



Longwick-cum-Ilmer
Parish Council

LONGWICK CUM ILMER PARISH COUNCIL

INVESTMENT POLICY

Purpose

1. This policy sets out the principles and framework for managing and investing the Parish Council's funds prudently while ensuring security, liquidity, and return in line with legal and regulatory requirements.

Introduction and Legal and Regulatory Compliance

1. This policy is created under guidance issued by Secretary of State for Levelling Up, Housing and Communities in accordance with the Local Government Act 2003 and follows the investment guidance set out by the Department for Levelling Up, Housing and Communities (DLUHC). The Council shall ensure compliance with all statutory regulations and any additional guidance issued by relevant authorities.
2. Longwick cum Ilmer Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the council.

Objectives

This policy aims to:

1. Protect the Council's capital from risk.
2. Ensure liquidity to meet operational needs.
3. Generate appropriate returns on surplus funds within acceptable risk parameters.

Investment Principles

1. Security – Priority will be given to low-risk investments that protect the Council's funds.
2. Liquidity – Investments must allow funds to be available when needed.
3. Yield – Investments should aim to provide reasonable returns without exposing the Council to undue risk.

Investment Policy

1. The Parish Council shall diversify its reserves between multiple well-rated UK banks and building societies.
2. The Council will not use non-specified investments, including corporate bonds, shares, property funds, or foreign currency investments.
3. A significant percentage of the Parish Councils reserves shall be placed on interest bearing term / notice deposits.
4. To retain liquidity these shall be placed with phased end dates i.e. there will always be some maturing and the council will consider the maturing dates considering the councils financial status and future liabilities.
5. Investments should be researched by the Responsible Financial Officer having used due diligence including as a minimum financial comparison tools and ratings agencies and recommendations made to Full Council.
6. The movement of money shall be authorised by Full Council.

Revision

1. Any revisions to this policy shall be approved by the Full Council.
2. The policy will be reviewed annually and updated as necessary to remain in line with DLUHC guidance and statutory requirements.