

Investment Policy

Introduction

- This policy is prepared with regard to the Local Government Act 2003 and the Statutory Guidance on Local Government Investments (Third Edition, effective from 1 April 2018).
- Harpole Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the council.

Objectives

- The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
- The general policy objective of the Council is prudent investment of its balances. The Council's investment priorities are:
 - Security of reserves
 - Liquidity of Investments

Investment Policy

- The Parish Council shall diversify its reserves between multiple relatively highly rated UK banks, building societies or sector specific financial products. The Parish Council shall only use specified investments as defined by the current statutory guidance issued under the Local Government Act 2003.
- An agreed percentage of the Council's ear marked reserves shall be placed on interest bearing term/notice deposits.
- To retain liquidity these should be placed with phased end dates i.e. there will always be some maturing sooner than others.
- The Council will avoid excessive concentration of funds with any single banking group and will seek diversification across institutions.
- Investments shall be decided and placed by the Responsible Financial Officer having used due diligence including as a minimum finance search engines and ratings agencies to achieve best value.
 - This shall be under the oversight of a standing Banking and Investments working group of two members of the Finance Committee
 - The actual movement of money shall be by the usual authorised signatories
- Subject to the primary objectives of security and liquidity, the Council may have regard to environmental, social and governance considerations when selecting investment institutions.

Revision

- Any revisions to this policy shall be approved by the Full Council.
- The relevant committee shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new financial year. Where no changes are proposed, Full Council shall note the policy.

- The Council will keep under review its eligibility for Financial Services Compensation Scheme (FSCS) protection and take this into account when determining investment limits with individual institutions.

Adopted: 9th May 2023

Reviewed and readopted: 7th September 2026

Next Review: September 2028