

ANNUAL INVESTMENT/EARMARKED RESERVES POLICY GENERAL FUND – 2025-2026

INTRODUCTION

Silk Willoughby Parish Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

This strategy has been prepared in accordance with the Guidance on Local Government Investment (“The Guidance”) issued under Section 15(1)(a) of the Local Government Act 2013, effective from 01 April 2010. The Guidance recommends that a Parish Council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security.

Where a Parish Council expects its investments at any time 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 regard to the Guidance in relation to that year.

Silk Willoughby Parish Council expects its investments during 2025/2026 financial year to exceed £10,000, but not £500,000 and has agreed to apply the Guidance as set out below.

INVESTMENT OBJECTIVES

The Parish Council’s priorities are:

- The security of its reserves
- The liquidity of its investments; and
- Return on investments.

The Parish Council will aim to achieve the optimum return on its investments commensurate with levels of security and liquidity.

All investments will be made in sterling and, as a minimum, surplus funds will be in an interest-bearing bank account.

The Department for Communities and Local Government maintains that borrowing of monies purely to invest or to lend and make a return, is unlawful and this Parish Council will not engage in such activity.

SECURITY OF INVESTMENTS

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity the Parish Council will use:

- UK Banks and UK Building Societies.

As from 01 April 2025 the Parish Council will continue to hold its money in a current account with HSBC. HSBC is covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. In respect of depositors, an eligible depositor is entitled to claim

up to £85,000. As the Parish Council currently has a precept of £6000.00 it is adequately covered by the FSCS.

LIQUIDITY OF INVESTMENTS

The Chair and RFO will determine the maximum period for which funds may prudently be invested, to not compromise liquidity.

REVIEW AND AMENDMENT OF REGULATIONS

The Investment Strategy will be reviewed annually. The Annual Strategy will be approved by the full Council.

The Parish Council reserves the right to make variations to the Strategy at any time, subject to the approval of the full Council. Any variations will be made available to the public.

FREEDOM OF INFORMATION

In accordance with the Freedom of Information Act 2000, this Document will be posted on the Parish Website, and a hard copy will be available from the Parish Clerk.