



STANSTED MOUNTFITCHET PARISH COUNCIL

ANNUAL INVESTMENT STRATEGY 2022-23

The Parish Council acknowledges the importance of prudently investing surplus funds held on behalf of the community. All investments will be made in line with the Council's financial procedures and observations or advice received from the Council's internal and external auditors, supported as necessary by advice from the Council's financial advisors.

The Council will ensure it has adequate though not excessive cash resources, overdraft or standby facilities to enable it at all times to have the level of funds available which are necessary for the achievement of its service objectives.

Investment Strategies approved after 1 April 2018 must also be in line with the Government's "Statutory Guidance on Local Government Investments" which in particular includes much detail on the provision of loans.

1 INVESTMENT OBJECTIVES

The three guiding principles of the Council's Investment Strategy are to maximise:

- Security – the security of any investment in terms of the risk placed on them
- Liquidity – the ability to access funds when they are required
- Yield – the return on any investment

The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. Returns will be monitored by the F&GP Committee.

For 2022-23, the Council will invest as much of its balance as possible in a low risk product in order to achieve the principles above. The Public Sector Deposit Fund has been identified as a low risk, high liquidity option. The Parish Council will consider the potential performance of lower liquidity investments on an annual basis at the time that it reviews its Investment Strategy

2 SPECIFIED INVESTMENTS

Specified investments offer high security and high liquidity. All such investments should be in sterling and with a maturity of no more than a year. Such short-term Investments made with the UK Government or a local authority or parish council will automatically count as specified Investments.

The Council, for prudent management of its treasury balances may use

- Treasury Deposits with UK clearing banks
- Local Authorities or other Public Authorities
- Other approved public sector investment funds

3 NON-SPECIFIED INVESTMENTS

Due to the nature and risk associated with these types of investment, the Council will not use them.

4 LIQUIDITY OF INVESTMENTS

The Parish Clerk, as instructed by the Finance and General Purposes Committee, will determine the period of time for which funds may prudently be committed and will operate the account along with the Chair of the F&GP Committee.

An Investment should be regarded as commencing on the date the commitment to investment is entered into, rather than the date on which the funds are paid over to the counterparty.

5 REPORTS

- Investment forecasts for the coming financial year will be accounted for when the budget is prepared.
- Currently the Parish Council's deposit account sits at Barclays Bank and returns are shown on the bank statements.

6 REVIEW OF OR AMENDMENTS TO THE STRATEGY

Any variations to the strategy will be reported to the Council as and when they arise.

The Annual Investment Strategy must be reviewed annually and revised if considered necessary. This Strategy will be reviewed by Council at its Annual Meeting in May 2023.

7 PUBLICATION

The approved Annual Investment Strategy will be published on the Parish Council's website.

Approved by the Council: 26 June 2019

Review Date: May 2020 – Meeting not held due to Covid-19 Pandemic

Review Date: May 2021 – reviewed and approved 12 May 2021

Reviewed and approved by the Council on 11th May 2022