



INVESTMENT POLICY

As re-adopted at a meeting of Meppershall Parish Council on 16th November 2020

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DOCUMENT CONTROL

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DOCUMENT AMENDMENT HISTORY

Revision No.	Originator of change	Date of change	Change Description
1.0	Creation	11/11/19	Policy Created

1 INTRODUCTION

- 1.1. Meppershall Parish Council (the Council) acknowledges the importance of prudently investing its temporarily held surplus funds on behalf of the community
- 1.2. The Local Government Act 2003, section 15(1), requires a local authority to 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.

This investment policy complies with the Department for Communities and Local Government's (DCLG) Guidance on Local Government Investments 2010.

2 INVESTMENT OBJECTIVES

- 2.1. 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.
- 2.2. The Council's investment priorities are the security of reserves and liquidity of its investments.
- 2.3. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
- 2.4. All investments will be made in sterling, using only deposit or bond accounts covered by the Financial Services Compensation Scheme and sums invested will be kept within the sum guaranteed by the FSCS.
- 2.5. The DCLG 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. The Council will refer to CIPFA Prudential Code for Capital Finance in Local Authorities (2009) when considering the investment of monies borrowed in advance of need.
- 2.6. Where external treasury management advisers are used, they will be contractually required to comply with this policy and their engagement will only be approved by Council following a review of CIPFA guidance 'Treasury Management Advisors —Regulation and Services' March 2010 or as amended.
- 2.7. The Council will consider credit ratings as part of its credit risk management process and will review these ratings at 6 monthly intervals.
- 2.8. The Council will also consult its NALC County Association Adviser on the development of any credit risks known to them prior to authorising investments.

- 2.9. The Council will review and respond to the investment management training needs of its Responsible Financial Officer (RFO) to ensure that the post holder is appropriately equipped to advise the Council on relevant matters.

3 SPECIFIED INVESTMENTS

- 3.1. Specified Investments are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. Such short-term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.
- 3.2. For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, this Council will use:
- (a) Deposits with UK banks and building societies that are authorised and regulated by the Prudential Regulation Authority (PRA), or local authorities or other public authorities that are managed through the HM Treasurer's UK Debt Management Office, and are
 - (b) guaranteed by the Financial Services Compensation Scheme (FSCS) with funds deposited being kept within the specified guaranteed sum (currently €85,000)

4 NON-SPECIFIED INVESTMENTS

- 4.1. These investments have greater potential risk —examples include investment in the money market, stocks and shares.
- 4.2. Given the unpredictability and uncertainties surrounding such investments, this Council will not use this type of investment

5 LIQUIDITY OF INVESTMENTS

- 5.1. The RFO will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity and will seek the approval of the Council prior to the re-investment of funds upon maturity.
- 5.2. 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 over to the counter party

6 LONG TERM INVESTMENTS

- 6.1. Long-term investments are considered by the Council as any investment other than:
- (a) one which is due to be repaid within 12 months of the date on which the investment was made
- or

(b) one which the local authority may require to be repaid within that period.

- 6.2. The Council does not currently hold any long-term investments.
- 6.3. No long-term investments (12 months +) are envisaged during the current financial year.

7 END OF YEAR INVESTMENT REPORT

- 7.1. Investment forecasts for the coming financial year are to be accounted for when the budget is prepared.
- 7.2. At the end of the financial year, the RFO will report on investment activity to the Council.

8 REVIEW AND AMENDMENT OF POLICY

- 8.1. This Policy will be reviewed annually for the coming financial year, will be prepared by the RFO and presented for approval by Council.
- 8.2. The Council reserves the right to make variations to this policy at any time. Any variations will be made available to the public.