

FIRBECK PARISH COUNCIL

INVESTMENT POLICY

NOVEMBER 2023

INTRODUCTION

- 1.1 Firbeck Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the council.
- 1.2 This policy is consistent with the guidance set out by the Secretary of State for on 1 April 2018, issued under Section 15(1) (a) of the Local Government Act 2003.

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 The 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 bulked reserves shall be placed on interest bearing term/notice deposits.
- 3.3 To retain liquidity these should 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 unless agreed by full council.
- 3.5 No investment shall be held with the council's current bankers other than a sufficient balance in the deposit account to retain working capital.
- 3.6 The Council shall only invest with banks/building societies which it defines as "High Credit Quality". This being those with a credit rating of A with Moody's Investors Service or BBB with Standard and Poor's or Fitch Ratings Ltd.
- 3.7 Investments shall be decided by the full council and placed by the Responsible Financial Officer having used due diligence including as a minimum finance search engines and ratings agencies.
 - a. This shall be under the oversight of the full council.
 - b. The actual movement of money shall be by the usual authorised signatories.

- 3.8 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 council before any investments are placed.
- 3.9 The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a quarterly basis. Should the credit rating of an organisation fall below that specified under 3.6, the Responsible Financial Officer shall consult the council and take the appropriate action.

REVISION

- 4.1 Any revisions to this policy shall be approved by the full council.
- 4.2 The council shall review this policy annually prior to the commencement of the new financial year.