

KIDLINGTON PARISH COUNCIL

Investment Policy

Statutory Requirements

The CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and access of its investment before seeking the highest rate of return. Kidlington Parish council recognises this statutory requirement to manage the financial risks facing it. The reserves held by the council are used to manage this risk and ensure funds are available to discharge the council's obligations to staff and suppliers.

Reserves Policy

The following types of reserves are held by Kidlington Parish Council (and included at the bottom of the balance sheet):

1. Current year fund – Day to day current account held in the Unity Trust Bank.

Includes the funds obtained through precept and income earned for the current financial year. Any surplus/deficit at the end of the current year is transferred to or from the General Reserve Fund.

2. General Reserve fund – held in short term Investment

Short term investments are those offering high security and high availability, made in sterling and maturing within 2 years.

For prudent management of its treasury balances, maintaining sufficient levels of security and availability, the Council will use Deposit Funds or Current Accounts with The Unity Trust Bank and with The CCLA Public Sector Deposit Fund.

The council shall maintain a prudent level of general reserves sufficient to ensure it can meet its on-going commitments, respond to any need for emergency or unplanned expenditure, and overcome any cash flow difficulties which might arise.

The council will normally aim to maintain general reserves of 4 months of precept.

3. Earmarked Reserves – held in short term Investment

The council will keep such sums in earmarked reserves as shall be considered necessary to support future expenditure on specific projects or as funds built up towards significant future revenue expenditure or to meet anticipated liabilities.

These funds are put aside by resolution of the council and come from charges income and precept. Council can un-earmark by the same process as they earmark expenditure.

Earmarked reserves are held in short term investment in the CCLA Public Sector Deposit Account (PSDF).

4. Useable Capital Receipts/Capital Reserves – held in short term Investments and in Long term Investments

Long term investments shall be defined as greater than 2 years. The Council will use the same criteria for assessing long term investment as identified above for Short term

investments. If required, further advice will be sought from an Independent Financial Adviser. Long Term Investments are held in the CCLA Property Fund

Access to Investments

The Chairman and Vice Chairman of the Policy & Finance Committee along with the Committee's agreement and in consultation and recommendation with the Responsible Finance Officer will determine the maximum periods for which the funds may prudently be committed so as not to compromise availability using an appropriate budget projection.

Management of Current year fund with regard to use of Short term Investments.

For prudent management of its balances and maintaining sufficient levels of security and availability, the Council will require the Responsible Finance Officer (RFO) to transfer approximately 75% of the Precept from Current Account (Unity Trust) to Short term investment (PSDF) at the beginning of the Financial year and thereafter to periodically transfer funds back to the current account to meet the Council's financial obligations.

Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

Review and amendment of regulations

The policy will be reviewed annually.

The Council reserves the right to make variations to the policy at any time, subject to approval of the Committee. Any variations will be made available to the public.

Freedom of Information

In accordance with the freedom of information Act 2000, this document will be available to view at Parish Office.

Authorisation – Investment Reports and Responsibility

Investments will be authorised by the Policy & Finance Committee in consultation with the Responsible Finance Officer and reported at the next meeting of the Full Council. The Council is ultimately responsible for its investments.

Adopted November 2020