



Carn Brea Parish Council

Banking and Investment Strategy

Approved: 21st October 2021 (Minute Number: 21/10/10)

Reviewed on: 10th November 2022 by the
Health & Safety and Finance Committee.

Approved by Full Council on 17th November 2022
Minute Number: 22/11/10d.

Date to be reviewed: 16th November 2023

Introduction

Carn Brea Parish Council acknowledges the importance of investing monies under its control held on behalf of the community.

This Strategy complies with the revised requirements set out in the Office of the Deputy Prime Ministers Guidance on Local Government Investments and Chartered Institute of 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.

Investment Objectives

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 other such guidance as the Secretary of State may by regulations specify.

The Councils priorities are Security of reserves and liquidity of its investments in this order.

All investments will be made in sterling.

The Department of Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this Council will not engage in such activity.

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. Such short-term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.

Strategy

The Council shall continue to use a Treasurers account with Lloyds Bank and current account with Unity Trust Bank for its day-to-day transactions. This account will on a day-to-day basis normally be managed with a credit balance. In the event that on any day the account will be overdrawn the RFO will decide whether it is more economic to transfer funds, incur a penalty charge or arrange for a temporary overdraft facility or a combination of these actions. In any event the account will be put back into surplus at the earliest opportunity.

The Council also hold a business bank instant account with Lloyds in which all income is received.

The Council hold an Instant access account with Unity in which its earmarked reserves are held.

The Council has an agreed strategy and resolved to open multiple accounts with different UK based banks, in order to ensure that the Councils money is protected by the Financial Services Compensation Scheme (FSCS). This protects funds of up to £85,000 from any investor. The aim of the strategy is to ensure that all banked funds of Carn Brea Parish Council can benefit from this protection.

To date a NatWest deposit account was opened in 2022 and opening of further account in progress.

Non-Specified Investments

These investments have greater potential risk – examples include investment in the money market, stocks and shares. Given the unpredictability and uncertainties surrounding such investments, Carn Brea Parish Council will not use this type of investment.

Liquidity of Investments

The Council will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

Long Term Investments

Long term investments are defined in the Guidance as greater than 36 months. The Council does not currently hold any long-term investments.

Risk

The Council will monitor the risk of loss on investments by review of credit ratings on a regular basis. The Council will only invest in institutions of high credit quality – based on information from approved credit rating agencies.

Investments will be spread over different providers where appropriate to minimise risk.

Non-Financial Investments

The Council does not hold any non-financial investments. These are non-financial assets that are held primarily or partially to generate a profit.

Borrowing in Advance of Need

In accordance with the Prudential Code, this Council will not borrow more than, or in advance of its needs in order to profit from the investment of the extra sums borrowed.

Loans

The Council does not make any loans to any external bodies.

End of Year Investment Report

Investment forecasts for the coming financial year will be accounted for during the budget preparation process when the budget is prepared. During the financial year the amount the Council has invested will be reported at each meeting of the Health & Safety and Finance Committee as part of the Management Accounts Reports.

Capacity, Skills and Knowledge

This Council is committed to an ongoing programme of training and development to ensure Members have sufficient knowledge and understanding to make informed decisions.

Treasury Management Advice

In the event of a significant long-term increase in reserves the Council will seek treasury management advice from an independent external expert.

Such as:-

- The principle local authority.
- Specialist treasury management advisory firms-who specialise in local authority and local town and parish councils.
- Other independent financial advisors – with expertise in advising business and individuals with significant cash sums to manage and invest.

Review and Amendment of Regulations

The strategy will be reviewed annually. The Annual Strategy for the coming year will be prepared by the Parish Clerk/RFO and presented for approval at Full Council.

The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council.

Any variations will be made available to the public.

Freedom of Information

In accordance with the Freedom of Information Act 2000 this document will be posted on the Council's website. www.carnbreaparishcouncil.gov.uk and is also available as a hard copy from the Parish Council Offices.