

# Weston-in-Gordano Parish Council

## Investment Strategy & Policy

### 1. Purpose

This document sets out Weston-in-Gordano Parish Council's Investment Strategy and Policy. It defines both the guiding principles (strategy) and the operational framework (policy) for investing temporarily surplus funds held on behalf of the community.

The aim is to ensure that all investments are made prudently, in accordance with statutory and best practice guidance, and in the best interests of the Council and its residents.

### 2. Investment Objectives

The Council will have regard to:

- (a) such guidance as may be issued by the Secretary of State; and
- (b) other relevant guidance issued by the National Association of Local Councils (NALC) or the Society of Local Council Clerks (SLCC).

The Council's investment priorities are, in order of importance:

1. Security – protecting the capital sum from loss;
2. Liquidity – ensuring that funds are available when needed; and
3. Yield – achieving an appropriate return consistent with security and liquidity.

All investments will be made in sterling (£).

The Department for Communities and Local Government maintains that borrowing purely to invest, or to lend and make a return, is unlawful. Weston-in-Gordano Parish Council will not engage in such activity.

### 3. Specified Investments

Specified Investments are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year.

Weston-in-Gordano Parish Council will use:

- Deposits with banks, current account and interest bearing accounts.
- Deposit in fixed Notice Accounts for higher interest.

### 4. Non-specified Investments

Non-specified investments carry a higher level of risk and may include instruments such as money market funds, corporate bonds, or equities (stocks and shares). Given the inherent unpredictability and risk associated with such investments, Weston-in-Gordano Parish Council will not engage in non-specified investments.

### 5. Liquidity of Investments

The Council, with advice from the Clerk or Responsible Financial Officer (RFO), will determine the maximum period for which funds may be prudently committed so as not to compromise the Council's liquidity. Sufficient funds shall be held in accessible accounts to meet foreseeable operational needs.

### 6. Review of Investments

The performance and suitability of the Council's investments will be reviewed at least annually by the Council as part of its financial management process. Any recommendations for change will be reported by the Clerk / RFO for consideration by the Council.

### 7. Compliance and Reporting

All investment decisions shall be made in accordance with this Strategy and Policy and recorded in the Council's financial records.

This document will be reviewed every two years, or sooner if statutory or regulatory guidance changes.