DOWNTON PARISH COUNCIL

INVESTMENT STRATEGY

The purpose of this Policy is to set out Downton Parish Council's approach for the purposes of the prudent management of its financial affairs.

Approved and adopted by a Meeting of the Council held on 12 May 2025.

Signed:	Melanie Camilleri (Proper Officer and Responsible Financial Officer)
Signed:	Cllr Jane Brentor (Chair)
Date:	12 May 2025

Investment Strategy

This Investment Strategy has been produced and complies with the guidance issued by the Secretary of State under Section 15(1) (a) of the Local Government Act 2003.

Financial Investments

Downton Parish Council (the Council) has the power to invest under Section 12 of the Local Government Act 2003.

The Council will aim to achieve the optimum return on its financial investments whilst adopting an investment strategy which has two underlying objectives:

1. Security: protecting the capital sum invested from loss; and
2. Liquidity: ensuring the funds invested are available for expenditure when needed.

1. Security

Financial Investments can fall into one of three categories:

- Specified Investments;
- Loans; and
- Other Non-specified investments.

Specified Investments

The Council will make Specified Investments which meet the following criteria

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long-term investment i.e. one where the Council has a contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option.
- The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) 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 i.e. UK Banks and Building Societies.

Loans

The Council does not make loans to local enterprises, local charities, wholly owned companies, and joint ventures as part of a wider strategy for local economic growth.

Non-Specified investments

The Council does not make financial investments that do not meet the criteria to be treated as a Specified Investment.

2. Liquidity

The Responsible Finance Officer (RFO), in consultation with full Council, will: -

- determine the maximum periods and maximum amounts for which funds may prudently be committed to Specified Investments so as not to compromise liquidity.
- in the case of fixed-term Specified Investments, review the continuation of investment of funds in advance of the maturity date. This review will take place at such a time which will have regard to any notice period to withdraw monies or close the account.

Investment Strategy Review

This Investment Strategy will be reviewed when, in accordance with 3.3 of the Council's adopted Financial Regulations, the Council is setting its one-year forecast of revenue and capital receipts and payments.

The Council reserves the right to make variations to this Investment Strategy at any other time by resolution at a meeting of full Council.