



St Andrew's Church, Oxshott - PCC Policy Document

Investment Policy

Custodian	Version Number	Date Approved by PCC	Issue Date	Review Date
Carl Jackson	2	March 2022	February 2022	March 2025

Introduction

This policy relates to the investment of funds overseen by the Parochial Church Council (PCC) of St Andrew's Church ('St Andrew's' or 'the Church').

St Andrew's has a main current account with Barclays Bank plc, an interest bearing account with Barclays Bank plc and a CBF Deposit account provided by CCLA (www.ccla.co.uk). In addition, a separate account is maintained at Barclays for the restricted Development Fund monies.

The PCC's current Reserves Policy (*see separate policy document*) is to hold sufficient free reserves (designated as short term reserves) to ensure the protection of St Andrew's core activities and any special projects. The target for free unrestricted reserves is set on a risk basis to provide an income reserve in the event that planned giving, donations and other income fail to achieve budget; to provide a small opportunity reserve to enable the Church to be able to respond to requests from mission partners; and to provide funds to cover emergency situations. Any reserves held in excess of the targeted free unrestricted reserves may, at the discretion of the PCC, be designated as long term reserves and invested in accordance with this policy.

Short-term reserves are held in the main current account with an automatic transfer made of monies in excess of £2,000 to the interest bearing account. Transfers to and from the CBF Deposit account are made as required at the Treasurer's discretion.

General statement of policy

As regards investment objectives:

1. The PCC seeks to produce the best financial return within an acceptable level of risk.
2. The investment objective for any long-term reserves is to generate a return in excess of inflation over the long term whilst generating an income to support the on-going activities of the church.
3. The investment objective for the short-term reserves is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

The PCC has also adopted the Church of England policy as regards ethical investments, as set out in their Statement of Ethical Investment Policy of March 2017.

Organisation and responsibilities

1. The PCC is responsible for agreeing the policy, and monitoring its overall effectiveness.
2. The Hon Treasurer of the PCC, Carl Jackson, has day-to-day responsibility in relation to those funds overseen by the PCC.

Arrangements

Assets

The PCC's assets can be invested widely and those designated as long-term reserves (typically 5 years or more) should be diversified by asset class, by manager and by security. Asset classes could include cash,

bonds, equities, property, structured products, private equity, commodities and any other asset that is deemed suitable for a charity.

The PCC will agree a suitable asset allocation strategy for the reserves.

Currency

All short-term reserves will be held in Sterling. Long-term reserves may be invested in assets held in other currencies.

Credit

The PCC's cash balances will be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund.

Liquidity requirements

Income from the long-term reserves will be used to fund the PCC's activities. At least 50% of the long-term reserves will be held in investments that can be realised within three months. All of the short-term reserves should be realisable within one month.

Delegation to advisers

If the PCC so decides, it may delegate the management of investments to a properly authorised and regulated adviser or advisers provided that:

- The investment policy is set down in writing by the PCC
- Timely reports of all transactions are provided to the PCC
- The performance of the investments, measured against inflation and agreed market indices or benchmarks, is reviewed annually with the PCC
- The PCC is entitled to cancel the delegation arrangement at any time
- The investment policy and the delegation arrangements are reviewed annually
- All payments due to the authorised advisers are on a scale or at a level which is agreed in advance

Further information

- Full details of the Church of England's ethical investment policy, published March 2017 by the Church of England Ethical Investment Advisory Group, can be found at:
www.churchofengland.org/sites/default/files/2017-11/Statement%20of%20Ethical%20Investing%20Policy%20March%202017.pdf

Policy agreement

This policy was adopted by the PCC at its meeting on 22 March 2022.

(signed) F A Trickey (Vicar)

(The original signed document is retained as part of the formal PCC minutes.)

Policy monitoring

1. The PCC is responsible for monitoring the overall effectiveness of this policy.
2. This policy will be reviewed every three years, or more frequently if required in line with any legislative changes, etc. This review will be carried out by the Treasurer and the PCC.