

HERMITAGE PARISH COUNCIL

INVESTMENT POLICY

ADOPTED MAY 2019

1. Hermitage Parish Council acknowledges its responsibility to protect its funds and to invest prudently any funds surplus to those required to be available for the day to day running of council business.
2. This policy follows the Statutory Guidance on Local Government Investment issued by government through the Local Government Act 2003 effective from 2018. Any change in this legislation will cause this policy to be reviewed.
3. HPC's priority is the safety and security of its funds then aiming to achieve optimum return on its investments commensurate with proper levels of security and liquidity.
4. The council will invest in financial institutions based in the United Kingdom which offer low to medium risk. This will not include stocks and shares or any similar investment opportunity which may suffer from the unpredictability of the money markets.
5. In line with advice from the Financial Conduct Authority, the council will not invest more than £85,000 in one institution as that is the maximum that is secured.
6. Generally, investments will be made in High Street banks and building societies. Any other investment will only be made after taking advice from a qualified person such as a Financial Adviser.
7. The Responsible Finance Officer (RFO), in consultation with the council, will determine the maximum period for which funds may prudently be committed and advise council on how funds should be treated at the end of such a period.
8. The RFO will ensure that, at all times, sufficient funds are available as and when needed to run the council's business eg paying bills and that liquidity is not compromised.
9. Should the council take out any long-term debt to finance an investment the indicators used should allow Councillors and the general public to assess the risks and opportunities of the investment over both its payback period and over the repayment period of any debt taken out.
10. All investments and banking arrangements must be reviewed annually at the start of the financial year.

Adopted by Hermitage Parish Council on 16th May 2019

Signed by Chairman.....