



Noak Bridge Parish Council

# Investment Policy

Version	Date Adopted	Minute Reference	Review Date
1	26 <sup>th</sup> February 2025	22/2025/01	February 2026

# Investment Policy

## Introduction

Noak Bridge Parish Council acknowledges the importance of investing prudently the temporary surplus funds held on behalf of the community as part of its fiduciary duty. This Strategy complies with the revised requirements set out in the statutory government guidance, Capital Finance: guidance on local government investments (third edition)<sup>1</sup> and takes into account Sections 12-15 of the Local Government Act 2003 and guidance within the Joint Panel on Accountability and Governance (JPAG) 2024 edition of the Practitioner's Guide.

The Local Government Act 2003 Section 12 states that a local authority may invest:

- For any purpose relevant to its functions under any enactment, or
- For the purposes of the prudent management of its financial affairs.

The Council defines its treasury management activities as “the management of the Council’s cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks.”

## The Policy

This strategy establishes formal objectives, policies, practices, and reporting arrangements for the effective management and control of the Council’s treasury management activities and the associated risks. The policy should be read in conjunction with the Council’s Financial Regulations.

## Investment Objectives

The Council’s investment priorities are:

- The security of its reserves,
- Adequate liquidity of its investments, and
- The return on investment – the Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

All investments will be made in sterling.

---

<sup>1</sup> [Capital finance: guidance on local government investments \(third edition\) - GOV.UK](#)

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

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

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

### **Specified Investments**

Specified investments are those offering high security and high liquidity, made 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 town or parish council will automatically be Specified Investments.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Noak Bridge Parish Council will use:

- Deposits with UK banks, UK Building Societies, UK local authorities, or other UK public authorities.
- Other approved public sector investment funds
- Investment Bonds

### **Non-specified Investments**

A non-specified investment is any financial investment that is not a loan and does not meet the criteria to be treated as a specified investment. These investments have greater potential risk – examples include investment in the money market, subordinated bonds from banks, permanent interest-bearing shares from building societies, and corporate stocks and shares.

Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment.

### **Liquidity of Investments**

The council, in consultation with the Responsible Financial Officer, will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

Investments will be regarded as commencing on the date on which the funds are paid over to the counterparty.

## Investment Strategy 2025/26

For 2024-25, the Council will invest as much of its balances as possible in low-risk products in order to achieve its investment objectives and in accordance with the specified criteria.

The investments will be split between:

- Santander Business Saving Account
- Metro Bank Community Instant Access Account

## End of Year Investment Report

Investment forecasts for the coming financial year will be accounted for when the budget is prepared. At the end of the financial year, the Responsible Financial Officer will report on investment activity to the Council.

## Review and Amendment of Regulations

The Council's Investment Strategy shall be reviewed annually and revised if considered necessary.

The Council reserves the right to make variations to the Investment Strategy at any time subject to the approval of Council. Any variations will be made available to the public.

## Freedom of Information

In accordance with the Freedom of Information Act 2000, the Council's Investment Strategy will be published on the Council's website and will also be available as a hard copy from the Clerk.