

BISHOPSTOKE PARISH COUNCIL

Annual Investment Strategy 2016 -17

1. Introduction

1.1. Bishopstoke Parish Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

1.2. This Strategy complies with the revised requirements set out in the Office of the Deputy Prime Minister's *Guidance on Local Government Investment* 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 as may be amended.

1.3. This Strategy should be read in conjunction with the Council's Financial Regulations.

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 SLY that is, in order of priority:

- ☐ Security of reserves
- ☐ Liquidity of investments
- ☐ Yield

2.3. The Council will seek the highest rate of return, consistent with the proper levels of security and liquidity.

2.4. All investments will be made in sterling.

3. Specified Investments

3.1. For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use deposits with banks, building societies, local authorities or other public authorities.

3.2. As of 1st April 2016 the Council will continue to hold its money in a current account with the Co-operative bank and will receive interest at the current rate.

3.3. Short-term investment will be with Eastleigh Borough Council which provides a secure rate of interest on deposits of three quarter per cent below prevailing bank base rate, subject to a minimum of one half per cent.

4. Non-Specified Investments

4.1. These have greater potential risk such as investment in stocks and shares and the Council will not participate in such investments, which are considered not to offer the level of security and liquidity needed.

5. Liquidity of Investments

5.1. The Responsible Finance Officer will determine the maximum period for which funds may prudently be invested, so as to not compromise liquidity.

6. Short-Term Investments

6.1. Short-term investments are defined as up to 3 months.

6.2. Currently the Council does not hold any short-term investments.

7. Mid-Term investments

7.1. Mid-term investments are defined as between 3 and 12 months.

7.2. Currently the Council does not hold any mid-term investments.

7.3. No investment beyond 6 months may be made without a resolution of the full Council

This Investment Strategy was adopted by the Council at its meeting on November 2014