

ST GERMANS PARISH COUNCIL

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Investment Strategy and Policy 2020/21¹

Introduction and Strategy

From time to time St Germans Parish Council may have surplus funds in its bank account. It is important that these funds are invested prudently, with full recognition of the Parish Council's responsibility to the Council Tax payer, and with regard to the priority for security and liquidity of those investments.

The Investment Strategy and Policy will be a public document as defined by the Freedom of Information Act 2000. It will be available on the Councils website www.stgermansparishcouncil.gov.uk This document sets out the Parish Council's policy for managing any investments that it makes.

Policy

Cash not immediately required:

- 1.To retain not less than two months average working capital requirement in current and deposit accounts giving immediate access.
- 2.To place any other funds on deposit of up to one year's duration, depending upon the prevailing interest rates and forecast cash flow requirements.
- 3.Funds only to be deposited or invested with:(a) UK clearing banks or their subsidiaries, together with those former major building societies now banks, subject to their being assigned a credit rating of 'A' or above, from Standard and Poors or Moody's Investment Services Inc, up to the maximum protected funds may be held with other than 'A' rated (b)UK Government stocks (c) UK local authority stocks and bonds.
4. St Germans Paris Council's current investments are with Lloyds Bank Plc and Nat West Bank Plc.

Liquidity of Investments

The Finance and General Purposes Committee, following advice from the Responsible Finance Officer, will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

Risk Assessments

The Parish Council's reserves are covered by the Financial Services Compensation Scheme up to £85,000.00 with any one institution and monies must therefore be carefully managed to mitigate the risk of losses.

¹ Adopted by full council at the meeting held on Monday 24 February 2020 under minute number 7.4.
Review February 2022.