

LAVERSTOCK & FORD PARISH COUNCIL

ANNUAL INVESTMENT STRATEGY 2025

Year	Record of Reviews/Approvals	Review/Approved by	Date
2022	First adopted and approved	Full Council	16 th May 2022
2023	Reviewed with no changes	FGP Committee	12 th Dec 2023
2025	Reviewed with no changes Approved	FGP Committee Full Council	7 th Jan 2025 20 th Jan 2025

1. Introduction

- 1.1 This document replaces the Treasury and Investment Policy dated 19th February 2018. It was originally given Full Council approval on 16th May 2022. It will be reviewed and approved annually by Full Council before the start of each financial year.
- 1.2 The Strategy is prepared in accordance with Statutory Guidance on Local Government Investments issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003. 3rd edition for financial years commencing on or after 1st April 2018. Local authorities are required to have regard to such guidance. The guidance applies to parish councils in England whose total investments exceed £100,000 at any time during the financial year.

2. Security, Liquidity and Yield

- 2.1 Government Guidance states that the investment policy will have two underlying objectives. **Security**, to protect the capital sum invested from loss and **Liquidity**, to ensure that funds invested are available for expenditure when needed.
- 2.2 The generation of **Yield** is distinct from these two objectives. It will not be ignored but will only be considered when proper levels of security and liquidity are determined.

3. Financial Investments

- 3.1 There are three types of Investments. **Specified Investments, Loans and Non-specified Investments.**
- 3.2 **Specified Investments** shall meet the following criteria.
- The investment shall be denominated in sterling.
 - The investment shall be repayable within 12 months or sooner if the requirements of liquidity demand.
 - The investment shall only be with high credit quality bodies being those with an A rating by Moody's Investors Ltd or an AAA rating by

Standard and Poor's or Fitch Ratings Ltd. These include the four major UK banks and the Public Sector Deposit Fund managed by CCLA.

3.3 **Loans.** The Council shall not lend funds as part of its Investment Strategy. Any change to this policy shall require an amendment to this Strategy approved by the Full Council.

3.4 **Non-specified Investments.** A non-specified investment is one that does not meet the criteria listed at 3.2. This includes the Local Authorities' Property Fund managed by CCLA. The Council is not currently classified as an eligible authority for this fund. The Council shall not invest in the Local Authorities' Property Fund or any other non-specified investment. Any change to this policy shall require an amendment to this Strategy approved by Full Council and shall require a detailed analysis of the balance between increased risk and increased yield.

4. Risk Assessment

4.1 Before recommending a change to this strategy to Full Council, any investment that falls outside the definition of a Specified Investment shall be subject to a risk assessment carried out by the Responsible Financial Officer and a working group of at least two Councillors.

5. Process

5.1 An application to commence an investment with a new body that complies with the definition of a Specified Investment shall be approved by the Finance and General Purposes Committee and authorised by three Councillors in accordance with the Council's current bank mandate.

5.2 Transfers of funds within the Council's current bank accounts and between approved bodies and this bank account is delegated to and can be authorised by any one authorised administrator or signatory. Authorised administrators and signatories will be the Responsible Financial Officer and the Clerk.

6. Review and Revision

6.1 Any revisions of this Strategy shall be approved by the Full Council.

6.2 The Finance and General Purposes Committee shall review this Strategy annually and recommend any proposed changes to Full Council prior to commencement of the new financial year.

Andrew Prince

RFO, January 2025