



# UPTON BY CHESTER AND DISTRICT PARISH COUNCIL

## Investment Policy

Approval Date	<b>November 2023</b>
Review Date	<b>Before 31 March 2024</b>

### 1.0 Introduction

1.1 The Investment Policy ensures that the Parish Council manages its funds prudently and with appropriate safeguards in place.

1.2 The Parish Council has considered the [Guidance on Investment](#) from the Secretary of State (issued under Section 15(1)(a) Local Government Act 2003) and in effect from 1 April 2018.

### 2.0 Risk Appetite

2.1 In 23/24 the Parish Council will adopt a low-risk approach and the criteria for managing funds are prioritised in the order of:

- security
- liquidity
- reward (interest rate/charges)
- ethical values
- ease of operation

2.2 The Parish Council will hold its funds in cash, current accounts or interest-bearing savings and deposit accounts.

### 3.0 Security

3.1 The Parish Council will place funds with a Prudential Regulation Authority (PRA) authorised bank, building society or credit union – where funds are **fully protected** by the UK Financial Services Compensation Scheme (FSCS.)

3.2 Parish Council funds will be held in pounds sterling.

3.3. The operation of accounts will comply with the Parish Council's Financial Regulations.

#### **4.0 Liquidity**

4.1 The RFO will regularly research and recommend a range of terms and institutions to ensure that expected expenditure is met whilst maximising reward.

4.2 The maximum notice term for any product will be twelve months.

4.3 Where funds need to be withdrawn unexpectedly from a notice account, the RFO will aim to first use funds held in no notice accounts or current accounts to limit any loss of interest or penalties.

4.4 The RFO will produce a monthly statement of deposit balances, term length and interest rates for review by the Finance Committee.

#### **5.0 Review**

5.1 The Parish Council will review the Investment Policy before the start of each financial year; and at any other point, for example to review its risk appetite.

#### **6.0 Publication**

6.1 The Investment Policy will be published on the Parish Council's website.

#### **Notes:**

1. Parish Councils, with an annual budget below EUR500,000, are currently eligible for protection from the FSCS with qualifying institutions.

2. The FSCS aims to automatically pay compensation within seven days - up to a maximum of £85,000 for eligible funds held with a failed institution.