

MARKYATE PARISH COUNCIL



Parish Office, Y2K Hall, Cavendish Road, Markyate, Herts. AL3 8PS
01582 840110
clerk@markyateparishcouncil.gov.uk www.markyateparishcouncil.gov.uk
Clerk to the Council: Mrs V Tilley

MARKYATE PARISH COUNCIL INVESTMENT STRATEGY POLICY 2024/25

Markyate Parish Council acknowledges the importance of prudently investing temporarily available or longer term earmarked and surplus funds on behalf of the community and providing residents with investment and strategy details adhering to transparency and democratic accountability requirements.

This strategy complies with the revised requirements set out in the Office of the Deputy Prime Minister's *Guide on Local Government Investments* and 'Chartered Institute of Public Finance and Accountancy's *Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes* and takes account of the Section 15(1)(a) of the Local Government Act 2003.

INVESTMENT OBJECTIVES

In accordance with Section 15(1) of the 2003 Act, the Council will have regard to such guidance as the Secretary of State may issue and to such other guidance as the Secretary of State may by regulations specify.

The Council's investment priorities are the security of reserves and the liquidity of its 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 make a return, is unlawful and this Council will not engage in such activity.

Where external investment managers are used, they will be contractually required to comply with the Strategy.

SPECIFIED INVESTMENTS

Specified Investments are those offering high security and high liquidity and that meet the following criteria:

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- The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
- The investment is not a long-term investment and provides a contractual right to repayment within 12 months, either due to maturity of the investment or through a non-conditional option.
- The investment is not defined as capital expenditure by virtue of Regulation of the Local Authorities (*Capital Finance and Accounting*) (England) Regulations 2003 (as amended).
- The investment is made with a body or in an investment scheme described as high quality or with one of the following bodies:
 - I. The UK Government
 - II. A local authority in England or Wales (as defined in section 23 of the 2003 act)
 - III. A town/parish council or community council

Councils Strategy

Applying a prudent approach to council's investments, maintaining sufficient levels of security and liquidity, Markyate Parish Council will use the following types of investments:

- Banks, Building Societies, local authorities and other public authorities.

Council's current investments within this sector are:

- HSBC Bank Ltd Instant Access Saving Account 1.94% interest
- NS&I Investment Account-Instant access 1% interest

NON-SPECIFIED INVESTMENTS

A non-specified investment is any financial investment that is not a loan and does not meet the criteria to be treated as a specific investment. Such an investment has a greater risk potential, and examples include money markets and stocks and shares.

Council's Strategy

Markyate Parish Council has deemed such investments as being too high-risk due to their unpredictability and exposure to loss. Based upon this, the council will not use this type of investment.

LIQUIDITY & SECURITY STRATEGY

LIQUIDITY

The RFO in consultation with council will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity. This will then be presented to Council for formal approval.

This period will commence upon the date of investment as confirmed by the provider.

Council's Strategy

Markyate Parish Council has determined the maximum investment period should not exceed 12 months with the exception of specially approved and risk assessed long-term investments.

LONG-TERM INVESTMENT-STRATEGY

Long term investments are defined within the Statutory Guidance as being greater than 12 months.

Council's Strategy 2024/25

Markyate Parish Council has £96,622.48 currently invested in NS&I, and although this falls within the category of a Specified Investment, Council intends to leave £25,000 of this investment for a longer term of 5+ years.

The funds invested are from the unallocated reserves which may be used to support the budget/precept in the future and are instant access to ensure liquidity.

Options for another investment account achieving a better return on the investment while ensuring proper levels of security and liquidity are being sought.

COUNCIL'S REPORTING & STRATEGY REVIEW

INVESTMENT REPORTS

The investments are monitored at all times and council is advised of any adverse or other significant market changes in the first instance followed by a full report to Full Council and/or the Budget & Finance Committee.

At least one review is carried out annually by the RFO in conjunction with council. The review date is generally determined by the investment maturity dates, new

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investment or change in the regulations. A full report will also be presented to Full Council and/or the Finance Committee.

Investment forecasts for the next financial year are always accounted for within the various stages of budget setting.

STRATEGY REVIEW

The strategy will be reviewed at least annually by the RFO in conjunction with council, generally aligned prior to the investment maturity dates. Any change to strategy must be formally approved by Full Council and/or the Budget & Finance Committee.

Council reserves the right to make changes to the strategy at any time, subject to the approval of Full Council and/or the Budget & Finance Committee and any such changes will be made available to the public via the website, paper format or email.