LOUGHTON & GREAT HOLM PARISH COUNCIL INVESTMENT POLICY

INTRODUCTION

As part of its fiduciary duty, Loughton and Great Holm Parish Council acknowledges the importance of prudently saving and investing any temporarily surplus funds held on behalf of the community.

This policy complies with the revised requirements set out in the Department of Communities and Local Government Guidance on Local Government Investments and takes into account Section 15(1)(a) of the Local Government Act 2003 and guidance within the Governance and Accountability for Local Councils Practitioners' Guide 2019.

Parish Councils have the power to invest surplus funds and the Local Government Act 2003 states that a local authority may invest:

▪ For any purpose relevant to its functions under any enactment.

▪ For the purpose of prudent management of its financial affairs. The Council defines its treasury management activities as 'the management of the Council's cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks'.

POLICY

This strategy establishes formal objectives, policies and practices and reporting arrangements for the effective management and control of the Council's treasury management activities and the associated risks and should be read in conjunction with the Council's Financial Regulations.

INVESTMENT OBJECTIVES

1. The Council's investment priorities are:

• The security of its reserves, and;

• The adequate liquidity of its investments and;

• To support effective treasury management;

• To obtain a return on funds that exceed the requirements of the following three months.

2. All investments will be made in sterling and within the United Kingdom only.

3. The Council aims to maintain investments purely to ensure the liquidity of Council and to ensure it is covered for any eventuality.

FINAL INVESTMENT STRATEGY

1. Loughton and Great Holm Parish Council's current account(s) shall be maintained with a UK clearing bank.

2. Deposit accounts shall be maintained with the bank holding the current account(s) for ease of transfers unless the rate of interest offered is deemed to be uncompetitive, in which case the services of other UK banks and building societies will be considered.

3. The term of any deposit will not exceed a three month notice period, unless it is clear that the funds will not be required for a specific, longer period.

4. The process for agreeing investments with new institutions will be that a recommendation will be brought by the Clerk/RFO to the Finance & Staffing Committee for consideration, and then brought to the next Full Council meeting for approval.

REPORTING AND REVIEW

1. The Investment Policy will be reviewed annually by the Finance & Staffing Committee or Full Council.

2. The Clerk/RFO will report on investment performance. This figure will link into the Year End Budget detailed as the Deposit Account Interest figure.

Interest received on our deposit account totalled **£2,995** in the 2025 - 2026 financial year.

Policy Adopted: April 2023

Re-Approved: June 2025 (FC109/25), June 2026 (FC115/26)