May 2022

Minute number xxx.

Review due: Finance AG April 2023

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5	Liquidity of Investments
5.1	The full 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 liquidity.
6	Risk Assessments
6.1	The Parish Council's reserves are covered by the Financial Services Compensation Scheme up to £85,000 with any one institution and monies will be carefully managed but not limited in this context, to mitigate the risk of losses.
7	Long Term Investments
7.1	Long term investments are defined in the guidance as greater than 12 months.
7.2	When investing in corporate bonds and/or government bonds it is considered that credit rating alone is not sufficient to make an investment; it would be reviewed within the context of the wider financial economic information available and advice.
7.3	Buckden Parish Council does not currently hold any funds in long term investments.
8	Reporting on Investment Performance
8.1	Investment performance will be circulated once a quarter to the Finance AG.
8.2	Buckden Parish Council will ensure that the Responsible Finance Officer has sufficient training to underpin their responsibility to scrutinise the treasury management function.
8.3	Investment forecasts for the coming financial year will be accounted for when the budget is prepared. At the end of the financial year, the Responsible Finance Officer will report on investment activity to the full Council.
9	Review and Amendment of Regulations
9.1	The Buckden Parish Council Investment Strategy will be reviewed annually by the Responsible Finance Officer and Chairman of Finance Advisory Group, and presented for approval by Full Council after any proposed amendments are discussed and proposed by the Finance Advisory Group.
9.2	Buckden Parish 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.
10	Freedom of Information
10.1	In accordance with the Freedom of Information Act 2000 this document will be posted on the Council's website. https://buckdenpc.org.uk/

Proposed by Chairman, Finance Advisory Group after review by Finance Advisory Group members and Responsible Financial Officer (Parish Clerk).

With Acknowledgement to Littleport PC.

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