

Bramshott and Liphook Parish Council
Treasury & Investment Policy



1. Policy Background

- 1.1 Bramshott and Liphook Parish Council's treasury and investment policy and its associated strategy are conducted in accordance with:
- i) The Local Government Act 2003 (the Act) and supporting regulations. This requires the Council to prepare an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
 - ii) The statutory guidance on local government investments (issued subsequent to the Act) which requires the production of an Annual Investment Strategy and gives guidance on how this should be completed.
- 1.2 It is uncommon for a parish council to hold investments other than in the form of easily accessible bank deposits or other short-term savings accounts. These are often used to maximise income from cash balances during the financial year.
- 1.3 The legislation and associated guidance is optional for parish councils where investments are not expected to exceed £1,000,000 and no action is required below £10,000. However, for Councils where the sums involved exceed £1,000,000 the guidance is mandatory.

2. Definitions

- 2.1 Investments – all investments of more than 12 months in duration. This is treated as capital and all sums involved must be used for capital expenditure when the investment period ends.
- 2.2 Treasury – all cash deposits held in bank accounts which includes bonds of up to 12 months in duration.

3. Policy Objectives

- 3.1 The overriding policy objectives are:
- i) To invest prudently to ensure the security of the principal sums.
 - ii) To maintain liquidity in the portfolio to meet the council's spending plans.
 - iii) To mitigate risk.
 - iv) To seek the optimum returns available whilst remaining consistent with the proper levels of security and liquidity.

4. Investment Policy

- 4.1 The Council will not hold funds other than in bank accounts or deposit bonds of 12 months or less in duration.
- 4.2 No investments will be made in stocks and shares.

5. Treasury Policy

- 5.1 The Council will hold **all** its funds as cash deposits in banks accounts or bonds or with CCLA Public Sector Deposit Fund.
- 5.2 A business account will be maintained with sufficient funds for day to day transactions and to receive the precept and business income.
- 5.3 The full Council will be responsible for all decisions on transfer of funds outside of the existing "daily sweep" between the Lloyds Business Account and the Lloyds Premier Interest Account.
- 5.4 Full Council approval is required if a deposit is with an institution with which the council does not already hold an account.
- 5.5 A procedure for making a deposit can be found in Appendix A.

Appendix A

Procedure for Deposits

1. Executive Officer (RFO) to identify an appropriate deposit account or short-term bond with a financial institution that fits with the Council's treasury policy. Any bonds should be capital sum guaranteed.
2. Approval of full Council is sought where the council considers the use of an institution with which the Council does not already hold an account.
3. Council approves all transfers before they are actioned.
4. The Executive Officer (RFO) actions the opening of the account and the setting up of the bank mandate for council members to sign in accordance with the financial regulations.
5. The Executive Officer (RFO) actions the deposit/transfer of funds.
6. The transfer/deposit is reported to the Council once completed.
7. At the end of any fixed term deposit, the Executive Officer (RFO) has delegated authority to move the funds back into the Council's Lloyds business account .

Procedure for Bank Transfers

1. The Council has an automatic daily "sweep" between its Lloyds Business Account and the Premier Interest Account. This ensures that there are sufficient funds in the account daily to meet all spending requirements and the balance is held in the Premier Interest Account.
2. All other transfers must be approved by Council.