



INVESTMENT POLICY

Adopted by Marden Parish Council on: 6th April 2021

Reviewed on:

Review date: April 2022

Office Opening Times:

Mondays, Tuesdays & Fridays 10am - 12 noon

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Investment Policy

MARDEN PARISH COUNCIL

INVESTMENT POLICY

Introduction

The purpose of this Investment Policy is to formulate a framework for the prudent investment of Council funds and will be the Council's Investment Strategy.

The Local Government Act 2003 s12(b) states that a Parish Council has the power to invest for the purpose of the prudent management of its financial affairs. Under the same Act the Department for Communities and Local Government (DCLG) has issued guidance on Local Government Investments comes into form on 1st April 2018 (LGA 2003 s15(1)(a) and states that where a Parish Council expects its total investments at any time during the financial year to be between £10,000 and £100,000 to be encouraged to adopt the principles of the guidance.

Key Principles

This policy will contain the disclosures and reporting requirements specified in the guidance.

This policy should be approved by the Full Council and should be reviewed at the start of the financial year.

Where the Parish Council proposes to make a material change to its Policy during the year a revised Policy should be presented to the Full Council for approval before the change and implementation. The Policy will be publicly available on the Parish Council's website.

Security, Liquidity and Yield

The primary concern shall be security and liquidity of public money and any decision of investment income and yield will only be considered when the prudent objectives are satisfied:

Security – protecting the capital sum invested from loss;

Liquidity – ensuring the funds invested are available for expenditure using the working balances, General Reserves and Earmarked Reserves (as appropriate) when needed;

Yield – Once proper levels of security and liquidity are determined, it is then reasonable to consider what yield can be obtained consistent with these priorities.

The Government now guarantees protecting Local Authority funds by the Financial Services Compensation Scheme (FSCS)¹.

All investments will be in sterling and should not normally exceed the prevailing FSCS limit per financial services provider.

Finance Committee members should undertake to keep themselves informed of trends and investment news and be aware of credit ratings when making decisions.

¹ Up to the value of £85,000 per financial services provider as of 1 January 2017.