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**HEYBRIDGE BASIN PARISH COUNCIL**

**Investment Policy**

**Introduction**

* 1. As part of its fiduciary duty, Heybridge Basin Parish Council (the Council) acknowledges the importance of prudently saving and investing any temporary surplus funds held on behalf of the community.
  2. 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 2025.
  3. 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.

**Objectives**

* 1. The general policy objective of the Council is prudent investment of its balances. The Council’s investment priorities are:

1. Security of reserves

**and then**

1. Liquidity of investments
   1. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

**Investment Policy**

* 1. All investment and deposits will be with UK registered banks or building societies.
  2. All investments, deposits and interest will be in £ sterling.
  3. Investments for current expenditure will be on instant access deposit accounts.
  4. Investments not required for current expenditure i.e. the general reserve may be placed on longer term deposits of up to 2 years.
  5. Investments not required for current expenditure i.e. earmarked reserves may be placed on medium term deposits not exceeding 1 year.
  6. The credit ratings of the institutions will be a minimum of ‘A’ and these will be monitored regularly.
  7. Investments shall be proposed for approval by the Parish Council by the Responsible Financial Officer having used due diligence including as a minimum finance search engines and ratings agencies.

1. The actual movement of money shall be by the usual authorised signatories.
   1. 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 Council before any investments are placed.
   2. The investments of the Parish Council shall be reviewed on a quarterly basis at the same meeting that the quarterly Parish Council accounts are reviewed.
   3. The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a quarterly basis. Should the credit rating of an organisation fall below that specified under 3.6, the Responsible Financial Officer shall consult the Council and take the appropriate action.

**Revision**

4.1 This policy will be reviewed annually.

4.2 Any revisions to this policy shall be approved by the 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 4.1 this policy shall be reviewed in the event the Bank of England increases its base rate above 3%.

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| **Review and approved:** | **Minute:** |
| 20th May 2024 | 24/015 b |
| 20th May 2025 | 25/015 a |