Dalton Parish Council

Investments Policy

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INTRODUCTION

1.1 A local council may invest funds for any purpose relevant to its statutory functions or for the purpose of prudent financial management (ss.12, 19 and 23 LGA 2003 LGA2003 s12 onwards). The latest guidance on local authority investments was issued by the Department of Levelling-Up, Housing and Communities (DLUHC) in 2018.

1.2 Dalton Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the Council.

OBJECTIVES

2.1 The general policy objective of the Council is prudent investment of its balances. The Council's investment priorities are:

(i) Security of reserves
and then
(ii) Liquidity of investments

2.2 The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

INVESTMENT POLICY

3.1 Dalton Parish Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies. The Council shall only use specified investments as defined by DCLG guidance.

3.2 A significant percentage of the Council's reserves shall be placed on interest bearing term/notice deposits.

3.3 To retain liquidity these shall be placed with phased end dates i.e. there will always be some maturing sooner than others.

3.4 No one investment shall be for a period longer than 12 months.

3.5 The Council shall only invest with banks/building societies covered under the Financial Services Compensation Scheme (FSCS). The standard FSCS protection limit is £120,000.00 per deposit taker, per individual or per non-financial corporate. This means that if a parish council has multiple accounts with different banks, each account up to the limit is protected, but the total protection from one bank is capped at £120,000.00. Therefore, the Council will aim to limit funds with each organisation to be under £ in order to protect public money. The Council shall ensure the banks/building societies are not linked to any other investments with the same/linked compensation scheme registration number as some banks can share a registration number. The FSCS offers protection for deposits held by small local authorities with annual budgets up to 500,000 Euros (approx £430,950.00).

3.6 Investments shall be researched by the Responsible Financial Officer and presented to the Finance & Employment Committee or to Full Council.

b. The actual movement of money shall be by the usual authorised signatories.

3.7 The procedure for undertaking investments, considering the need for timely and speedy placing of deals) shall be documented by the Responsible Financial Officer and approved by the Full Council before any investments are placed.

3.8 The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a annual basis. Should the credit rating of an organisation fall below that specified under 3.6, the Responsible Financial Officer shall consult the Finance & Employment Committee or the council and take the appropriate action.

REVISION

4.1 Any revisions to this policy shall be approved by the Full Council.

4.2 This policy shall be reviewed annually by the council

4.3 Where no changes are proposed, Full Council shall note the policy.

Approved by Council:- July 2026 Minute Number 6894