



# Cantley with Branton Parish Council

## Investments Policy

### INTRODUCTION

- 1.1 A local council may invest funds for any purpose relevant to its statutory functions or for the purpose of prudent financial management (ss.12, 19 and 23 LGA 2003 [LGA2003 s12 onwards](#)). The latest guidance on local authority investments was issued by the Department of Levelling-Up, Housing and Communities (DLUHC) in 2018.
- 1.2 Cantley with Branton Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the Council.

### 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 Cantley with Branton Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies. Reserves will only be split between multiple institutions where the total reserve balance exceeds £60,000. The Council shall only use specified investments as defined by the Department for Communities and Local Government (DCLG) guidance.
- 3.2 A significant percentage of the Council's reserves shall be placed on interest bearing term/notice deposits.
- 3.3 To retain liquidity these shall 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.
- 3.5 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.
- 3.6 Investments shall be placed by the Responsible Financial Officer (if delegated authority is in place) having used due diligence including as a minimum finance search engines and ratings agencies.
- a. This shall be under the oversight of at least two members of the Parish Council.

- b. The actual movement of money shall be by the usual authorised signatories.
- 3.7 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 Parish Council before any investments are placed.
- 3.8 The Responsible Financial Officer shall review credit ratings of organisations in which the Council hold investments on a quarterly basis. Should the credit rating of an organisation fall below that specified under 3.5, the Responsible Financial Officer shall consult the Parish Council and take the appropriate action.

## **REVISION**

- 4.1 Any revisions to this policy shall be approved by the Full Council.
- 4.2 The Parish Council shall review this policy annually and recommend any proposed changes prior to the commencement of the new financial year.
- 4.3 Where no changes are proposed, Full Council shall note the policy.
- 4.4 Notwithstanding 4.2 this policy shall be reviewed in the event the Bank of England increases its base rate above 3% or the Financial Services Compensation Scheme is extended to cover the Council.

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