



Investment Policy

Autor	Amended	Adopted	Summary of amendments
Rob William		15 th June 2021 Minute number 026/21	
Claire Newton	April 2023		<ul style="list-style-type: none"> ➤ Formatting ➤ Addition of 1.2 legal wording ➤ Addition of wording in 2.1 (a) ➤ 4.3 increase of the base rate from 3% to 5%



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1 INTRODUCTION

- 1.1. This policy has been created under guidance issued by the Secretary for Communities and Local Government in accordance with the Local Government Act 2003. The Guidance was issued by DCLG in 2010.
- 1.2. The Local Government Act 2003 Section 12 states
A local authority may invest—
 - (a) for any purpose relevant to its functions under any enactment, or
 - (b) for the purposes of the prudent management of its financial affairs.
- 1.3. Tiptree Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the Council.

2. OBJECTIVES

- 2.1. The general policy objective of the Council is prudent investment of its balances. The Council's investment priorities are:
 - a) Security of reserves to minimise the risk of losses.
 - b) Liquidity of investments
 - c) To give consideration for ethical principles
- 2.2. The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

3 INVESTMENT POLICY

- 3.1. The Parish Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies, or the CCLA public sector Investment Management.
- 3.2. The Council shall only use specified investments as defined by DCLG guidance.
- 3.3. The Council's current reserves (Earmarked and General) currently equate to approximately £500,000. It is felt that with a working reserve of £250,000, the remaining 50 percent of the Council's reserves should be placed on interest bearing term deposits/CCLA Investments.
- 3.4. To retain liquidity these shall be placed with phased end dates i.e., there will always be some maturing sooner than others.
- 3.5. No investment shall be held with the council's current bankers.
- 3.6. The Parish 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 and placed by the Responsible Financial Officer having used due diligence (including as a minimum finance search engines and ratings agencies).
- 3.8. This shall be under the oversight of two members of the Policy & Finance Committee
- 3.9. The actual movement of money shall be by the usual authorised signatories.
- 3.10. 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 Policy & Finance Committee before any investments are placed.
- 3.11. The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a bi-annual basis. Should the credit rating of an organisation fall below that specified under 3.6, the Responsible Financial Officer shall consult the Policy and Finance Committee and take the appropriate action.



4. REVISION

- 4.1. Any revisions to this policy shall be approved by the Full Council.
- 4.2. The Policy & Finance Committee shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new financial year. Where no changes are proposed, Full Council shall note the policy.
- 4.3. Notwithstanding 4.2 this policy shall be reviewed in the event the Bank of England increases its base rate above 5% or the Financial Services Compensation Scheme is significantly extended beyond the current rate of £85,000.