



## **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: \_\_\_\_\_