



Cranleigh Parish Council REQUEST FOR PROPOSAL FOR INVESTMENT MANAGEMENT SERVICES

Introduction

Cranleigh Parish Council (Cranleigh Parish Council or the Council) was formed in 1894 under the reformation of local government under the Local Government Act 1894. It consists of 12 elected Parish Councillors across five wards: Cranleigh East, Cranleigh West, Cranleigh North, Cranleigh Rural and Elmbridge.

The Council has an extensive portfolio of property in the heart of Cranleigh village. Cranleigh is located in the borough of Waverley and county of Surrey.

Cranleigh Parish Council has recently carried out a review of its Investment Strategy. It has changed the terms to reflect a need to address the issues of poor yield from short notice, low risk investments. Inflation is eroding the value of reserves and forcing the Council into a position whereby it cannot meet its commitment to the achieve sustainable Yield, which forms one of the three core pillars of public finance: the others being Security and Liquidity.

We are now seeking an investment management business who can help us manage the Council's capital to offset the effects of the rising inflation.

Scope of Services

The firm selected will be required to provide the following services:

1. Investment of Funds

The firm must effectively invest the Cranleigh Parish Council's funds, providing discretionary investment management services, pursuant to the approved investment policy and cash flow needs.

2. Written and Oral Reports

In line with regulatory requirements, the firm must provide a written report, as required, on a monthly basis demonstrating the portfolio performance and the current information about the portfolio, as described in the investment policy. The firm must also be available to make periodic oral reports to the Council.

3. Evaluation of Investment Policy

The firm must annually assist in the review of the Cranleigh Parish Council's investment policy. The proposed changes to the investment policy will be presented in final draft form to the Cranleigh Parish Council Finance Committee prior to submission to the full Council.

Proposal Requirements

For the purposes of quoting for this service, it is important to know that the Parish Council has funds of circa £500,000 across all categories of reserves, but currently invests £200,000 of this on low interest-bearing deposit accounts. The Council will pursue a strategy to maximise the reserves in interest or capital growth-based instruments according to the principles of a set of attached terms of reference.

The full investment strategy for Cranleigh Parish Council is available here:

http://cranleigh-pc.gov.uk/_UserFiles/Files/Policies%20and%20Other%20Documents/Investment%20Strategy%202022.pdf

However for the purposes of this Request For Proposal, the Council's priorities are, in the following ranking order:

- (i) The security of capital to minimise the risk of losses.
- (ii) The liquidity of investments to meet the cash flow needs of the Council.
- (iii) Maximising income within the framework of the national economic situation.

The Council will aim to achieve a high rate of return on investments commensurate with adequate safeguards of security and liquidity.

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

Finally the Parish Council seeks an ethical investment approach, ideally with a focus on sustainable investments.

Selection Process

Proposals will be evaluated based on the following criteria:

1. Understanding the scope of the assignment,
2. Experience and qualifications of firm and individuals assigned,
3. Recommended approach to management of Cranleigh Parish Council's portfolio,
4. Familiarity with state investment and reporting requirements,
5. Performance history, and
6. Fees

Upon receipt of the proposal, the Parish Council will review each firm's response to this Request for Proposal. Cranleigh Parish Council reserves the right to reject any or all proposals at its sole discretion. At their discretion, staff may seek to interview one or more firms to further assist in the review process.

All proposals must be received by the Parish Council Clerk **by 5.00pm on Friday 10 March 2023.**

Please email your proposals to clerk@cranleigh-pc.gov.uk

Questions concerning this Request for Proposal should be addressed to: Beverley Bell, Parish Clerk by email at: clerk@cranleigh-pc.gov.uk

The following is the selection timetable:

- Proposals due by 5.00pm Friday 10 March 2023
- Review proposals at Council meeting on Thursday 16 March 2023

Cranleigh Parish Council reserves the right to cancel and/or modify the above dates at anytime or to make a dual appointment.