



Yatton Parish Council

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OUR MISSION: To ensure the provision of high quality services in our communities of Yatton and Claverham

Investment Strategy 2022-23

1.0 Introduction.

1.1 This strategy has been produced with regard to guidance issued by the Secretary of State for the Department for Communities and Local Government under section 15(1) (a) of the Local Government Act 2003.

1.2 Where a Council builds up balances these must be safeguarded by investing in an appropriate account. Investing balances by local councils must be done prudently and in accordance with the above guidance.

1.3 The guidance states 'Where the parish council or charter trustee expects its investments at anytime during a financial year to exceed £10,000 but not £500,000, it should decide on the extent, if any, to which it would be reasonable to have the guidance in relation to that year' (Para 3.3 (b), DCLG, 2010). Yatton Parish Council's level of investment falls within this range.

2.0 Objectives.

2.1 The general policy objective is that Yatton Parish Council will invest prudently the reserves it holds on behalf of the community. Priority is given to security and liquidity, followed by ethical considerations.

2.2 Yatton Parish Council will seek the optimum rate of return, consistent with the proper levels of security, liquidity and ethical considerations .

3.0 Specified Investments.

3.1 Specified investments are those offering high security and high liquidity. All such investments shall be in sterling and for no longer than one year.

3.2 For the prudent management of its balances, maintaining sufficient levels of security and liquidity, Yatton Parish Council will permit funds which are available for up to six months to be invested in short term deposits with one or more UK clearing banks and/or building societies.

4.0 Non-Specified Investments.

4.1 This type of investment has greater potential risk, such as stocks and shares and the Parish Council will not participate in such investments as they do not offer a high enough level of security and liquidity.

5.0 Liquidity of Investments.

5.1 The Clerk, as Responsible Financial Officer, will determine the maximum period for which the funds maybe prudently invested, subject to para. 3.1 above, so as not to compromise the Council's liquidity.

5.2 The placement of investments shall be delegated to the Clerk as Responsible Financial Officer, in accordance with the Parish Council's Financial Regulations.

6.0 Reports.

6.1 Investment forecasts for the coming financial year are accounted for when the budget is prepared.

6.2 During each financial year, the Clerk shall report to the Finance & Administration Committee any investments made in line with this strategy.

6.3 Higher interest funds are with Lloyds Bank as three month interest bearing deposits. On maturity funds are returned to our current account. A new deposit is then placed for a further three months, the amount dependant on the next quarters expenditure. The Parish Council uses Lloyds Bank for its day to day banking.

7.0 Review of the Strategy.

7.1 The Investment Strategy shall be reviewed annually ahead of the start of each financial year.

7.2 The Parish Council may amend or make variations to the Strategy at anytime as required.