

# HERTINGFORDBURY PARISH COUNCIL

## ANNUAL INVESTMENT STRATEGY 2012/2013

### 1. Introduction

- 1.1. **Hertingfordbury 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.
- 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 1<sup>st</sup> April 2012 the council holds all its money in a current account with Cater Allen private bank (part of Santander). This pays no interest on deposits below £100,000.
- 3.3. Following a council resolution (2011/) the council, opened a bank account with the Co-Operative Bank with a view to transferring reserves to an interest bearing account.
- 3.4. Current account will be held in the Co-Operative Bank
- 3.5. Short-term investment will be with the Co-Operative Business Select Deposit Account which provides a secure rate of interest on deposits above £10,000.
- 3.6. Mid-term investment will be in the form of a three or six month bond issued by the Co-Operative Bank.

### 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 Clerk, as 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 in as up to 3 months.
- 6.2. Currently the Council does not hold any short-term investments, but plans to invest surplus funds during the year.

### 7. Mid-Term investments

- 7.1. Mid-term investments are defined in as between 3 and 12 months.
- 7.2. Currently the Council does not hold any mid-term investments, but plans to invest surplus funds during the year.
- 7.3. No investment beyond 6 months may be made without a resolution of the full council.

**8. Long-Term Investments**

- 8.1. Long-term investments are defined in the Guidance as greater than 36 months, but for Hertingfordbury Parish Council, long term is deemed to be more than 12 months.
- 8.2. Currently the Council does not hold any long-term investments.
- 8.3. No long-term investments are envisaged during the financial year.
- 8.4. No investment beyond 12 months may be made without a resolution of the full council.

**9. Investment Plan**

- 9.1. Appendix A outlines the detailed investment plan for 2012/13.

**10. End of Year Report**

- 10.1. At the end of the financial year, the RFO will report to the Council on investments made during the year.

**11. Review of this Strategy**

- 11.1. The Investment Strategy will be reviewed annually by the Full Council.
- 11.2. The Full Council shall be able to amend or make variations to the Strategy at any time.

**ADOPTED 11<sup>th</sup> April 2012**

