

## **Investment Strategy**

### **1. Introduction**

Sandymoor Parish Council (SPC) acknowledges the importance of investing the funds held on behalf of the Sandymoor community prudently as part of its fiduciary duty. This Investment Strategy complies with current requirements set out under section 15(1)(a) of the Local Government Act 2003.

This Act states that a local authority may invest:

- A: For any purpose relevant to its functions under any enactment.
- B: For the purpose of prudent management of its financial affairs.

### **2. Investment Objectives**

SPC's Investment priorities are:

- A. The capital security of all investments. Specified investments will be used for surplus cash reserves. Non-Specified Investments may also be used for Public Open Space dowries in order to generate regular income and capital growth.
- B. To hold a mix of short term and long-term assets.
- C. To ensure adequate liquidity is achieved to meet SPC needs.
- D. To optimise the return on its investments, both capital growth and income generation, commensurate with a prudent view of risk to reward.
- E. To regularly consider the level of diversification within the investment portfolio, in terms of asset classes used and institutions used, in order to reduce the risk of over exposure.
- F. To regularly monitor all investments.

### **3. Policy**

SPC wishes to invest in and hold a range of assets of varying liquidity, whilst adhering to the underlying principle of responsibility to the community, by employing prudence and risk management in its decision making.

### **4. Specified Investments**

Specified investments are those offering high security and liquidity with a maturity not exceeding 12 months.

- A. SPC will only make such investments with UK financial institutions that are regulated by the Financial Conduct Authority (FCA) and, where applicable, protection is offered under the Financial Services Compensation Scheme (FSCS)

- B. Regular monitoring will take place to ensure that SPC as a small Parish Council, retains eligibility for compensation under the FSCS and that its investment maximums are consistent with prevailing FSCS institutional limits. Currently the maximum is £85,000 deposited with any one institution.
- C. The rate of return (interest rate) and institution will be key considerations for new deposit accounts.
- D. All investments will be in GBP only. Investments in GBP but requiring currency conversion for placement are prohibited.
- E. UK Government Investments are allowable even though not covered by the FSCS.
- F. The rate of return on all Specified Investments will be regularly reviewed by comparison to market rates available

## **5. Non-Specified Investments**

Non-Specified investments are longer term, and carry greater risk, but can return higher levels of capital growth and income generation.

- A. SPC will use this type of investment for Public Open Space dowries.
- B. SPC will use Funds and Fund Managers rather than investing directly. SPC currently uses CCLA (Churches Charities and Local Authorities Investment Management) and has investments in the CCLA Local Authorities Property Fund.
- C. These investments will be reviewed on a regular basis in association with CCLA. Under consideration will be, dividend income generated, capital growth, and prevailing and future market conditions relative to the asset class.
- D. Future dowries received will not automatically be invested in the CCLA Local Authorities Property Fund. Independent investment advice may be sought to assist SPC in making this decision. Prior to the decision being made any monies received would be held in Specified Investments.
- E. Investments in digital currencies, commercial paper and derivatives are prohibited.

## **6. Reporting**

Basic information about all investments will be contained in the regular finance reports produced by the Responsible Financial Officer and therefore be available to all Council members and the public.

## **7. Review and Amendment of Investment Strategy**

The Investment Strategy will be reviewed annually and revised as necessary  
Subject to the approval of SPC, the Strategy may be amended at any time, with any variations being available to the public.

## **8. Freedom of Information**

In accordance with the Freedom of Information Act, the SPC Investment Strategy will be available to view on the SPC website.

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**Signed and dated by Sandymoor Parish Council**



23<sup>rd</sup> November 2023

**Signed and dated by Sandymoor Parish Council RFO**

## Appendix 1 – Change Log

Date Issued	Reason for Update
23/11/2023	New Document