GORING-ON-THAMES PARISH COUNCIL

Appendix G

Investment Policy & Strategy

1. Introduction

Parish Councils have the power to invest for any purpose relevant to their functions under any enactment, or for the purposes of the prudent management of their financial affairs (s17, Local Government Act 2003).

The Local Government Act 2003 defines an investment widely, covering all a Parish Council's financial assets as well as other non-financial assets which are held mainly or partially to generate a profit e.g. investment property portfolios. It also covers loans made by Parish Councils.

HM Government's Statutory Guidance on Local Government Investments (3rd edition) was issued under section 15(1)(a) of the Local Government Act 2003. This guidance is mandatory where investments of a Parish Council are or are expected to exceed £100,000 at any point in a financial year and is followed here.

Goring-on-Thames Parish Council (GPC) can hold temporary surplus funds because
a) the precept arrives in April and October but is spent over the FY and
b) because funds in the Earmarked Reserve (EMR) are not required for routine expenditure but are accumulated for pending capital projects such as traffic, playgrounds, refurbishment of pavilion etc.

This Strategy and Policy should be read in conjunction with section 8 of GPC's Financial Regulations.

2. Policy

There are two defined classes of potential investments:

1. Treasury Management Investments – these are made to support effective treasury management activities e.g. cash flow management, banking and investing cash deposits.

2. Other investments – (GPC have had no such investments.)

GPC will operate a prudent investment policy for its temporary surplus funds giving priority to three key objectives in the following order of importance:

Security – protecting the capital sum invested against loss.

Liquidity – ensuring that funds invested are available for expenditure when needed; and

Yield (return) – once appropriate levels of security and liquidity have been determined, GPC will strive for the best rate of return consistent with this.

2.1. Security

As well as ensuring funds can only be withdrawn with at least 2 Council authorisers, or to another GPC account, GPC aims to protect against capital loss as follows:

Financial Services Compensation Scheme
This scheme protects savings up to a specified limit in the event of failure of a financial services firm. The current limit is £120,000 per authorised institution.

GPC will strive to spread investments over different institutions and keep within the FSCS limit where possible. However, we will take into consideration the perceived risk of financial organisation failure compared with the administrative burden of managing numerous accounts.

In practise not many organisations offer savings accounts which are open to Parish Councils, without also holding a current account with the same organisation, and which allow management online. This may sometimes limit the ability to keep all funds in accounts with £120,000 FSCS protection. When this is the case GPC will strive to spread its funds approximately evenly over its investments to avoid having "too many eggs in the same basket".

Risk Assessment and Mitigation
GPC will not make investments unless it has enough understanding to make an informed decision.

GPC's aim is to invest via simple financial instruments which do not require expert knowledge or external advisors. Investment decisions will be based on publicly available information on yield and credit ratings.

Our Officers and Cllrs might not have expertise in investment analysis so if GPC should wish to consider more complex investment types, GPC will make training available to Officers and Cllrs as appropriate and/or get professional advice.

This information will be reviewed by the Finance Committee at least annually, and more often if there is a marked deterioration in performance, credit rating or market conditions. GPC will act to protect funds as necessary.

Financial Investments

- Specified Investments - these are made in sterling, for twelve months or less and are with a 'high quality' body or investment scheme or with the UK Government or another Local Authority. We consider UK banks and building societies that are protected by the Financial Services Compensation Scheme and investment schemes or rated 'A' or above by a credit rating agency *(*one of the following three companies: Standard and Poor's, Moody's Investors Service Ltd; and Fitch Ratings Ltd*)* to be 'high quality'. We also consider deposits with other public authorities and the Church Charities and Local Authorities (CCLA) Public Sector Deposit Fund to be 'high quality'. GPC will mainly make this type of investment.

- Loans – The Department for Communities and Local Government maintains that borrowing of monies purely to invest or to lend and made a return, is unlawful. GPC will not engage in such activity. (GPC has made some short-term interest free loans to local organisations for specific purposes benefitting the local community.)

- Non-specified investments – investments which do not meet the Specified Investment criteria and are not Loans e.g. investments over twelve months, stocks and shares. They are potentially riskier but may offer higher yields. GPC will not invest directly in the money market, stocks or shares. GPC will only make non-specified investments in sterling, with a 'high quality' body or scheme or with the UK Government. GPC will only make investments over one year if we are satisfied that enough funds remain available for expenditure when needed.

Non-financial investments

- GPC owns land and buildings all but one of which are regularly used for provide services to the community (eg playgrounds, sports fields, burial grounds, sports pavilions etc). These are not held for investment and there is no plan to sell any. (It is planned to sell the former GPC office (the Old Jubilee Fire Station) to the Medical Practice but it has not been held as an investment.)

2.2. Liquidity

The Council aim to ensure liquidity by tasking the Finance Committee with ensuring that funds invested are available for expenditure when needed by carrying out an annual cash flow forecast, normally before the start of the financial year, to determine the maximum period that funds may prudently be committed.

The Council aims to ensure instant access to at least £20,000 at the start of each month, unless a more detailed forecast has been accepted by the Finance Committee.

Any funds available from the General Reserve will be invested in deposits requiring no more than three months' notice to allow quick access in case of emergency.

It should be possible to invest part of the Earmarked Reserves (EMRs) for a longer term if the Finance Committee is satisfied that the funds will not be needed before the investment matures. The Investment Strategy should be reviewed as GPC's plans for spending EMRs are agreed to ensure that funds are available when required.

GPC will only make investments over one year if satisfied that enough funds remain available for expenditure when needed.

2.3. Yield (return)

Subject to suitable Security and Liquidity GPC will prefer investments with a higher yield, also taking into account the convenience of operating any related account.

3. Strategy (FY 2026-7)

3.1. Current position – 28 Feb 2026

GPC's has the following accounts:

Institution	Product / Access	Sum invested on 1/3/26	Notice (days)	Yield	Fixed / Variable	FSCS
TSB Bank PLC	Current /Instant	£25,488.94	0	0%	Fixed	Y
TSB Bank PLC	Deposit /Instant	£47.81	0	1.48%	Variable	Y
Hinckley & Rugby Building Society	Instant	£240,000.00	0	1.65%	Variable	Y
Unity Trust Bank	Instant	£100,607.36	0	2.12%	Variable	Y
Hampshire Trust Bank	INSTANT	£0	0	3.61%		Y
Redwood Bank	95-day notice	£120,000	90	4.3%	Variable	Y
Mansfield Building Society	180-day notice	£0	180	3.85%		Y
Unity Trust Bank	12-month	£85,000.00	365	4.0%	Fixed	Y
Total		**£571,144.11**				

Review of existing investments
The providers above are the only ones identified as suitable for GPC investments. Well known banks required a current account to be held with them to allow a saving account to be opened, which would prove an unwelcome distraction.

Both Unity Trust Bank and Redwood bank currently contain more funds than are protected by the £120,000 FSCS protection. Without further account providers it has been inevitable that some of the investments must be in excess of the FSCS limit.

3.2. Changes anticipated during FY2026-7

To forsee expenditure, and hence funds available for investment, a very simple cash flow model assumes:

- Precept funds arrive in 2 tranches on 1 April and 1 October
- Precept funds are spent at a uniform monthly rate
- £135,000 for Gardiner playground refurbishment is payable by end of March
- £3,000 for Natural Burial Ground setup is payable by end of June
- £25,000 for Ferry Lane surfacing is payable by emend of July
- £30,000 for Neighbourhood Plan review is payable by end October

In the table below the resulting expected balance at the end of each month is shown in bold, together with a distribution of these funds over our existing accounts always keeping £20,000 in TSB for day-to-day expenditure, keeping a further £50,000 instantly available, and keeping within £120,000 FSCS limits whenever possible.

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Month (end month bold)	Description	Amount	Total Funds	Unity 12-mo 4.00%	Mansfield 180-day notice 3.85%	Redwood 95-day 4.3%	HTB Instant 3.61%	Hinck instant 1.65%	Unity instant 2.12%	TSB instant 1.48%	TSB current instant 0%	Total instant
From	**01/03/26**			**01/03/27**	**28/08/26**	**04/06/26**						
							keep>50k		**£27/wdl**			
				4.00%	**3.85%**	**4.30%**	**3.61%**	**1.65%**	**2.12%**	**1.48%**	**0.00%**	
Starting Funds	**01-Mar**	**spend**	**571,144**	**85,000**	**0**	**120,000**	**0**	**240,000**	**100,607**	**48**	**25,489**	**366,144.11**
Q4 March	from precept	-16,632	554,512	85,000	1,000	120,000	162,512	160,000	1,000	5,000	20,000	**348,512.11**
Q4 March	VaT refund from Q4	3,400	557,912	85,000	1,000	120,000	165,912	160,000	1,000	5,000	20,000	**351,912.11**
Q1 April	Gardiner Playground	-135,000	422,912	85,000	1,000	120,000	118,912	72,000	1,000	5,000	20,000	**216,912.11**
Q1 April	Playground VAT	-27,000	395,912	85,000	1,000	120,000	119,912	44,000	1,000	5,000	20,000	**189,912.11**
Q1 April	Precept 1st tranche	119,423	515,335	85,000	120,000	120,000	119,335	45,000	1,000	5,000	20,000	**190,335.11**
Q1 April	from precept	-19,904	495,431	85,000	120,000	120,000	119,431	25,000	1,000	5,000	20,000	**170,431.11**
Q1 May	playground VAT refund	27,000	502,527	85,000	120,000	120,000	119,527	32,000	1,000	5,000	20,000	**177,527.11**
Q1 May	from precept	-19,904	475,527	85,000	120,000	120,000	119,527	5,000	1,000	5,000	20,000	**150,527.11**
Q1 june	347 EMR WHBG Natural Burials setup	-2,965	499,562	85,000	120,000	120,000	119,562	29,000	1,000	5,000	20,000	**174,562.11**
Q1 june	from precept	-19,904	479,658	120,000	120,000	120,000	92,658	1,000	1,000	5,000	20,000	**119,658.11**
Q2 July	pave ferry lane	-25,000	454,658	120,000	120,000	120,000	67,658	1,000	1,000	5,000	20,000	**94,658.11**
Q2 July	from precept	-19,904	434,754	120,000	120,000	116,000	51,754	1,000	1,000	5,000	20,000	**78,754.11**
Q2 August	from precept	-19,904	414,850	120,000	120,000	97,000	50,850	1,000	1,000	5,000	20,000	**77,850.11**
Q2 September	from precept	-19,904	394,946	120,000	120,000	70,000	57,946	1,000	1,000	5,000	20,000	**84,946.11**
Q3 October	NP Review	-30,000	364,946	120,000	120,000	47,000	50,946	1,000	1,000	5,000	20,000	**77,946.11**
Q3 October	from precept	-19,904	345,042	120,000	120,000	28,000	50,042	1,000	1,000	5,000	20,000	**77,042.11**
Q3 October	Precept 2nd tranche	119,423	464,465	120,000	120,000	120,000	77,465	1,000	1,000	5,000	20,000	**104,465.11**
Q3 November	from precept	-19,904	444,561	120,000	120,000	120,000	57,561	1,000	1,000	5,000	20,000	**84,561.11**
Q3 December	from precept	-19,904	424,657	120,000	120,000	107,000	50,657	1,000	1,000	5,000	20,000	**77,657.11**
Q4 January	from precept	-19,904	404,753	120,000	120,000	87,000	50,753	1,000	1,000	5,000	20,000	**77,753.11**
Q4 February	from precept	-19,904	384,849	120,000	120,000	67,000	50,849	1,000	1,000	5,000	20,000	**77,849.11**
Q4 March	from precept	-19,904	364,945	120,000	120,000	47,000	50,945	1,000	1,000	5,000	20,000	**77,945.11**

3.3. Proposal 2026/27

From the table above it may be seen that

- a 1-year investment account containing £120,000 can be renewed.
- A 180-day notice account with Mansfield can have £120k invested
- Once the £135,000 for playgrounds is spent the amount in the Hinckley & Rugby account can reduce to below the FCFS protection limit of £120,000.

The Finance Committee will

- review interest rates monthly and recommend the distribution funds across accounts (following the above table to the extent that this remains viable.)
- check monthly if notices would be prudent for the 180-day and/or 95-day accounts.
- review Investments if there is a significant change in interest rates, perceived risk of financial institution failure or economic climate.
- seek to identify further suitable accounts at least quarterly.
- report on the status of investments at each Full Council.

In accordance with the Freedom of Information Act 2000, this Document will be posted on the Council's website.

4. Approval

This document was approved for use at the meeting of the Parish Council on xx May 2026, it shall be updated annually for the start of each new FY.

Signed:

Chair
Dated: xx May 2026