



Treverbyn Parish Council

Investment Policy

1. Introduction

Treverbyn Parish Council (“the Council”) acknowledges its responsibility to manage public funds prudently and securely.

This Investment Policy has been prepared in accordance with:

- The Local Government Act 2003
- Statutory Guidance on Local Government Investments
- The Council’s Financial Regulations

The policy sets out how the Council will manage and invest surplus funds while prioritising:

1. Security
2. Liquidity
3. Yield (return)

The Council’s primary objective shall always be the protection of public money.

2. Purpose

The purpose of this policy is to:

- Ensure the prudent management of Council funds
- Safeguard public money
- Maintain sufficient liquidity for operational needs
- Establish clear investment principles and controls
- Ensure transparency and accountability

3. Scope

This policy applies to all temporary surplus funds held by the Council, including:

- General reserves
- Earmarked reserves
- Grant monies held pending expenditure

The Council is not a commercial investor and shall not engage in speculative investment activity.

4. Investment Objectives

The Council's investment priorities shall be:

4.1 Security

The security of Council funds shall be the foremost consideration.

The Council shall seek to minimise the risk of financial loss.

4.2 Liquidity

The Council shall maintain sufficient access to funds to meet operational and cash flow requirements.

Investments shall therefore be selected with regard to accessibility and maturity periods.

4.3 Yield

The Council shall seek an appropriate rate of return consistent with the levels of security and liquidity required.

Maximising return shall not outweigh the need for security and accessibility.

5. Investment Types

The Council may invest funds in:

- UK bank deposit accounts
- UK building society accounts
- Local Authority deposit schemes
- Public sector investment arrangements
- Low-risk interest-bearing accounts
- Short-term fixed deposits

The Council shall avoid investments considered speculative or unsuitable for parish councils.

6. Approved Institutions

The Council shall only invest funds with reputable UK-regulated institutions.

Consideration shall be given to:

- Financial stability
- Regulatory status
- Creditworthiness
- Government protection schemes
- Accessibility of funds

The Council shall seek to diversify investments where appropriate to reduce risk exposure.

7. Investment Limits

The Council shall determine investment levels according to:

- Cash flow requirements
- Reserve levels
- Operational needs
- Risk considerations

No investment decision shall compromise the Council's ability to meet its financial obligations.

8. Ethical Considerations

Where reasonably practicable, the Council may consider ethical and environmental factors when selecting investment providers, provided such considerations do not conflict with the primary objectives of:

- Security
- Liquidity
- Prudence

9. Delegated Authority

Day-to-day administration of investments shall be delegated to the Clerk/Responsible Financial Officer (RFO) in accordance with:

- This policy
- The Council's Financial Regulations
- Any resolutions of the Council

The Clerk/RFO shall not make investment decisions outside approved arrangements without Council approval.

10. Risk Management

The Council shall seek to minimise investment risks through:

- Use of regulated financial institutions

- Diversification where appropriate
- Monitoring of financial arrangements
- Maintaining liquidity
- Avoiding speculative investments

The Council acknowledges that all investments carry some degree of risk.

11. Investment Reporting

The Clerk/RFO shall report to the Council on investments as part of routine financial reporting.

Reports may include:

- Current balances
- Interest earned
- Investment arrangements
- Maturity dates where applicable
- Any significant risks or issues

12. Review of Investments

Investment arrangements shall be reviewed periodically to ensure they remain:

- Appropriate
- Secure
- Compliant with legislation
- Suitable for the Council's financial position

13. Professional Advice

The Council may seek professional financial advice where appropriate before making significant investment decisions.

14. Breaches of Policy

Failure to comply with this policy or related Financial Regulations may result in:

- Withdrawal of delegated authority
- Internal investigation
- Referral to external auditors or authorities where appropriate

15. Review

This policy shall be reviewed annually or sooner if required by changes in legislation, guidance, or the Council's financial circumstances.

16. Adoption

Adopted by Treverbyn Parish Council on: