KNOWSTONE PARISH COUNCIL (KPC)

INVESTMENT STRATEGY

INTRODUCTION

1. The investment of surplus funds by local authorities is governed by the Local Government Act 2003, section 15(1)(a) and Guidance issued by the Secretary of State under that Act.
2. From 1st April 2018, but relating to the Financial Year 2018/2019 and future financial years, investments below £10,000 are not subject to the Guidance, but for investments between £10,000 and £100,000 KPC must make a formal decision whether to adopt the Guidance in full or in part.
3. Broadly the Guidance recommends that a council produces an Annual Investment Strategy which sets out its policy for managing its investments, and should keep strategies simple whilst maintaining prudence at all times.

KPC INVESTMENT STRATEGY

1. KPC acknowledges the importance of prudently investing its temporary surplus funds held on behalf of the community.
2. KPC's priorities will be focussed on the security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed) of its reserves
3. KPC will carry out an annual cash flow forecast to ascertain expenditure commitments for the coming financial year
4. **On the basis of that annual cash flow forecast, to invest only in:**
    a. **Short or fixed term deposit investments, normally with KPC's main bankers or other authorised banks and building societies**
    b. **The placing of such investments will be determined by KPC's Responsible Financial Officer**
5. KPC will review its investments at least annually