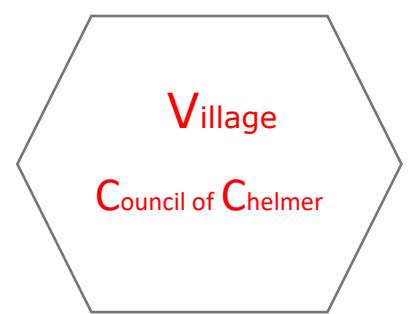


Chelmer Village Council

FINAL INVESTMENT POLICY



FINAL INVESTMENT POLICY Adopted at Finance & Policy meeting on 13th February 2024

INTRODUCTION

1. As part of its fiduciary duty, Chelmer Village Council (the Council) acknowledges the importance of prudently saving and investing any temporarily 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 considers Section 15(1)(a) of the Local Government Act 2003 and guidance within the Governance and Accountability for Local Councils Practitioners' Guide 2019.
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.
 - To 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

1. 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,
 - 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. Chelmer Village Council current account(s) shall be maintained with a UK clearing bank.

Chelmer Village Council

2. The remainder of funds held will be invested to ensure maximisation of maximise interest received whilst retaining flexibility of cashflow and minimising risk to capital.
3. Call 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 should be considered. The combined total of funds held in the Parish Council's current account(s) and call deposit account with this bank will not exceed the maximum covered by the Financial Services Compensation Scheme.
4. Any funds above the maximum covered by the Financial Services Compensation Scheme will be placed with other UK banks or building societies. Call deposits, which maximise income whilst retaining flexibility, will be the preferred investment product but others will not be ruled out.
5. The term of any deposit will not exceed three months unless the funds will not be required for a specific, longer period.
6. Preference will be given to funds which can demonstrate ethical investment.
7. The process for agreeing investments with new institutions will be that a recommendation will be brought by the Clerk/RFO to the Finance and Policy Committee for consideration and then brought to the next Full Council meeting for approval.
8. Funds will only be invested with institutions that are covered by the Financial Services Compensation Scheme. As a principle, funds will be distributed between several organisations, to minimise any loss in the event of failure of a single institution.

REPORTING AND REVIEW

1. The Investment Policy will be reviewed annually by the Finance and Policy Committee.
2. The Clerk/RFO will produce an annual report on investment performance which will be considered by the Finance and Policy Committee prior to circulation to Full Council.