

HAWKHURST PARISH COUNCIL

January 2020

INVESTMENT STRATEGY

Strategy – This Investment Strategy is risk adverse and is guided by 3 key principles:

1. Security – protecting capital sums
2. Liquidity – ensuring that funds invested are available for expenditure when needed
3. Yield – to secure the best rate of return subject to 1 and 2.

Risk Exposure – the Council is risk adverse and should not be investing in stocks, shares or other equity-based investments.

Risk appetite – fixed rate interest bonds of max 12m (not a long term investment with repayment within 12 months), notice account (notice not to exceed 12 months) and instant access accounts should be considered only so that capital is always protected. Loans to other bodies are not viewed as suitable investments as capital may not be protected from loss.

Since July 2015, parish councils have benefitted from the FSCS savings protection scheme. Investments with banks or building societies should not individually exceed the £85,000 protection limit without specific approval from Council.

Capacity, Skills and Culture

Capacity – All investments must be discussed and approved by Full Council.

Skills – The Parish Council is not a financially / skilled body and should limit itself to straightforward and uncomplicated investments / savings.

Culture - HPC are not dependent on profit-generating investment activity to deliver services and do not seek to be.

Investment body	Amount of capital	Term	Type	Return
Cambridge & Counties Bank	£86,786.66 (as at 30.4.19)	N/A	120 day Notice	1.8%
Cambridge Building Society	£75,339.40 (at 31.12.18)	N/A	Instant Access	0.25%
Lloyds Current	£10,000 (29.11.19)	NA	Instant Access	0.25%
Lloyds Access Reserves	£169,246 (1.11.19)	NA	Instant Access	0.25%