



**Odiham**  
Parish Council

# **INVESTMENT POLICY**

**Reviewed and adopted on 11<sup>th</sup> February 2020**  
**Revised 16<sup>th</sup> June 2020**

## **A Local Council's Investment Strategy**

A local council has a general power to invest its funds for any purpose relevant to its functions under any enactment and for the prudent management of its financial affairs (Local Government Act (LGA) 2003 sections 12). The investment of surplus funds is governed by Section 15 of the LGA 2003 and Guidance issued by the Secretary of state. Investments below £10,000 are not subject to this guidance but the Council must make a formal decision on the extent to which the guidance applies for investments between £10,000 and £50,000.

This guidance recommends that the Council produces an Annual Investment Strategy which sets out the Council's policy on managing investments.

### **OPC adopted the following investment terms at the full Council meeting on 11<sup>th</sup> February 2020**

All investments shall be made in £ sterling.

Short term investments are defined as investments up to 1 year.

Long term investments are defined as investments over one year.

Investments shall consider the following objectives to ensure the best balance between:

1. Security
2. Liquidity
3. Yield

All investments shall be "specified investments" giving relatively high security and liquidity such as short term deposits, 1, 2 or 3 year bonds or short term fixed deposits with high street banks or other funds marketed to the public sector.

"Non-specified investments" such as stocks and shares give a much higher, potential risk and shall not be considered.

The Finance Committee will review and agree all investments and every transaction will require two Councillor signatories plus the Responsible Finance Officer.

Assumptions:

3 months running costs of approximately £40,000 shall be held in the Unity Trust account to cover any unforeseen expenditure or interruption to OPC's administration.