

Downend and Bromley Heath Parish Council – Investment Strategy

Introduction

1. The investment of surplus funds by local authorities is governed by the Local Government Act 2003 Section 15 (1)(a).
2. In accordance with such advice, council investments should be based on:
 - Security – protecting the capital sum invested from loss.
 - Liquidity – ensuring the funds are available for expenditure when needed.
 - Yield – income return on investment.
3. A ‘Specified Investment’ is one which is made in sterling and for not longer than a year. Such short-term investments made with the UK Government or a Local Authority (as defined) or a Town/Parish Council will automatically be Specified Investments.
4. The Council, for prudent management, may use deposits with banks, building societies, local authorities, and other public authorities, as well as approved public sector investment funds.
5. The choice of institution and length of deposit will be subject to the approval of the Council.
6. Any other type of investment is considered a ‘Non-Specified Investment,’ to which there can be greater risk. These will be subject to a detailed risk assessment and consideration by the Council before any commitment is made.

Annual Review 7. The Council will conduct an annual review of this Investment Strategy to ensure that it remains aligned with current regulations, financial objectives, and best practices.

Ethical Considerations 8. The Council is committed to ethical investment principles and will avoid investments in sectors or practices that conflict with its values and responsibilities to the community.

Risk Assessment 9. A risk assessment will be carried out for all investments, with appropriate mitigation strategies put in place to manage exposure to financial risk.

Delegation and Reporting 10. The Council will clarify the roles and responsibilities of members and officers involved in investment decisions. 11. A regular reporting mechanism will be established to ensure transparency and accountability in investment performance, with reports presented to the Council at scheduled intervals.

By incorporating these elements, Downend and Bromley Heath Parish Council aims to ensure that its investment strategy complies with legal requirements and reflects best practices in local government finance.

- This policy will be **reviewed at least every two years** to ensure continued compliance with legal requirements and best practices.
- **Adopted by Parish Council:** 6th March 2025
- **Last reviewed:** _____
- **Next review due:** 6th March 2027
- **Signed:** Chairperson: Janet Biggin Parish Clerk: Kevin Spratt