



INVESTMENT POLICY

As part of its fiduciary duty, Pucklechurch Parish Council acknowledges the importance of prudently saving and investing any temporarily surplus funds held on behalf of the community. Parish Councils have the power to invest surplus funds under the Local Government Act 2003 which states that a local authority may invest:

- For any purpose relevant to its functions under any enactment.
- For the purpose of prudent management of its financial affairs.

The priorities for any investment decision by Pucklechurch Parish Council shall be:

- Ensuring prudent investment of funds, putting security before yield.
- The need to meet cash flow requirements to ensure adequate liquidity of its investments to ensure operational efficiency.
- Ease of operation and monitoring.
- The limitations of the Financial Services Compensation Scheme (FSCS).

This policy complies where applicable with the revised requirements set out in the Department of Communities and Local Government Guidance on Local Government Investments and takes into account Section 15(1)(a) of the Local Government Act 2003 and guidance within the Governance and Accountability for Local Councils Practitioners' Guide 2020 and should be read in conjunction with the Council's Financial Regulations.

1. Pucklechurch Parish Council's bank account from which payments for expenditure is currently made by BACS or direct debit, shall be maintained with a UK clearing bank.
2. The Clerk/RFO will periodically prepare cash flow projections based on planned and expected expenditure to determine recommendations on the amount of cash that can be invested and for what period.
3. All investments and/or re-investments will be brought to full council for approval to minimise risk to capital and ensure flexibility of cashflow.
4. Typical investment periods will be: 12 months or as agreed.
5. Preference will be given to funds which can demonstrate ethical investment.
6. All investments will be made in sterling and within the United Kingdom only.
7. Funds will only be invested with institutions that are covered by the Financial Services Compensation Scheme which currently provides protection up to £120,000
8. As a principle, funds will be distributed between a number of organisations to minimise any loss in the event of failure of a single institution.

The purpose of surplus funds held by Pucklechurch Parish Council is to provide:

- a) A general reserve with sufficient liquidity to cover between three and twelve months of normal expenditure.
- b) Earmarked reserves for capital or other identified projects.

A public record of general and earmarked reserves will be maintained by the Clerk/RFO.

Reviewed and approved by council 19/08/29
Next review 2028