



WALBERTON PARISH COUNCIL

INVESTMENT POLICY

1. INTRODUCTION

Walberton Parish Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

This strategy has been prepared in accordance with the Guidance on Local Government Investment (“the Guidance”), issued under section 15(1)(a) of the Local Government Act 2013, effective from 1 April 2010. The Guidance recommends that a Parish Council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security.

Where a Town or Parish Council expects its investments at any time during a financial year to exceed £10,000 but not £500,000 it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year.

Walberton Parish Council expects its investments during the 2023/2024 financial year to exceed £10,000 but not £500,000 and has agreed to apply the Guidance as set out below.

2. INVESTMENT OBJECTIVES

The Parish Council’s priorities are:

1. The security of its reserves;
2. The liquidity of its investments; and
3. Return on investments The Parish 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 and, as a minimum, surplus funds will be aggregated in an interest-bearing bank account.

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 Parish Council will not engage in such activity.

3. SECURITY OF INVESTMENTS

Government guidance differentiates between specified investments and non-specified investments.

Specified investments are those investments offering high security and high liquidity with a maturity of no more than one year. In addition, short-term sterling investments must be with bodies/institutions with “high credit ratings”.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Parish Council will use:

- UK banks and UK building societies;
- Public bodies (including Local Authorities and Police Authorities)
- UK FSA regulated qualifying money market funds with a triple A rating.

As from 1 April 2019 the Parish Council will continue to hold its money in a current account and instant access account with the NatWest Bank. The NatWest Bank is covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. In respect of depositors, an eligible depositor is entitled to claim up to £85,000. When the Parish Council is expecting its balance with NatWest Bank to exceed £85,000 consideration should be given to transferring any surplus to an alternative bank to ensure that the Parish Council has adequate cover by the FSCS.

In May 2020 the Parish Council expected its balance with NatWest Bank to exceed £85,000. To ensure adequate cover by the FSCS the Parish Council opened a Public Sector Deposit Fund with an initial investment of £25,000. In August 2020 a further £40,000 was transferred into the fund. The fund will be considered for further investment as the need arises.

Non-specified investments are investments usually for longer periods (ie more than one year) and with bodies that are not high credit-rated.

No non-specified investments are included in the Investment Strategy as these investments are not acceptable due to their higher potential risk.

4. LIQUIDITY OF INVESTMENTS

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

5. REVIEW AND AMENDMENT OF REGULATIONS

The Investment Strategy will be reviewed annually. The Annual Strategy will be approved by the full Council.

The Parish Council reserves the right to make variations to the Strategy at any time, subject to the approval of the full Council. Any variations will be made available to the public.

6. FREEDOM OF INFORMATION

In accordance with the Freedom of Information Act 2000, this Document will be posted on the Parish Council website and a hard copy can be obtained from the Clerk.

Review history	Date
Draft policy presented to Full Council	14 May 2019
Adopted by Full Council	14 May 2019
Date of last review	11 May 2023
Date of next review	11 May 2024
May 2025 Review process amended – Policy sent to Data Projection Officer and reviewed. This review will be carried out on an annual basis by both the Data Protection Officer and the Parish Council. The Parish Council will review this policy through Finance and Legal Committee – reference minute 15. FC/296/25	