Warndon Villages Parish Council Investment Policy

Introduction

Warndon Villages Parish Council understands the importance of prudently investing the surplus funds -whether temporary or longer term - held on behalf of the parish residents.

Our investment strategy is formulated in accordance with the Guidance on Local Government Investment ("The Guidance) issued under Section 15(1)(a) of the *Local Government Act 2013*, which recommends that a Parish Council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to liquidity and security.

Should a Parish Council expect that its investments at any time during a financial year may exceed £10,000 but not £500,000 it would decide on the extent to which it would be reasonable to have regard to the Guidance in relation to that year.

Warndon Villages Parish Council expects its investments during the 2026-27 financial year to not exceed £120,000 and applies the Guidance as follows:

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INVESTMENT OBJECTIVES

The Parish Council's priorities are:

1. The security of its reserves.
2. The liquidity of its investments; and
3. Return on investments.

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

Any investments will be made in sterling, and surplus funds will be held in an interest-bearing bank deposit 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 the Parish Council does 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 / or UK building societies

Currently the Parish Council holds its budgetary cashbook in a current account at Unity Trust Bank

The balance of the Parish Council's surplus funds is invested in a deposit account at Redwood Bank and (as of April 2026) does not exceed £120,000 and therefore is adequately covered by the FSCS.

Both banks are 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, and eligible depositor is entitled to claim up to £120,000.

LIQUIDITY OF INVESTMENTS

The RFO on consultation with the Finance Committee will determine the maximum period for which funds may prudently be invested, in order not to 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 Strategy document will be posted on the Parish website, and a hard copy will be available on request from the Parish Clerk.