



INVESTMENT & BORROWING STRATEGY 2024

Introduction

Nettleham Parish Council's investments throughout 2024 and beyond will exceed £100,000 and acknowledges the importance of prudently investing surplus funds held on behalf of the community.

In preparing its strategy the Council is required, under Section 15(1) of the Local Government Act 2003 to have regard to such Guidance as the Secretary of State may issue.

The current Statutory Guidance on Local Government Investments (3rd Edition) came into force on 1 April 2018.

The statutory guidance applies:

- To all local authorities, including Parish Councils;
- Providing the Council's total investments exceed or are expected to exceed £100,000 at any time during the financial year.

The guidance recommends that a council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security.

3. Investment Objectives

The Council's investment priorities are:

- the security of reserves and its liquidity of its investments;
- to achieve the optimum return on its investments commensurate with proper levels of security and liquidity;
- all investments will be made in sterling;
- the Council will also seek investment opportunities that are 'ethical' and contribute positively to the environment alongside consideration of yield; subject to such investments complying with the statutory guidance in this document.

The Department for Communities and Local Government maintains that borrowing of monies purely to invest or to lend and make a return, is unlawful and this Council will not engage in such activity.



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Specified Investments

Are those offering high security and high liquidity, made in sterling and with maturity of no more than one year. Investments placed with the UK Government, a UK Local Authority, or a Town or Parish Council will automatically be specified investments.

For the prudent management of its treasury balances and for maintaining sufficient levels of security and liquidity, the Council will use deposits with banks, building societies, local authorities or other public authorities. To satisfy this strategy each bank must hold a UK banking licence and be a members of the Financial Services Compensation Scheme.

Non-Specified Investment

Is any other type of investment where there can be a greater risk e.g. investment in money market, stocks and shares and where professional investment advice will likely be required.

Given the unpredictability and uncertainty surrounding such investment, the Council will not use this type of investment.

Long term Investments

These are defined as investments that are made for a period greater than 12 months. The Council does not currently hold any funds in long term investments and none are envisaged during the financial years 2024/25.

Loans

The Council is currently developing plans for extension of the existing cemetery into the Swathe and depending upon the capital costs involved, may consider taking out a loan. Generally, the Council would consider making a loan application with the Public Works Loan Board. Any borrowing undertaken needs to be affordable and sustainable. Before seeking agreement from the Parish Council to make an application for a loan, the Council will develop a business case setting out how the loan will be repaid, over the term e.g. via revenue generated from services provided or by including sufficient provision for loan payments, each year, in the Council's precept submission.

Investment Approval

The Council will consider and make investments, in accordance with the Annual Investment Strategy, Financial Regulations and Government Guidance. These investments will be recorded at the Annual meeting of the Parish Council.



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Investment Reports

The Responsible Financial Officer will prepare a report on investment activity for full Council, at least twice per year.

Review of this strategy

The Investment Strategy will be reviewed as a minimum annually and approved by full Council before commencement of a new financial year. The Council reserves the right to make variations to the Strategy at any time, subject to the approval of full Council. Any variations will be made available to the public.

Risk Assessment

The Council does not employ in-house or external financial advisers but will generally rely on information which is publicly available. The risks associated with investments will be kept to a minimum by using high quality organisations including the UK Government or a local authority. The Council will invest surplus monies in banks and other appropriate financial organisations, as agreed by full Council.



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APPENDIX A

Bank Interest Rates as at 11th January 2024

| Bank | Account | Notice | Interest Rate | Interest Paid |
|-----------------------|--|--|---|--|
| Metro Bank (9.5) | Instant Access | None | 4.0% | Monthly |
| Cynergy Bank | Online Easy Access | None | 3.65% | Annual |
| Beehive Money | Limited access | None | 4.55% (max 2 withdrawals pa year) | Annual |
| Principality BS | Branch 5 Bonus Saver | None | 4.85% (max 2 withdrawals pa year) 3.65% (max 3 withdrawals pa) | Annual |
| Cahoot | Simple Saver | None | 5.12% (auto matures after 12 months). No restrictions on withdrawals. | Annual |
| Tide (12) | Business Savings | None | 4.33% | Annual |
| Skipton BS | Single Access 1 | None | 3.8% | Annual |
| Co Op Bank (12.5) | 95 Day notice 35 day notice Business Select | 95 days 35 days None | 2.5% 2.12% 1.62% | Bi annually Bi annually |
| Unity Trust Bank (12) | 24 Deposit 12 Deposit 6 Deposit 90 Day deposit 30 Day deposit Instant | 24 months 12 months 6 months 90 days 30 days None | 5.2% (min: £100k) 5.0% (min: £100k) 4.0% (Min: £100k) 3.06% (Min: £100k) 2.96% (Min: £100k) 2.2% | Annual Annual 6 monthly Monthly Monthly Monthly |
| Charity Bank | Ethical Easy Access Ethical 40 day Ethical 1 Year | None 40 days 1 year | 3.22% 3.11% up to £24,999 3.26% over £25,000 4.86% | Monthly Monthly Monthly Annual |
| Allica Bank | 95 day notice East Access 12 Month Fixed | 95 days None 12 months | 4.51% 3.65% 5.10% | Annual Annual Annual |
| Redwood Bank | Savings Account Savings Account | 35 days 95 days | 3.75% 4.30% | Annual Monthly |

Ethical Consumer Scores are shown in brackets where known.



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APPENDIX B

Suggested Investment Proposal

Maintain £25,000 in current account

Maintain £50,000 in bankers everyday savings account (currently Co-Op at 1.65%)

Invest:-

I estimate that at the end of January there will be approx. £300,000 available for further investment.

£85,000 with Cahoot at 5.12% (interest estimated at £4352 pa)

£85,000 with Tide at 4.33% (interest estimated at £3680 pa)

£85,000 with Redwood (95 day notice) at 4.3% (interest estimated at £3655 pa)

£45,000 with Metro at 4% (interest estimated at £3400 pa)

Any surplus funds available to be invested with Metro up to £85,000.

Any further funds available to be invested up to a maximum of £85,000 in:-

Skipton BS at 3.8% (interest estimated at £2090 pa)

Redwood Bank at 3.75%

Allicia Bank at 3.65%

Any investments to be made after February 2024 or whereby any investment is contrary to this policy would be brought back to full Council for approval.