All Cannings Parish Council – Investment Policy

1. Introduction
All Cannings Parish Council acknowledges the importance of prudently investing surplus funds that are not immediately required to meet anticipated expenditure. This policy outlines the principles and procedures that will guide the Council's investment decisions and management of its financial resources, in accordance with the Local Government Act 2003 and the Ministry of Housing, Communities and Local Government (MHCLG) *Statutory Guidance on Local Government Investments (3rd Edition, 2018)*.

2. Investment Objectives
The Council's investment priorities are, in order of importance:

1. Security – The safeguarding of public funds.
2. Liquidity – Ensuring sufficient availability of cash to meet all known and potential commitments.
3. Yield – Achieving the best rate of return consistent with the priorities of security and liquidity.

3. Scope
This policy applies to all investments of surplus funds held by All Cannings Parish Council on behalf of the community. It does not apply to trust funds or pension funds which are subject to separate statutory provisions.

4. Governance and Decision-Making

- The Responsible Financial Officer (RFO) will be responsible for the day-to-day management of investments in accordance with this policy.
- The Full Council will review and approve the Investment Policy annually and any proposed changes.
- All investment decisions shall be reported to the Council and recorded in the minutes to ensure transparency and accountability.

5. Investment Strategy
The Council will only invest in institutions that meet the following criteria:

- Are regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).
- Are covered by the Financial Services Compensation Scheme (FSCS), ensuring protection up to the relevant limit per financial institution.
- Offer instant access or notice accounts to maintain liquidity.

Permitted Investments:

- Deposits with UK banks, building societies, or local authorities.
- Deposit accounts, savings accounts, or short-term (up to 12 months) fixed-term deposits.

- Public Sector Deposit Funds (AAA-rated Money Market Funds).

Non-permitted Investments:
- Equity shares, corporate bonds, property funds, or any investment with an element of capital risk or value fluctuation.

6. Risk Management
The Council recognises that investing public money involves risk management to protect funds from loss. It will manage risk by:
- Limiting exposure to individual institutions.
- Ensuring diversification where practical.
- Regularly reviewing credit ratings of approved institutions.
- Keeping all investments under regular review to ensure compliance with this policy.

7. Liquidity Management
The Council will maintain adequate balances in its current account to meet short-term operational needs. Surplus funds not required for immediate use may be placed in approved deposit or savings accounts to optimise returns while retaining accessibility.

8. Reporting and Review
- The RFO will report to the Council on investment performance and balances at least quarterly (or as part of the regular financial report).
- The Investment Policy will be reviewed annually, alongside the annual budget process, or sooner if significant changes occur in market conditions or legislation.

9. Ethical Considerations
All Cannings Parish Council will avoid investment in institutions or funds which conflict with the Council's ethical or environmental values. Where possible, preference will be given to institutions demonstrating commitment to ethical, environmental, and socially responsible practices.

10. Compliance and Legislation
This policy complies with:
- The Local Government Act 2003
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended)
- The MHCLG Statutory Guidance on Local Government Investments (2018)
- The Governance and Accountability for Local Councils – Practitioners' Guide (2023 Edition)

11. Adoption
This Investment Policy was adopted by All Cannings Parish Council at its meeting held on 29th October 2025 and will be reviewed annually or earlier if necessary.

Chair:

Responsible Financial Officer:

Date: