

Nash Mills PC logo, Nash house with canal and mill towers in background



## Nash Mills Parish Council Investment Strategy V4

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|------------------|------------|
| Adopted          | June 2024  |
| Agenda Reference | 24/035/FPC |
| Review Date      | March 2025 |

### INTRODUCTION

This policy is created under guidance issued by the Secretary of State for Communities and Local Government in accordance with the Local Government Act 2003. The extant guidance was issued by DCLG in 2010. (Section 15 (1) (a) 2003 Act)

Nash Mills Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the council.

Following a recent review NMPC now has reserves on the following accounts

NatWest 95 Day Notice, NatWest 35 Day Notice account, NatWest Business Reserve

Lloyds 32-day Notice Account, Lloyds 6m deposit account

General expenditure (precept) funds are available on instant access.

### OBJECTIVES

The general policy objective of the Council is prudent investment of its balances. The Council's investment priorities are:

1. Security of reserves
2. Liquidity of investments
3. Yield of investments

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

## INVESTMENT POLICY

1. The Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies. The Council shall only use specified investments as defined by DCLG guidance.
2. A significant percentage of the Council's bulked reserves shall be placed on interest bearing term/notice deposits.
3. To retain liquidity these shall be placed with phased end dates i.e. there will always be some maturing sooner than others.
4. No one investment shall be for a period longer than 12 months.
5. The Council shall only invest with banks/building societies which it defines as "High Credit Quality". This being those with a credit rating of A with Moody's Investors Service or BBB with Standard and Poor's or Fitch Ratings Ltd.
6. Investments shall be decided and placed by the Responsible Financial Officer having used due diligence including as a minimum finance search engines and ratings agencies.
  - a. This shall be following full council approval of the investment strategy (if outside of current NMPC arrangements/schemes)
  - b. The actual movement of money shall be by the usual authorised signatories
7. The procedure for undertaking investments, considering the need for timely and speedy placing of deals) shall be documented by the Responsible Financial Officer and approved by Council before any investments are placed.
8. The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a quarterly basis. Should the credit rating of an organisation fall below that specified under 3.6, the Responsible Financial Officer shall consult council and take the appropriate action.
9. The Responsible Financial Officer shall ensure that any bank deposits are held, wherever possible, under the protection limits of the Financial Services Compensation Scheme (**£85000 per UK authorised bank or building society April 2020, Parish Council balances are covered under this scheme if annual turnover is less than E500,000**).

## REVISION

1. Any revisions to this policy shall be approved by the Full Council.
2. The RFO shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new financial year. Where no changes are proposed, Full Council shall note the policy.
3. This policy shall be reviewed in the event the Bank of England increases its base rate above 6% or the Financial Services Compensation Scheme is extended to cover.