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INVESTMENT POLICY

1. Introduction

1.1 The Parish Council recognises the importance of prudent management of its financial resources, and will use the provisions in this policy to guide its investment of temporarily surplus funds held on behalf of the community.

1.2 Further guidance with regard to investment is provided under section 8 of the adopted financial regulations of the Parish Council.

2. Investment Priorities

2.1 The Parish Council's priorities with regard to investment are:

- The security of capital to minimise the risk of loss
- The liquidity of investments to meet the cash flow needs of the Parish Council
- Maximising income within the framework of the national economic situation

2.2 The Parish Council will aim to achieve a maximum rate of return on investments commensurate with adequate safeguards of security and liquidity.

3. Risk Management

3.1 All investment and deposits will be with banks, building societies or financial institutions with registered headquarters based in the United Kingdom.

3.2 All investments and deposits will be in pounds sterling (£).

3.3 Investments for current expenditure will be on instant access deposit accounts with a daily feeder to the current account.

3.4 Investments not required for current expenditure - the general reserve, may be placed on term deposits of up to two years.

3.5 Investments not required for current expenditure – the earmarked reserves not expected to be spent during the following year - may be placed on term deposits not exceeding one year.

3.6 In order to spread the financial risk, investments will be made with a minimum of two financial institutions.

3.7 The credit ratings of the institutions will be at least 'A' and these will be monitored quarterly by the RFO. Any changes to the credit ratings will be notified to the Finance and General Purposes committee at the earliest opportunity, who will determine a course of action.

4. Policy Management

4.1 The management of this policy will be by the RFO and reported to each Finance and General Purposes committee meeting.

4.2 This Policy will be reviewed by the Finance and General Purposes Committee on an annual basis.