



# **INVESTMENT POLICY**

March 2025

## **1. Introduction**

- 1.1 This policy sets out the treasury management procedures for the monitoring of the cash flow and banking arrangements of Heathfield and Waldron Parish Council.
- 1.2 Authority reference is to the Parish Council's Financial Regulations, Section 8 Loans and Investments, together with section 17 Risk Management.
- 1.3 The Local Government Act 2003 Section 12 provides the power to invest (a) for any purpose relevant to its functions under any enactment or (b) for the purpose of the prudent management of its financial affairs. Section 15(1) of the Act requires a local authority to have regard to guidance issued by the Secretary of State.
- 1.4 The council acknowledges its duty of care to the community and the prudent investment of funds.

## **2. OBJECTIVES**

- 2.1 The council's priorities are, in the following ranking order:
  - (i) The security of capital to minimise the risk of losses.
  - (ii) The liquidity of investments to meet the cash flow needs of the council.
  - (iii) Maximising income within the framework of the national economic situation.
- 2.2 The council will aim to achieve a high rate of return on investments commensurate with adequate safeguards of security and liquidity.

## **3. INVESTMENTS**

- 3.1 All investment and deposits will be with UK registered banks or building societies.
- 3.2 All investments, deposits and interest will be in £ sterling.
- 3.3 Investments for current expenditure will be on instant access deposit accounts.
- 3.4 Investments not required for current expenditure i.e. general reserves may be placed on longer term deposits of up to 2

years.

- 3.5 Investments not required for current expenditure i.e. earmarked reserves may be placed on medium term deposits not exceeding 1 year.
- 3.6 Because the FCSC does not apply to the council to spread the financial risk to a minimum, investments will be made to a number of financial institutions, who shouldn't be owned by the same company.
- 3.7 The credit ratings of the institutions will be monitored regularly to ensure they are at a sufficient standard.
- 3.8 The management of this policy will be by the RFO and reported annually to Finance and General Purpose committee, any changes to be agreed at Full Council meeting.

#### **4. REVIEW**

- 4.1 This policy will be reviewed by the Full Council on an annual basis. Any variation to the policy will be submitted to the Council for approval.

Mrs Fiona Hensher  
Assistant Clerk and Responsible Financial Officer  
21<sup>st</sup> January 2025