

Calne Without Parish Council  
14<sup>th</sup> December 2020  
Agenda Item 11.2  
Bank Accounts and Investment Strategy

#### Bank Accounts

The Clerk has been able to successfully open a savings account with the bath Building Society for the Council. The Account pays interest of 0.05% AER. This account has been opened to take the funds currently held in the Council's Unity Trust Account which no longer pays any interest and has a charge for the withdrawal of funds.

The Council now needs to approve the movement of the funds.

#### Investment Strategy

The Council approved the principles of the Investment Strategy in October 2020 and the Strategy can now be revised to show the Council's new accounts.

The Revised Strategy is show below:

### **Calne Without Parish Council Investment Strategy**

#### **Introduction**

Calne Without Parish Council acknowledges the importance of prudently investing 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 Department of Communities and Local Government Guidance on Local Government Investments and takes into account Section 15(1)(a) of the Local Government Act 2003 and guidance within Governance and Accountability for Local Councils Practitioner's Guide 2018.

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

- For any purpose relevant to its functions under any enactment.
- For the purpose of 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."

#### **Objectives**

The following are the objectives for the Investment Strategy:

- Security of reserves
- Adequate liquidity of investments to allow the Parish Council to deliver and react to opportunities to fund Community projects.
- Return on the investment will be optimised commensurate with the proper levels of security and liquidity.
- All investments will be made in Sterling
- The Council will not borrow money purely to invest or lend

- The Council will monitor the risk of loss on investments by review of credit ratings. The Council will only invest in institutions with high credit quality based on the information from credit rating agencies.
- Investments will be spread over different providers where appropriate to minimise risk.

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, Calne Without Parish Council will use:

- Deposits with banks, building societies, local authorities or other public authorities
- Other approved public sector investment funds.

The choice of institution and length of deposit will be at the approval of the Parish Council. The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

### **Non-Specified Investment's**

The higher potential risk of these investments, such as stocks and shares are not acceptable to the Parish Council and it shall not use this type of investment.

### **Liquidity**

The Parish Council shall determine the maximum periods for which funds may be invested so as not to compromise liquidity, based on the Council's approved spending plan and in order to be able to respond to requests for funding it is unlikely that it will be appropriate for funds to be inaccessible for a period in excess of 125 days.

The Parish Council does not hold any long-term investments (defined as those greater than 12 months).

### **Investment Strategy for 2020/21 to 2021/22**

The Parish Council will invest as much of its balances as possible in low risk products in order to achieve its objectives.

The investments will be split between:

- Lloyds Bank Commercial 32day access account (0.05% AER gross variable).
- Bath Building Society Business saver account (0.05% AER gross variable)
- Nationwide Building Society 125-day saver account (monthly interest AER/gross variable p.a. 0.5%)

The Parish Council will review and amend the investment strategy annually as a minimum and it will be revised if considered necessary.

The Parish Council will publish the investment Strategy on the Parish Council website [www.calnewwithout-pc.gov.uk](http://www.calnewwithout-pc.gov.uk) and hard copies can be obtained from the Clerk on application.

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Date Revised 14/12/2020

Date for Review: on or before end of September 2021

Recommendations:

1. That the Council approve the Clerk to close the Council's Unity Trust Bank Account and transfer £50087.33 via the Lloyds Treasurers Account to the Bath Building Society Account. Cost of transferring the funds £28.00.
2. That the Council approve the revised Investment Strategy as drafted.