



Holybrook Parish Council

Proudly serving the residents of Holybrook Parish since 2000

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Investment Strategy 2025 - 2026

1. INTRODUCTION

- 1.1 Holybrook Parish Council acknowledges the importance of judicious investment of the monies under its control which are held on behalf of the community.
- 1.2 In accordance with The Local Government Act 2003, Local Authorities are required to produce an Investment Strategy each year. This strategy complies with the revised requirements set out in Statutory Guidance on Local Government Investments (3rd Edition) which is issued by the Ministry of Housing, Communities and Local Government and updated on 2nd February 2018.
- 1.3 In accordance with Section 15(1)(a) of the Local Government Act 2003, the Council will have regard:
 - a) To such guidance as the Secretary of State may issue, and
 - b) To such other guidance as the Secretary of State may, by regulations, specify.
- 1.4 This strategy should be read in conjunction with the Council's Financial Regulations.

2. INVESTMENT OBJECTIVES

- 2.1 The Council's prudential investment objectives for its reserves are:
 - Security (protecting the capital sum from loss);
 - Liquidity (keeping the money readily available for expenditure when needed).

- 2.2 The generation of yield is distinct from the prudential objectives. Once proper levels of security and liquidity have been determined, the Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
- 2.3 The Council will not borrow more than, or in advance of, its needs purely to profit from the investment of the extra/early sums borrowed.

3. CATEGORIES OF INVESTMENT

3.1 Specified Investments:

- Offer high security and liquidity;
- Are made in sterling;
- Are not long term (12 months or less);
- Are defined as capital expenditure;
- Investments placed with a body which has a high credit rating or made with the UK Government, a UK Local Authority or a parish or community council are specified investments.

3.2 Non-specified Investments:

These are financial investments that are not a loan and do not meet the criteria to be treated as a specified investment.

4. INVESTMENT STRATEGY 2025 – 26

4.1 The Council will not invest in non-specified investments.

4.2 All significant sources of information about an investment will be scrutinised including information from the main credit rating agencies. Reference will be made in the assessment of credit worthiness to the general economic and political environment in which institutions operate. The Council will only invest in institutions with a credit rating of upper medium grade and above or assessed as a low credit risk.

4.3 The Council will endeavour to invest their agreed reserves in an instant access account with the best available interest. This sum invested will not be higher than that covered by the FSCS to minimise risk (subject to 4.4). There are currently no plans to deposit sums in any fixed term accounts so as not to compromise liquidity.

4.4 The Council will have separate accounts for its working balances and reserves. No accounts will be held within the same banking group. Money will be separated in this way to minimise risk. All accounts will be held with banks and building societies which are regulated by the PRA and FCA.

5. BORROWING

- 5.1 Subject to any decision by Council, and approval by the Secretary of State to undertake borrowing, capital expenditure, not reimbursed by the means of a grant or met from third party contributions or capital receipts, will be financed by means of precept contributions. NOTE: Holybrook Parish Council does not have any current plans that are forecasted to require any borrowing.

6. FORECAST

- 6.1 Expected levels of external borrowing and investments at the beginning and end of 2025/26 are estimated to be:

| | 1 st April 2025 | 31 st March 2026 |
|---|----------------------------|-----------------------------|
| Short term borrowing | Nil | Nil |
| Long term borrowing | Nil | Nil |
| Interest bearing fixed term investments | Nil | Nil |
| On-call Bank Deposits | Nil | Nil |
| AAA Money Market Funds | Nil | Nil |
| Net Investments/(Borrowings) | Nil | Nil |

- There is no expectation for long-term borrowing.

7. REPORTING

- 7.1 Investment forecasts for the coming financial year are accounted for when the budget was prepared.
- 7.2 During the financial year, where appropriate, the Responsible Financial Officer will report on investment activity to the Finance Committee.

8. REVIEW AND AMENDMENT OF REGULATIONS

- 8.1 This strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared by the RFO, and, where changes are proposed, in conjunction with the Finance Committee, and presented for approval at Full Council.
- 8.2 The Council reserves the right to make variations to the Strategy at any time, subject to the approval of Full Council. Any variations will be made available to the public.

9. FREEDOM OF INFORMATION

- 9.1 In accordance with the Freedom of Information Act 2000, the Council's Investment Strategy will be published on the Parish Council's website: www.holybrook-pc.gov.uk and is available as a hard copy from the Parish Council offices.

APPENDIX 1: Total funds Available 1st April 2025

| | |
|---|-------------------|
| All cash and bank accounts 31st March 2025 | £ |
| Santander Current Account | 139,644.34 |
| Unity Trust Bank Plc | 216,916.69 |
| Nationwide Building Society | 85,000 |
| Total cash and bank balances | 441,561.03 |
| Add Debtors | 210 |
| Deduct Creditors | -3,893.68 |
| Total cash and short-term investments | 437,877.35 |
| General and Earmarked Reserves 1st April 2025 | |
| EMR Play Equipment | 15,000 |
| EMR Community & Environment | 1,228.43 |
| EMR Training | 2,000 |
| EMR Events | 10,000 |
| EMR Beansheaf Refurbishment | 14,596.83 |
| EMR Grants | 5,000 |
| EMR Community Infrastructure Levy | 145,431.94 |
| EMR Devolved Services/Footpaths | 33,250 |
| EMR New Bus Shelters | 35,136.64 |
| EMR Bus Shelter maintenance | 6,420 |
| EMR Solar Panels | 18,528 |
| General Fund – minimum reserve | 71,678.50 |
| Total reserves | 358,270.34 |
| General Fund (working balance) | 79,607.01 |