

**Wherstead Parish Council Investment Policy**

Wherstead Parish Council acknowledges the importance of prudently saving and investing any temporarily surplus funds held on behalf of the community. Parish Councils have the power to invest surplus funds under the Local Government Act 2003 which states that a local authority may invest:

* For the purpose of prudent management of its financial affairs.
* For any purpose relevant to its functions under any enactment.

The priorities for any investment decision by Wherstead Parish Council shall be:

 • Ensuring prudent investment of funds, putting security before yield.

• The need to meet cash flow requirements to ensure adequate liquidity of its investments to ensure operational efficiency.

• Ease of operation and monitoring.

• The limitations of the Financial Services Compensation Scheme (FSCS).

This policy complies where applicable with the revised requirements set out in the Statutory Guidance on Local Government Investments. Guidance within the Governance and Accountability for Local Councils Practitioners’ Guide 2022, should be read in conjunction with the Council’s Financial Regulations and considers.

Section 15(1)(a) of the Local Government Act 2003

*1) In carrying out its functions under this Chapter, a local authority shall have regard—*

*(a)to such guidance as the Secretary of State may issue, and*

*(b)to such other guidance as the Secretary of State may by regulations specify for the purposes of this provision.*

1. Wherstead Parish Council’s bank account from which payments for expenditure is currently made by Bacs,cheques or direct debit, shall be maintained with a UK clearing bank.

2. The Clerk/RFO will periodically prepare cash flow projections based on planned and expected expenditure to determine recommendations on the amount of cash that can be invested and for what period.

3. All investments and/or re-investments will be brought to full council for approval to minimise risk to capital and ensure flexibility of cashflow.

4. Typical investment periods will be: 6 or 12 months and no more than 5 years.

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

6. Funds will only be invested with institutions that are covered by the Financial Services Compensation Scheme which currently provides protection on up to £85,000 as at Feb 2023.

7.The purpose of surplus funds held by Wherstead Parish Council is to provide:

a) A general reserve with sufficient liquidity to cover between six and twelve months of normal expenditure.

b) Earmarked reserves for capital or other identified projects.

A public record of general and earmarked reserves will be maintained by the Clerk/RFO.

This Investment Policy will be reviewed annually.

Adopted by Wherstead Parish Council 7th March 2023