


Congresbury Parish Council

Congresbury Parish Council: Investment Strategy 2019-20

Date of adoption by Parish Council	13 th May 2019	Next review date	May 2020
Signature of Chairman of Parish Council		Policy reference	INV-1

1. Introduction

1. The Investment of surplus funds by local authorities is governed by the Local Government Act 2003, section 15(1)(a) and Guidance issued by the Secretary of State under that Act.
2. Investments below £10,000 are not subject to the Guidance but for investments between £10,000 and £500,000 the council is required to make a formal decision on the extent to which it would be reasonable to adopt the Guidance either in part or in full.
3. The Guidance recommends that a council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security.
4. A 'Specified Investment' is one which is made in sterling, is not long term (less than 12 months) not defined as capital expenditure and is placed with a body which has a high credit rating or made with the UK Government, a UK Local Authority or a parish or community council.
5. Any other type of investment is considered 'Non Specified Investment' to which there can be greater risk and where professional investment advice might be required.
6. Local authorities should keep strategies simple and maintain prudence at all times.

2. Strategy

Congresbury Parish Council (the Council) has adopted the following:

1. The Council acknowledges the importance of prudently investing its temporary surplus funds held on behalf of the community.
2. The Council's priorities are and will be centred on the security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed) of its reserves.
3. Adopt the Secretary of State's Guidance in relation to council investments in full (Department for Communities & Local Government "Guidance on Local Government Investments" 2nd Edition dated 11 March 2010).

4. Carry out an annual cash flow forecast to ascertain expenditure commitments for the coming financial year.

5. On the basis of that cash flow forecast, to invest only in:

- 'Specified Investments' and/ or in
- 'Non Specified Investments' including longer term investment i.e. 12 months or more but which still offers the greatest security (such as a UK financial institution which offers the full £75,000 UK Financial Services Compensation Scheme)
- bodies with high credit ratings.

6. To review investments at least annually.

Please see list on investments attached.

3. Annex A: List of Parish Council Investments in place as at 1 April 2019

Parish funds sit in the following Unity Trust Bank accounts:

- Treasurers Account (00308107) (current account): no interest paid, this is where all day to day transactions take place and money is paid into.
- Business Instant Access Account (00308212): 0.05% interest paid this is where 30% of the precept is held on contingency.

Assets generating income:

- The Old School Rooms, these are facilities which are rented out, it generates approximately £12,500 per annum. This money covers the costs of the maintenance of the buildings and any remaining sits in the bank account.
- We have £27,177 in our Ear Marked Reserves which is to be sent on the Old School Rooms, this money is in our Treasurers account.
- Burial Grounds generate approximately £5000 per annum. Any costs associated with maintenance are deducted from the income and the remainder stay in the Treasurers account.
- Allotments generate approximately £2200 per annum, we pay an annual rate of £1250, the remainder of the money covers maintenance costs. Any remaining stays in the Treasurers account.
- Broadstones (land rented out to the Football club)- annual rent of £500.00

Assets owned that do not generate income

- Community Library
- Parish Office
- Village Cross
- Open Green Spaces

No other funds are held.

4. Annex B: Actions for 2019/20

1. Review the Business Instant Access Account to:
 - a) Review the purpose of the account and how much is needed to be kept as a contingency
 - b) Consider alternative accounts with higher interest
2. Consider if EMR are separated from the day to day income/outgoings.
3. Review the income from the Solar Farm and consider whether this needs to be invested?
4. Review the use of the Hannah Marshman Trust funds and any income.
5. Consider actions to generate more income from the St Andrews room.