

## **Investment Strategy**

### **Overview**

This document sets out the Investment Strategy for Appleton with Eaton Parish Council (AWEPC) and is in line with STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS (3rd Edition) Issued under section 15(1)(a) of the Local Government Act 2003 and effective for financial years commencing on or after 1 April 2018. AWEPC is committed to effective management of its investments to ensure that:

- It maintains the security of its cash balances whilst retaining sufficient liquidity to meet its spending plans.
- Savings and investments are managed effectively.
- Any capital expenditure plans are affordable.
- Any external borrowing or long-terms liabilities are within prudent and sustainable levels

### **Investment Strategy**

AWEPC acknowledges the importance of prudently investing any cash balances that it holds during its normal business on behalf of the parish of Appleton with Eaton.

In accordance with [section 15\(1\)\(a\) of the Local Government Act 2003](#) the council will have regard to any [guidance and regulations that the Secretary of State may issue](#).

### **Investments**

AWEPC's investment priorities are the security of its cash reserves and the liquidity of its investments. AWEPC will aim to achieve the optimum return on its investments commensurate with appropriate levels of risk management and the security of cash balances.

AWEPC will only make deposits in specific investments with UK banks or building societies, UK government authorities or UK based financial establishments.

AWEPC's deposits are currently held with Unity Trust Bank with two accounts:

1. A current account
2. An instant access account

The council's savings and investments will be reviewed regularly.

### **Liquidity**

AWEPC will aim to hold no more than £20,000 in its current account, transfers will be made from the council's current account, in which the precept is paid, in order for AWEPC to undertake its normal

business. Transfers between accounts will be authorised by two councillors who are authorised signatories on the account.

### **Long term investments (greater than 1 year)**

Any decisions regarding long-term investments will be made by AWEPC, which will agree the length and amount of the investment, after consideration of the risks and security against the potential yield of the investment.

### **Risk Assessment**

The council is covered under the Financial Services Compensation Scheme (FSCS), but only up to the maximum up to £120,000 per eligible business, per bank, building society or credit union. The Council will only do business with institutions which have registered with the FSCS.

The council should aim to spread its investments across multiple opportunities to ensure that its investments are covered under this scheme.

Where the compensation scheme is not available the council will only invest with organisations that have a high credit rating or profile.

### **Reporting of performance**

Investment performance will be reported back to AWEPC and an annual summary will be included in the end of year financial reports.

### **External borrowing**

AWEPC acknowledges that should AWEPC look to deliver some larger projects it may need to consider seeking borrowing approval from the council.

The council will only agree borrowing for specific capital projects, as defined in Section 6 of the Local Government Act 2003.

Before a council can borrow money, it must obtain approval from the Ministry of Housing, Communities and Local Government (MHCLG). This application would be submitted via Oxfordshire Association of Local Councils (OALC) who will review the application.

### **Document Review**

The document was adopted on the 13<sup>th</sup> April 2026 and will be reviewed annually at the Annual

Appleton  
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Parish Council Meeting.