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Investment Policy

1. Introduction

- 1.1. This Policy has been produced in accordance with Guidance issued by the Secretary of State under Section 15(1)(a) of the Local Government Act 2003.
- 1.2. Chesham Bois Parish Council (the Council) acknowledges the importance of prudently investing any temporary surplus funds held on behalf of the community in excess of guideline requirements for reserves.

2. Objectives

- 2.1. The general policy objective is for Chesham Bois Parish Council to prudently invest any surplus funds it holds on behalf of the community in order to optimise the rate of return.
- 2.2. The Parish Council will prioritise security and liquidity whilst seeking to optimise the rate of return for invested funds.

3. Specified Investments

- 3.1. The Parish Council will invest in 'Specified Investments', which are defined by the Guidance as investments where all of the following apply:
 - The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
 - The investment is not a long-term investment and has a maturity date which does not exceed 12 months of the investment being made;
 - The making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 3146 as amended).
 - The investment is made with a body or an investment scheme of high credit quality or with the United Kingdom Government, a Local Authority or a Parish or Community Council.
 - The Department for Communities and Local Government (DCLG) maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this Council will not engage in such activity.
 - Where external investment managers are used, they will be contractually required to comply with the Policy.

4. Non Specified Investments

4.1. Any investment that does not conform to the criteria of Section 3 above.

5. Current Investments

5.1. Current investments are in the following accounts:

- Unity Trust Bank Instant Access Deposit Account
- Unity Trust Bank Current Account
- NS&I Investment Account

6. Preparation

6.1. This investment policy will be reviewed and approved by the Council before the start of each new financial year.

6.2. The initial policy may be replaced by another policy (a revised policy) at any time during the year, on one or more occasions, subject to the same review and approval processes.

- The policy will be revised to enable the Parish Council to address unexpected or unforeseen circumstances.

7. Risk Assessments

7.1. There will be due regard to the Financial Services Compensation Scheme (FSCS) that covers up to £85,000 with any one qualifying institution, as at April 2023.

7.2. The Council will aim to spread 'specified investments' over a range of different providers in such a way as to limit exposure and minimise risk.

7.3. The Council will monitor the yield on investments by having regard to the general financial, economic and political environment on a national basis.

7.4. The RFO will update Council every quarter on investment performance.

7.5. All resolutions relating to investments will be noted in the minutes of Council meetings.

8. Approval

8.1. The investment policy will be reviewed, prepared and updated as required by the RFO and the Finance Working Group and will be referred for approval by the Full Council at an appropriate meeting.

9. Publication

9.1. The Investment Policy will be made available on the Parish Council website (www.cheshamboispc.org.uk) and in paper form, available on request from the Parish Office.