BARNTON PARISH COUNCIL INVESTMENT POLICY

Introduction

This policy is created in accordance with the Local Government Act 2003. Guidance was issued by MHCLG in 2018.

Barnton Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the council.

Objectives

The general policy objective of the Council is prudent investment of its account balances.

The Council's investment priorities are:

(i) Security of reserves and then
(ii) Liquidity of investments

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

Investment Policy

1) Barnton Parish Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies.
2) Barnton Parish Council shall only use specified investments as defined by MHCLG guidance.
3) A significant percentage of the Council's bulked reserves shall be placed on interest bearing term/notice deposits.
4) To retain liquidity these shall be placed with phased end dates i.e. there will always be some maturing sooner than others.
5) No one investment shall be for a period longer than 12 months.
6) No investment shall be held with the council's current bankers.

7) Barnton Parish Council shall only invest with banks/building societies which it defines as “High Credit Quality”.
8) This being those with a credit rating of A with Moody’s Investors Service or BBB with Standard and Poor’s or Fitch Ratings Ltd.
9) Barnton Parish Council may also invest in the CCLA Public Sector Deposit fund subject to it maintaining a credit rating
10) Investments shall be decided and placed by the Responsible Financial Officer having used due diligence including as a minimum finance search engines and ratings agencies.
    a. This shall be under the oversight of a standing Banking and Investments working group of two members of the Finance Committee
    b. The actual movement of money shall be by the usual authorised signatories
11) The procedure for undertaking investments, considering the need for timely and speedy placing of deals shall be documented by the Responsible Financial Officer and approved by the Finance Committee before any investments are placed.
12) The Responsible Financial Officer shall review credit ratings of organisations in which the Council holds investments on a quarterly basis.
13) Should the credit rating of an organisation fall below that specified under item 8, the Responsible Financial Officer shall consult the Finance & General Purposes Committee and take the appropriate action.
14) Barnton Parish Council considers that by only using specified investments that the officers and members involved in determining the placement of investments have sufficient capability and skills.

Revision

Any revisions to this policy shall be approved by the Full Council.

The Finance Committee shall review this policy annually and recommend any proposed changes to Full Council prior to the commencement of the new financial year.

This policy shall be reviewed in the event the Bank of England increases its base rate above 5% or the Financial Services Compensation Scheme is extended to cover the Council.