

TOLLESHUNT D'ARCY PARISH COUNCIL

INVESTMENT POLICY V1.0

Introduction

1. The investment of surplus funds by local authorities is governed by the Local Government Act 2003, section 15(1)(a) and Guidance issued by the Secretary of State under that Act,
2. Investments below £10,000 are not subject to the Guidance, but for investments between £10,000 and £500,000 the council is required to make a formal decision on the extent to which it would be reasonable to adopt the Guidance either in part or in full
3. The Guidance recommends that a council produces an Annual Investment Strategy which sets out its policy for managing the investments and giving priority to the liquidity and security
4. A 'Specified Investment' is one which is made in sterling, is not long term (reviewed every 12 months), not defined as capital expenditure and is placed with a body which has a high credit rating or made with UK Government, a UK Local Authority or a parish or community council
5. Any other type of investment is considered 'Non-Specified Investment' to which there can be greater risk and where professional advice may be required. In practice, the Council will not be using this facility given the unpredictability and uncertainty surrounding such investments.
6. Local authorities should keep strategies simple and maintain prudence at all times.

Strategy

Tolleshunt D'Arcy Parish Council (the Council) has adopted the following Investment Strategy:

1. The Council acknowledges the importance of prudently investing its temporary surplus funds held on behalf of the community
2. The Council's priorities will be centred on the security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed) of its reserves
3. Carry out an annual cash flow forecast to ascertain expenditure commitments for the coming financial year
4. On the basis of that cash flow forecast, to invest only in fixed rate deposit investments, normally with the Council's main bankers or other authorised banks and building societies

5. To review investments quarterly.

6. Policy to be reviewed annually.

Adopted: May 2025

Next Review: May 2026