

# West Swindon Parish Council

## Investment Strategy

### INTRODUCTION

The Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community. For each financial year, the Council should prepare at least one Investment Strategy. The Strategy should contain the disclosures and reporting requirements specified in this guidance. The Strategy should be approved by the Full Council.

### INVESTMENT OBJECTIVES

The Council will have regard to:

- (a) such guidance as the Secretary of State may issue.
- (b) to such other guidance issued by NALC or similar organisations.

The Council's investment priorities will be centred on security of reserves first, whilst also providing sufficient liquidity and profit.

All investments will be made 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 this Council will not engage in such activity.

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.

For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party.

Where the Council has entered into a long term investment or has taken out long term debt to finance an investment (e.g. a public works loan) this Strategy should include quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. This should include how investments are funded and the rate of return received.

## **SPECIFIED INVESTMENTS**

Specified Investments are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year.

West Swindon South Parish Council will use:

- Deposits with banks, current account, and interest-bearing accounts.
- Deposit in fixed Notice Accounts for higher interest.

## **NON- SPECIFIED INVESTMENTS**

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

Given the unpredictability and uncertainties surrounding such investments, West Swindon Parish Council will not use this type of investment.

## **LIQUIDITY OF INVESTMENTS**

The RFO will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity. This Council should retain a minimum of c. £500,000 in general reserves

## **REVIEW OF INVESTMENTS**

The return on investments will be reviewed regularly and at least annually by the Finance & Staffing Committee.

### Current Investment Portfolio at 31.03.23

- *Nationwide Building Society £360,166.30 95 day notice account*
- *Yorkshire & Clydesdale (Virgin Money) £151,626.90 charity saver account*

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