



MEDSTEAD PARISH COUNCIL

INVESTMENT STRATEGY

1. Introduction

Medstead Parish Council (MPC) acknowledges the importance of investing the funds held on behalf of the Medstead community prudently as part of its fiduciary duty. This Investment Strategy complies with current requirements set out by the Secretary of State for Communities and Local Government under Section 15(1) (a) of the Local Government Act 2003. The Local Government Act 2003 states that a local authority may invest:

- For any purpose relevant to its functions under any enactment and;
- For the purpose of prudent management of its financial affairs.

2. Investment objectives

MPC's investment priorities are:

- The security of all asset classes (fixed assets; land, buildings and equipment; current assets; cash and equivalent investments in approved financial institutions.);
- To hold a mix of long term and short term assets;
- To ensure adequate liquidity to meet MPC needs;
- To optimise the return on its investments commensurate with a prudent view of risk to reward.

3. Policy

MPC wishes to invest in and/or hold a range of assets of varying liquidity whilst adhering to the underlying principle of responsibility to the community by employing prudence and risk management in its decision making.

4. Long term investments – physical assets

MPC wishes to hold physical assets as long term investments; land and buildings for the long term use and enjoyment of the community. Land and buildings will be held only within the civil boundary of Medstead.

MPC may add to its stock of physical assets for community benefit, by employing its own funds or by borrowing specifically for the purpose. MPC may approach the Public Loans Works Board of the UK Debt Management Office or another reputable lender, subject to statutory compliance.

MPC will build and maintain a Sinking Fund broadly equivalent to the replacement cost of key items of equipment and of potential essential maintenance. In establishing the size of the Fund, MPC will have regard to the estimated life of equipment.

5. Specified investments

- Specified investments are those offering high security and liquidity with a maturity not exceeding 12 months.
- MPC will only make such investments with UK financial institutions that are regulated by the Financial Conduct Authority (FCA) and where protection is offered under the Financial Services Compensation Scheme (FSCS).
- MPC will not invest more than £120,000 with any single financial institution and will monitor at least half yearly that MPC, as a small Parish Council, retains eligibility for compensation under the FSCS and that its investment maximum is consistent with prevailing FSCS institutional limits.
- UK Government investments are allowable even though not covered by the FSCS. These are not subject to an £120,000 limit.
- All investments will be in GBP only. Investments in GBP but requiring currency conversion for placement are prohibited.

6. Non-specified investments

- Non-specified investments have greater risk potential e.g. investment in equities. Given the unpredictability and uncertainty of such investments, MPC will not use this type of investment.
- Investments in digital currencies, commercial paper and direct or indirect exposure to derivatives and leveraged derivatives (e.g. position trading) are prohibited.

7. Investment approval and reporting

As required, the Responsible Financial Officer will produce a quarterly investment report for council meetings.

8. Review and amendment of regulations

- The Investment Strategy will be reviewed and revised as necessary.
- Subject to the approval of MPC, the Investment Strategy may be amended at any time. Any variations will be made available to the public.

9. Freedom of information

In accordance with the Freedom of Information Act, the MPC Investment strategy will be available to view on the MPC website (www.medsteadpc.org) and available in paper form from the Parish Office.

10. Version control

| Version | Date adopted | Minute ref. |
|--------------------------|--------------------------------|-------------|
| Investment Strategy 2022 | 1 st June 2022 | 22.082(vi) |
| Investment Strategy 2024 | 14 th February 2024 | 24.030 |
| Investment Strategy 2025 | 9 th April 2025 | 25.017(e) |
| Investment Strategy 2026 | | |

This Investment Policy will be reviewed on an annual basis by Full Council.