

Investment Strategy

Statutory Requirements

1. The Chartered Institute of Public Finance and Accountancy Code and the Government's Statutory Guidance require the Council to invest its funds prudently, and to have regard to the security and access of its investment before seeking the highest rate of return.
2. Littlemore Parish Council recognises this statutory requirement to manage the financial risks facing it.
3. The reserves held by the Council are used to manage this risk and ensure funds are available to discharge the council's obligations to staff and suppliers.
4. The Council only makes use of short-term investments, those which offer high security and high availability, are made in sterling and mature within two years.

Reserves Policy

5. Littlemore Parish Council holds the following types of reserves (which are included at the bottom of the balance sheet):
 - a) Current Year Fund – day-to-day current accounts held with Unity Trust Bank and Lloyds Bank
6. Includes the funds obtained through precept and income earned for the current financial year. Any surplus/deficit at the end of the current year is transferred to or from the General Reserve Fund.
 - b) General Reserve Fund
7. For prudent management of its treasury balances, maintaining sufficient levels of security and availability, the Council will use Deposit Funds or Current Accounts with Unity Trust Bank, Lloyds Bank and the CCLA Public Sector Deposit Fund.
8. The Council shall maintain a prudent level of general reserves sufficient to ensure it can meet its ongoing commitments, respond to any need for emergency or unplanned expenditure, and overcome any cash flow difficulties which might arise.
9. The Council will normally aim to maintain general reserves of nine months of precept.
10. The Council aims to close its National Savings Investment Account and its Lloyds Bank Business Instant Access Account.

- c) Restricted Reserves – held in short-term investment
- 11. Restricted reserves are held in short-term investment in the CCLA Public Sector Deposit Fund.
- d) Earmarked Reserves – held in short-term Investment
- 12. The Council will keep such sums in earmarked reserves as shall be considered necessary to support future expenditure on specific projects or as funds built up towards significant future revenue expenditure or to meet anticipated liabilities.
- 13. These funds are put aside by resolution of the Council and come from the precept.
- 14. The Council can un-earmark by the same process as it earmarks expenditure.
- 15. Earmarked reserves are held in short-term investment in the CCLA Public Sector Deposit Fund.

Access to Investments

- 16. The Chairman and Vice Chairman of the Finance and General Purposes Committee along with the Committee's agreement and in consultation and recommendation with the Responsible Finance Officer will determine the maximum periods for which the funds may prudently be committed so as not to compromise availability using an appropriate budget projection.

Management of Current Year Fund with regard to use of short-term investments

- 17. For prudent management of its balances and maintaining sufficient levels of security and availability, the Council will require the Responsible Finance Officer (RFO) to limit the Current Year Fund to approximately 50% of the precept.
- 18. The Council will transfer funds into and out of its Unity Trust Bank Current Account and its Lloyds Bank Treasurers Account to maintain the Current Year Fund at approximately this level.
- 19. Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

Review and amendment of regulations

- 20. The policy will be reviewed annually.

21. The Council reserves the right to make variations to the policy at any time, on the recommendation of the Finance and General Purposes Committee.

22. Any variations will be made available to the public.

Freedom of Information

23. In accordance with the Freedom of Information Act 2000, this document will be available to view on application to the Clerk.

Authorisation – Investment Reports and Responsibility

24. Investments will be authorised by the Finance and General Purposes Committee in consultation with the Responsible Finance Officer and reported at the next meeting of the Full Council.

25. The Council is ultimately responsible for its investments.

Littlemore Parish Council adopted this policy at the Council Meeting held on 11th April 2022.