



Pinchbeck Parish Council

Annual Investment Strategy

2026-2027

1. Introduction

- 1.1. Pinchbeck Parish Council (“the Council”) recognises the importance of investing surplus funds prudently, in accordance with proper practices, so that public money is safeguarded and remains available for the Council’s functions.
- 1.2. As the Council expects its total investments to exceed £100,000 during the financial year 2026-27, this Annual Investment Strategy has been prepared in accordance with the [Statutory Guidance on Local Government Investments](#) issued under [Section 15\(1\)\(a\)](#) of the [Local Government Act 2003](#).

2. Definitions

- 2.1. The Council adopts the following definition of treasury management activities:
“The management of the Council’s cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.”
- 2.2. For the purposes of this strategy, a credit rating agency means one of the following:
 - Standard and Poor’s.
 - Moody’s Investors Service Ltd.
 - Fitch Ratings Ltd.
- 2.3. A Specified Investment is an investment which satisfies all of the following conditions:
 - it is denominated in sterling.
 - it is not a long-term investment, being repayable within 12 months.
 - it is not defined as capital expenditure by virtue of regulation.
 - it is made with a body or in an investment scheme of high credit quality, or with one of the public-sector bodies or schemes identified in statutory guidance.
- 2.4. A Non-Specified Investment is any investment that does not meet the definition of a Specified Investment.
- 2.5. A non-financial investment is a non-financial asset held primarily or partly for the purpose of generating income or making a profit from its disposal.

3. Policy

- 3.1. This strategy sets out the Council’s objectives, policies, approved investment types, risk management approach, and reporting arrangements for the management of its investments.
- 3.2. This strategy should be read alongside the Council’s Financial Regulations and any relevant provisions of the Council’s budget and accounting arrangements.

4. Investment Objectives

- 4.1. The Council’s investment priorities shall be, in order:
 1. Security – protecting the capital sum invested from loss.
 2. Liquidity – ensuring that funds are available when required for expenditure.
 3. Yield – obtaining an appropriate return consistent with proper levels of security and liquidity.
- 4.2. The Council will not seek to maximise return at the expense of security or liquidity.

5. Types of Investment

- 5.1. For the financial year 2026-27, the Council will invest only in Specified Investments.

- 5.2. The Council will not place funds in Non-Specified Investments.
- 5.3. The Council does not propose to acquire any new non-financial investments during the financial year 2026-27 under this strategy.

6. Risk Assessment

- 6.1. The Council will seek to ensure that its investments are held with institutions or in instruments of high credit quality and with appropriate regard to security and liquidity.
- 6.2. Where relevant, the Council will have regard to information available from the recognised credit rating agencies listed in Section 2.2, together with other available financial and regulatory information.
- 6.3. The Council will seek to use institutions with strong short-term and/or long-term creditworthiness, taking account of ratings, market information, regulatory status, and general economic conditions.
- 6.4. The Council will spread investments across more than one institution where appropriate to reduce counterparty risk.
- 6.5. The Council acknowledges that eligible deposits may be protected by the Financial Services Compensation Scheme up to the prevailing limit but will not rely solely on that protection when determining where to place funds.

7. Annual Investment Strategy Setting Process

- 7.1. As part of the Council's annual budget-setting process, the Finance Committee shall consider the Council's cash flow position and anticipated investment balances.
- 7.2. Each year, the Finance Committee shall prepare a draft Annual Investment Strategy for consideration and approval by full Council.
- 7.3. The strategy shall include, as appropriate:
 - the categories of investment authorised for use.
 - the Council's investment priorities.
 - a review of current investments and available options.
 - the maximum amount to be held with any one institution or investment type.
 - the maximum period for which funds may be committed.
- 7.4. The Clerk and Responsible Financial Officer shall be responsible for implementing the approved strategy.
- 7.5. Management of, and access to, investment accounts shall be in accordance with the Council's Financial Regulations and any banking mandates approved by the Council.

8. Investment Strategy for 2026-2027

- 8.1. For the financial year 2026-27, the Council will place surplus funds only in Specified Investments denominated in sterling.
- 8.2. Funds required for day-to-day expenditure and short-term cash flow purposes will ordinarily be held in the Council's main bank account with Barclays Bank plc.
- 8.3. Surplus funds not required for immediate expenditure may be deposited in the following institutions, subject always to the requirements of security and liquidity:
 - Barclays Bank plc
 - Unity Trust Bank plc
 - The Co-operative Bank plc
- 8.4. The maximum sum to be held with any one banking institution should normally not exceed £120,000, unless the Council considers that a temporary operational need, short investment duration, or other risk-based justification supports a higher balance.
- 8.5. Investment periods shall normally be for no longer than 12 months.
- 8.6. The Council will keep under review whether operational or market conditions require the early withdrawal, transfer, or redistribution of funds.

9. End of Year Investment Report

- 9.1. The Clerk and Responsible Financial Officer shall report investment activity to the Finance Committee during the year as appropriate.
- 9.2. An annual report on investment activity for the financial year shall be made to full Council as soon as reasonably practicable after the end of that year.
- 9.3. The annual report shall include a summary of investments held, interest received, and any issues arising in relation to security, liquidity, or compliance with this strategy.

10. Review and Amendment of Strategy

- 10.1. This Annual Investment Strategy shall be reviewed annually.
- 10.2. The Council may amend this strategy at any time by resolution of full Council.
- 10.3. Any approved amendments shall be recorded in the minutes and made available to the public.

11. Publication

- 11.1. In accordance with the Freedom of Information Act 2000 and the Council's publication arrangements, this Annual Investment Strategy shall be available for inspection and published on the Council's website.