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PENTYRCH COMMUNITY COUNCIL



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INVESTMENT STRATEGY 2022-2025

INTRODUCTION

PCC acknowledges the importance of prudently investing all funds held on behalf of the community by the Council.

This Strategy complies (as appropriate) with the revised requirements set out in Guidance on Local Government Investments issued by the Department of Communities and Local Government in April 2010.

This Strategy should be read in conjunction with the Council's Financial Regulations.

INVESTMENT OBJECTIVES

In accordance with Section 15(1) of the 2003 Act, the 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.

The Council's investment priorities are as follows in order of priority:

1. Security of capital
2. Liquidity
3. Yield (The effect of any charges should be taken into account when considering investments).

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.

The Department for Communities and Local Government maintains that borrowing of monies purely to invest or to lend and made a return, is unlawful and this Council will not engage in such activity.

The Council's Finance Committee will monitor the risk of loss on investments and only recommend investing in institutions of high credit rating. Investments will be spread over different providers where appropriate to minimise risk.

- The Council holds its general funds in a current account and investment account with the Co-operative Bank currently long-term rating of B with Fitch & Moody's.
 - A minimum of one month's regular expenditure will be held in the current account
 - The sum on deposit will equal Ear-marked reserves

- In order to spread the risk of investment the Council invests up to £200,000 in with CCLA Investment Management Limited (AAA Rated Deposit Fund) – unspecified term withdrawal within 1 day. CCLA is one of the UK's largest charity fund managers according to the latest Charity Finance Survey, managing investments for charities, religious organisations and the public sector.
 - This will be reviewed quarterly

LIQUIDITY OF INVESTMENTS

The Responsible Financial Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid to the counterparty.

LONG TERM INVESTMENTS

Long term investments are defined in the Guidance as greater than 36 months. The Council currently holds no such investments.

END OF YEAR INVESTMENT REPORT

Investment forecasts for the forthcoming year are accounted for when the budget is prepared. At the end of the financial year, the Responsible Financial Officer will report on investment activity to the Finance Committee.

REVIEW AND AMENDMENT OF REGULATIONS

The Strategy will be reviewed annually and at other times as necessary. The Annual Investment Strategy for the financial year will be prepared by the Responsible Financial Officer and presented for approval at the Finance Committee Meeting and the full Council.

The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the full Council.

PUBLICATION

In accordance with the Freedom of Information Act 2000, the Council's Investment Strategy will be published on the Council's website and is also available as a hard copy from the Council Offices.

Adopted 15 April 2019

Reaffirmed 21 September 2020

Amended April 19 2022

Review Date: April 2025