



## **Investments Policy**

### **Introduction**

This policy is created under guidance issued by the Secretary of State for Communities and Local Government in accordance with the Local Government Act 2003. The extant guidance was issued by DCLG in 2010.

While the DCLG guidance does not apply to Haversham-cum-Little Linford Parish Council (hereinafter referred to as 'the Council') as its investments do not exceed £100,000, it acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the Council and therefore adopts the principles of the guidance.

### **Objectives**

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

- Security of reserves; and
- Liquidity of investments

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

As per the DCLG guidance the term "investments" has a broad meaning and covers all financial assets as well as other non-financial assets that the organisation holds primarily or partially to generate a profit.

### **Investment Policy**

Where the Council has reserves, which will be an amalgamation of General and Earmarked Reserves, which exceed the FSCS protection limit of £85,000 it shall diversify its reserves between multiple highly rated UK banks and building societies. Where the Council has reserves which exceed £85,000 only on a temporary basis this requirement may be waived at the Clerk's discretion.

The Council shall only use specified investments as defined by DCLG guidance.

A significant percentage of the Council's reserves shall be placed in interest bearing term or notice deposit accounts. No one investment shall be for a period longer than 12 months.

The Council shall only invest with banks/building societies which it defines as "High Credit Quality" i.e. those with a credit rating of A with Moody's Investors Service or BBB with Standard and Poor's or Fitch Ratings Ltd.

Investments shall be researched with due diligence by the Responsible Financial Officer and placed with Council approval and the movement of funds shall be by the relevant signatories as specified in the Council's Financial Regulations.

The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on an annual basis whilst preparing the Risk Assessment. Should the credit rating of an organisation fall below the specified level the Responsible Financial Officer shall the Council and take appropriate action.