



Crowan Parish Council Investment Strategy

**Crowan
Parish Council**

Adopted: June 2026

Review: May 2028

1. Introduction

- 1.1. Crowan Parish Council (the Council) has a responsibility to wisely invest reserves and surplus funds that are not immediately required to meet running costs.
- 1.2. This Strategy has been prepared in accordance with the Statutory Guidance on Local Government Investments ('the Guidance'), issued under Section 15(1) of the Local Government Act 2003 and effective from 1st April 2018 (3rd edition).
- 1.3. The Guidance applies to a parish council when its total investments exceed, or are expected to exceed £100,000, at any time during a financial year. When it expects its total investments to be between £10,000 and £100,000, a parish council is encouraged to adopt the principles in the Guidance.
- 1.4. The definition of an investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit such as investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

2. Investment Objectives

- 2.1. Investment priorities will focus on the security of reserves, ease of access and profit.
- 2.2. Investments will be with funds or companies that can demonstrate ethically responsible and environmentally sustainable practices.
- 2.3. Any investment made will be in Sterling.
- 2.4. The Department for Communities and Local Government maintains that borrowing money purely to invest, or to lend and make a return, is unlawful and the Council will not engage in such activities.
- 2.5. If external investment managers are used, they will be contractually required to comply with this Strategy.

3. Specified Investments

- 3.1. Specified Investments are those offering high security and high liquidity, made in sterling and with a maturity date of no more than a year. Such short-term investments made with the UK Government, or a Local Authority or Town/Parish Council will automatically be specified investments.
- 3.2. For the prudent management of its funds, maintaining sufficient levels of security and liquidity, the Council will use:
 - 3.2.1. deposits with banks, building societies, local authorities, or other public authorities;
 - 3.2.2. other recognised funds specifically targeted at the Public Sector.
- 3.3. The Council has a current account that holds the working balance from which funds can be withdrawn as and when required. The council also has a variable rate instant access

account in which funds are lodged that are not required immediately and which can periodically be used to restore funds in the current account.

4. Non-Specified Investments

- 4.1. These investments have greater potential risk – examples include investment in the money market, stocks and shares. Given the unpredictability, uncertainty and high risk surrounding such investments, the Council will not make this type of investment.

5. Loans

- 5.1. Councils may choose to make loans to local enterprises, local charities, wholly owned companies, and joint ventures as part of a wider strategy for local economic growth. However, to do so is not financially prudent and is considered a financial high-risk activity. Therefore, the Council will not engage in such activities.

6. Liquidity of Investments

- 6.1. The Council, following advice from the Responsible Finance Officer, will determine the maximum periods for which funds may prudently be committed so as not to compromise ease of access.

7. Risk

- 7.1. The Council is mindful that monies must be carefully managed to mitigate the risk of losses.
- 7.2. The Council will invest in institutions which meet a required Credit Rating of 'A' or above from Moody's Investment Service Ltd or Fitch Ratings Ltd, or the bank is registered with the Financial Services Authority and the Council is otherwise satisfied as to its levels of capital and liquidity.

8. Reporting on Investment Performance

- 8.1. At the end of the financial year, the Responsible Finance Officer will report on investment activity to the Council.

9. Review and Amendment of Regulations

- 9.1. This Strategy will be reviewed as required and at least every two years by the Council.
- 9.2. The Council reserves the right to make variations to the Strategy at any time, such changes to be subject to legislation and the prior approval of the Council.