



Investment Policy

1. Introduction

This Investment Policy sets out the principles and procedures that Winterborne St Martin Parish Council will follow in managing its surplus funds. Although the Council's investments fall below the £100,000 threshold at which a formal strategy becomes a statutory requirement, the Council adopts this policy as a matter of good governance and prudent financial management.

2. Objectives

The Council's investment priorities are:

- Security – protecting the public funds it holds
- Liquidity – ensuring funds are available when needed
- Yield – achieving a reasonable return consistent with security and liquidity

These priorities follow the principles set out in the Government's Statutory Guidance on Local Government Investments.

3. Scope

This policy applies to all financial assets held by the Council, including:

- General reserves
- Earmarked reserves
- Precept income awaiting expenditure
- Any temporary surplus funds

4. Risk Management

To manage financial risk, the Council will:

- Place funds only with UK banks or building societies authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA)
- Avoid high-risk or speculative investments

- Avoid investments that exceed the Financial Services Compensation Scheme (FSCS) protection limit with any single institution
- Not invest in stocks, shares, corporate bonds, or non-regulated financial products

5. Permitted Investments

The Council may use the following low-risk products:

- Current accounts
- Deposit accounts
- Notice accounts
- Fixed-term deposits of up to 12 months

Longer-term or higher-risk investments will not be used due to the Council's need for liquidity and the modest size of its reserves.

6. Liquidity Management

The Responsible Financial Officer (RFO) will ensure that sufficient funds remain in the current account to meet day-to-day expenditure. Surplus funds may be transferred to an interest-bearing account in accordance with this policy.

7. Reporting and Review

- The RFO will report the Council's bank balances and any investments at each ordinary meeting
- This policy will be reviewed annually, usually at the same meeting as the budget and precept setting
- Any changes must be approved by the full Council

8. Ethical Considerations

The Council will not knowingly invest in institutions whose activities conflict with its values or policies, including those involved in unethical or illegal practices.

9. Adoption

This Investment Policy was adopted by Winterborne St Martin Parish Council at its meeting on:

[Insert date]

Signed:

Chair: _____

RFO: _____