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## **Haddenham Parish Council Investment Strategy**

**Reviewed:** January 2021

**Reviewed:** January 2023

Next review date: January 2026

### **Overall Strategy**

- The local government principles of investment will be implemented, with the priority when considering where to invest funds being, in order:  
Security - Liquidity - Yield
- The Parish Council will hold one current account for all day-to-day banking purposes.
- Reserves will be held in the CCLA Public Sector Deposit Fund (PSDF) or an instant access savings account.
- On occasion where money is set aside to be used in the longer term, consideration will be given to the opening of a notice account if this will give a greater return on the investment. The maturity date must be before the anticipated date of expenditure.
- As the Parish Council's total income is not below the threshold of €500,000 for a small local authority it is not eligible for cover under the Financial Services Compensation Scheme and any deposits with financial organisations will not be protected. To reduce the financial risk to the Council in the event of a business failure of a financial institution, the majority of the Council's funds will be held in the CCLA PSDF as this spreads investment between numerous highly rated financial organisations. The amount held outside the CCLA PSDF in a current account will be limited to cover the anticipated expenditure for the short term, in normal circumstances this will be the current month, however where there is significant income and expenditure for ongoing major projects the balance on the account will be maintained to ensure payments due under contract are timely. The CCLA PSDF will be held to ensure some return on investment while managing and balancing risk.
- All day-to-day banking and savings for the council's charities will be held in separate accounts in the name of the charity. Where possible these will be charity accounts to avoid payment of bank charges. The same principles of investment will apply for the charities.

### **1. Day-to-day banking**

- A current account will hold the funds to manage the regular spending of the Parish Council. The amount held in the current account should reflect the Council's

immediate requirements. Any excess should be deposited in the CCLA PSDF. It is accepted that banks now make a monthly charge for a current account which cannot be avoided and that it is unlikely that any interest will be earned on this account.

- The account will be set up with an online banking facility.
- A minimum of 3 but ideally 4 councillors will be signatories on the account. All will be members of the F&GP Committee. A minimum of 3 will be set up to approve online payments.

## **2. Instant Access Savings**

- The CCLA PSDF will hold the working reserves of the council.

## **3. Notice / Fixed Term Accounts**

The Council would not usually hold funds in this type of account. However, the Council may consider opening an account which requires notice for a withdrawal or where the interest earned is higher if invested for a fixed term. The circumstances that would make this appropriate would be where funds are held for a project or are being saved towards a project where the expected expenditure is beyond the date of the fixed term or where the notice period could be comfortably met.

## **4. Stocks and Shares / Bonds**

Stocks and shares and accounts (excluding the CCLA PSDF) that invest in stocks and shares are considered too risky for investment of council funds so will not be used.

**Account status 31 December 2022**

Haddenham Parish Council

Account	Type	Interest rate	Monthly charge	Purpose	Balance	Actions
Lloyds Bank 00037446	Current	0%	£7+ cash & cheque deposits	Day-to-day banking of council	£33,067.69	None
CCLA	PSDF		0	Secure savings for reserves	£935,943.94	None

## Banks Park Recreation Ground Charity

Account	Type	Interest rate	Monthly charge	Purpose	Balance	Actions
Lloyds Bank 35005468	Current	0%	£5	Day-to-day banking BPT	£49,454.56	Will open a charity account if / when merged with other charities.
CCLA 359310001R	Charities Investment Fund (COIF)	13306.32 pence per unit		Investment to earn income	33.92 units	Leave as is.

## Haddenham Educational Charity

Account	Type	Interest rate	Monthly charge	Purpose	Balance	Actions
None – held in HPC account	Current	0%	0	Day-to-day banking HEC	£20,041	Will open a charity account if / when merged with other charities.
CCLA 530470001T	Charities Investment Fund (COIF)	1359.07		Investment to earn income	5,867.92units	Transfer over excess funds held in HPC account