



LANDFORD PARISH COUNCIL

INVESTMENT STRATEGY 2023

(Adopted at Landford Parish Council Meeting – 11th October 2023)

1. GENERAL

- 1.1 Landford Parish Council (LPC) acknowledges the importance of prudent investment of treasury funds through adherence to the Statutory Guidance on Local Government Investments issued under Section 15 (1) (a) of the Local Government Act 2003 (the 2003 Act), effective from 1 April 2018 {Note 1}.
- 1.2 This Strategy sets out how LPC will achieve prudent management of balances alongside its duty to manage daily revenue expenditure and any affordable capital expenditure plans.
- 1.3 This Strategy should be read in conjunction with LPC's Financial Regulations.

2. INVESTMENT OBJECTIVES

- 2.1 Section 12 of the 2003 Act states that a local authority may invest for "any purpose relevant to its functions under any enactment, or for the prudent management of its financial affairs".
- 2.2 LPC seeks to ensure that its investments contribute to its objectives and functions, adhering to the principle of the two underlying objectives of:
 - Security – Protecting the capital sum invested from loss; and
 - Liquidity – Ensuring invested funds are available for expenditure when needed.
- 2.3 The generation of yield is distinct from these prudential objectives, such that once proper levels of security and liquidity are determined, it is only then reasonable to consider what yield can be obtained consistent with these objectives.
- 2.4 The Council will determine, in consultation with the RFO, the period investments can be prudently committed and shall risk assess fixed term investments. Such determination will give due consideration to the economic climate, current resources, expenditure commitments and contingencies, which may result in a determination, at any time, that none of LPC's balances can be prudently committed to a fixed or long-term investment.

Note 1:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/678866/Guidance_on_local_government_investments.pdf

3. FINANCIAL INVESTMENTS

3.1 Financial investments can be specified investments, loans, or other non-specified investments.

3.2 A specified investment (paragraph 31 of the Statutory Guidance) is one where:

- The investment and any payments in respect of the investment are in sterling;
- The investment is not long term such that the local authority has a contractual right to repayment within 12 months;
- The investment is not capital expenditure as defined by Regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003; and
- The investment is with a body or scheme of “high credit quality” or the UK Government, a local authority, or a parish or community council.

3.3 LPC currently invests in two specified investments. These are bank deposit accounts of “high credit quality” from instant access to 90 days in term.

3.4 A loan (paragraph 33 of the Statutory Guidance) is one where:

- A local authority makes a loan to a local enterprise, local charity, wholly owned company, or joint venture as a wider strategy for local economic growth.

3.5 LPC will not invest in a loan, as such investments are not prudent in terms of prioritising security and liquidity.

3.6 A non-specified investment (paragraphs 35 and 36 of the Statutory Guidance) is one where:

- The investment is not a loan and does not meet the criteria for a specified investment.
- Non-specified investments include investments in the money market, stocks and shares.

3.7 LPC will not invest in non-specified investments, as such investments are unpredictable and uncertain, and do not provide security over the initial deposit.

4. COUNCIL INVESTMENTS

4.1 LPC holds its day-to-day funds in an interest bearing instant access current account. This account is maintained at a balance appropriate and adequate to service the Council’s income and expenditure requirements. It should be noted that following receipt of the annual precept, material funds are held in this account.

4.2 LPC holds its surplus funds in an interest bearing 90-day access deposit account. This account holds funds which are not required to service the Council’s income and expenditure requirements.

5. REVIEW OF THE STRATEGY

5.1 This Investment Strategy will be reviewed and reported biennially to Council.