

# **St Sampson Parish Council Investment Policy**

This document states the Investment Policy of St Sampson Parish Council.

## **Introduction**

St Sampson Parish Council (the Council) acknowledges the importance of investing any Reserves prudently on behalf of the community. The Council's Investment Policy adheres to:

- Section 15(1)(a) of the Local Government Act 2003 and supporting regulations, which require the Council to prepare an Annual Investment Strategy that outlines its policies for managing investments and prioritising the security and liquidity of those investments.
- The Ministry for Housing, Communities and Local Government (MHCLG) "*Statutory guidance on Local Government Investments*", mandates the production of an Annual Investment Strategy and provides guidance on its completion.

All investments will be made in line with the Council's financial procedures and observations or advice from the Council's auditors, supported as necessary by advice from the Council's advisors.

## **Investment Objectives and Priorities**

The Council's objectives when investing money are to strike an appropriate balance between risk and return, minimising the risk of both incurring losses and receiving unsuitably low investment income. The Council aims to achieve the optimum return on its investments with appropriate levels of security and liquidity. The Council's investment priorities, in order of importance, are:

1. The security of its Reserves
2. The adequate liquidity of its investments to meet the Council's cash flow needs
3. The return (yield) on investments

All investments will be made in sterling.

Paragraph 51 of the Prudential Code from MHCLG, states that, to comply with the Code, an authority must not borrow to invest for the primary purpose of financial return. The Council will not engage in such activity.

All investments will be made in line with the Council's financial procedures and observations or advice from the Council's auditors, supported as necessary by advice from the Council's advisors.

## **Specific Investments**

Specified investments are those offering high security and high liquidity, made in sterling and with a maturity of no more than a year. The Council may use treasury deposits with UK clearing banks or building societies or the Public Sector Deposit Fund operated by CCLA Investment Management Ltd.

Where appropriate investments will be spread over different providers to minimise risk. When investing in UK banks and building societies, the combined total of funds invested in current and deposit accounts with each bank or banking group should not exceed the maximum covered by the Financial Services Compensation Scheme (currently £120,000). The choice of institution and length of deposit will be approved by the Council.

## **Non-Specified Investments**

Non-specified investments are non-financial assets, such as stocks and shares or investment property, that an organization holds primarily or partially to generate a profit. These investments have greater potential risk, and for that reason, the Parish Council will not hold any non-specified investments.

## **Liquidity of Investments**

The Council, in consultation with the Clerk/Responsible Finance Officer, will determine the maximum period for which the Parish Council's funds may prudently be committed so as not to compromise liquidity.

This Policy will be reviewed annually by the Council.

Approved by the Council on 24th February 2026