



# Investment Strategy

## Backwell Parish Council

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### Introduction

This policy is created under guidance issued by the Secretary of State for Communities and Local Government in accordance with the Local Government Act 2003. The extant guidance was issued by DCLG in 2010.

Backwell Parish Council (the Council) acknowledges its responsibility to the community and the importance of prudently investing any temporarily surplus reserves held by the Council.

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 Council will not engage in such activity.

### Objectives

The Council will have regard to:

- a) such guidance as the Secretary of State may issue
- b) Such other guidance which NALC or SLCC may issue.

The Council will centre priority on the security of reserves first whilst also providing sufficient liquidity and profit.

All investments will be made in sterling.

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

The Clerk/RFO will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

### Specified Investments

'Specified Investments' are those offering high security and high liquidity, made in sterling and with a period of no longer than 12 months.

The Council will:

- a) diversify its funds between multiple relatively highly rated UK banks and building societies. The Council shall only use specified investments as defined by DCLG guidance
- b) deposit in current accounts and interest bearing accounts
- c) deposit in fixed notice accounts for higher interest

Investments shall be decided and placed by the Responsible Financial Officer having used due diligence including as a minimum finance search engines and ratings agencies. This shall be under

the oversight of the Finance Working Party. The actual movement of money shall be by the usual authorised signatories.

The procedure for undertaking investments shall be documented by the Responsible Financial Officer and approved by the Finance Working Party before any investments are placed.

### **Non-specified Investments**

These investments have greater potential risk – examples include investment in the money market, stocks and shares.

Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment.

### **Review of Investments**

The return on investments will be reviewed regularly and at least annually by the Council.

### **Revision**

Any revisions to this policy shall be approved by the Full Council.

The Finance Working Party shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new financial year. Where no changes are proposed, Full Council shall note the policy.

Date of Policy: August 2026

Date for next review: August 2027

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