

INVESTMENT POLICY

1. INTRODUCTION

Hutton Parish Council acknowledges the importance of prudently investing temporarily surplus funds held on behalf of the community.

This policy sets out the Council's approach to the management of its investments and is intended to comply with:

- The Local Government Act 2003
- Guidance on Local Government Investments issued under Section 15(1)(a) of the Local Government Act 2003
- Current Joint Panel on Accountability and Governance (JPAG) guidance
- Current NALC guidance and model financial regulations

The Council's primary objectives when investing funds are:

1. Security of capital
2. Liquidity of investments
3. Yield or return on investment

The Council will ensure that public funds are safeguarded and managed responsibly.

2. DEFINITION OF INVESTMENTS

The Department for Levelling Up, Housing and Communities defines an investment as:

"Any financial asset of the local authority other than:

- deposits made with the authority's own banker for normal banking purposes;
- Treasury bills;
- loans made by one local authority to another local authority."

For the purposes of this policy, investments include savings accounts, deposit accounts and other approved low-risk financial products.

3. INVESTMENT OBJECTIVES

The Council's investment priorities are:

3.1 Security

The Council will ensure that investments are secure and that the risk of financial loss is minimised.

3.2 Liquidity

The Council will maintain sufficient liquidity to ensure funds are available when required for operational and budgetary purposes.

3.3 Yield

The Council will seek to achieve a reasonable rate of return on investments while prioritising security and liquidity.

4. INVESTMENT STRATEGY

4.1

The Council will invest surplus funds prudently and will avoid speculative investments.

4.2

Investments will normally be restricted to:

- UK banks and building societies
- Public sector deposit funds
- Local Authority investment schemes
- Low-risk savings or deposit accounts

4.3

The Council will seek to spread investments where appropriate in order to reduce risk.

4.4

The Council shall not invest in:

- Stocks and shares
- High-risk investment products
- Cryptocurrency or speculative assets
- Investments requiring specialist financial advice beyond the Council's expertise

5. DELEGATED AUTHORITY

5.1

The Council delegates day-to-day management of investments to the Responsible Financial Officer (RFO), acting in accordance with this policy and the Council's Financial Regulations.

5.2

All investment decisions shall be approved by Full Council.

5.3

The RFO shall report investment balances, interest received and any changes to investment arrangements to the Council.

6. RISK MANAGEMENT

6.1

The Council recognises that investments carry an element of risk and will take appropriate steps to minimise that risk.

6.2

When investing funds, the Council will consider:

- Financial stability of institutions
- Credit ratings where available
- Government protection schemes
- Accessibility of funds
- Interest rates and terms

6.3

The Council will monitor investments periodically to ensure they remain appropriate.

7. ETHICAL CONSIDERATIONS

Where practical and consistent with the Council's primary investment objectives, the Council may consider ethical, environmental and social factors when selecting investment providers.

8. REVIEW AND REPORTING

8.1

Investment balances and interest earned shall be reported to Council as part of regular financial reporting.


8.2


This policy shall be reviewed annually or sooner if legislation or guidance changes.

ADOPTION

This Investment Policy was adopted by Hutton Parish Council at a meeting held on 1st June 2026

Minute Reference: 26.28.

Signed: 
Chair

Signed: 
Parish Clerk

Review Date: June 2027