



# Annual Investment Strategy

**Document Control:**

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# **Annual Investment Strategy**

## **1. Introduction**

This Annual Investment Strategy sets out the policy and framework for managing the investments of Great Chart with Singleton Parish Council. The strategy is designed to ensure that public funds are invested prudently, with priority given to the security and liquidity of those investments. It outlines the council's approach to risk management, permitted investment instruments, and the governance arrangements for monitoring and reviewing investment performance. This document is prepared in accordance with statutory guidance and reflects the council's commitment to sound financial management.

## **2. Investment Objectives**

The primary objectives of the Council's investment activities are:

- **Security** – to protect the capital sum invested from loss.
- **Liquidity** – to ensure the funds are available for expenditure when needed.
- **Yield** – to achieve a reasonable return on investments consistent with the above priorities.

## **3. Investment Policy**

The Council will only invest funds that are surplus to operational requirements. Investments will be made in sterling and placed with institutions that are regulated and approved by the Financial Conduct Authority (FCA).

## **4. Permitted Investments**

The Council may invest in:

- High-interest bearing accounts with UK banks or building societies.
- Local authority or government-backed deposits.
- Public Sector Deposit Fund (PSDF) or similar low-risk pooled investment vehicles.

## **5. Risk Management**

The Council will regularly review the credit ratings of institutions where funds are held. No more than £85,000 where practicable will be held with any single institution to ensure protection under the Financial Services Compensation Scheme (FSCS).

## **6. Liquidity Management**

The Council will maintain sufficient liquidity to meet its short-term spending needs. A minimum balance will be retained in the current account to cover at least three months of operational expenditure.

## **7. Monitoring and Review**

The Responsible Financial Officer (RFO) will report on investment performance and compliance with this strategy at least annually. The strategy will be reviewed and approved by the Council each financial year.

## **8. Approval and Adoption**

This strategy was approved by Great Chart with Singleton Parish Council at its meeting held on [Insert Date].