

Box Parish Council Investment Policy

Policy no. 28



Date Approved	Feb 26
Review Date	Feb 28
Committee	Fin & Gov

1. Introduction

This Investment Policy sets out the principles and procedures governing the investment of funds by **Box Parish Council**. The Council recognises its responsibility to safeguard public money and to ensure that all investments are made prudently, ethnically, transparently, and in accordance with statutory requirements and best practice.

2. Statutory Framework

The Council's investment activities shall comply with:

- The **Local Government Act 1972**
- The **Local Government Act 2003**
- Guidance issued by the **Department for Levelling Up, Housing and Communities (DLUHC)** on Local Government Investments
- Proper accounting practices and any relevant guidance from the Council's external auditor

3. Investment Objectives

The primary objectives of the Council's investment strategy are, in order of priority:

1. **Security of capital**
2. **Liquidity** – ensuring funds are available when required.
3. **Yield** – achieving a reasonable return consistent with low risk.

4. Ethical Considerations

The Council will, where practicable, consider ethical and environmental factors in its investment decisions, provided this does not conflict with the primary objectives of security and liquidity.

5. Approved Investment Instruments

The Council may invest funds in the following:

- UK clearing banks and building societies
- National Savings and Investments (NS&I)
- Local Authority deposits
- Money Market Funds with a low-risk profile
- Other low-risk investments permitted under relevant legislation and guidance

The Council will **not** invest in:

- Equities or shares
- Derivatives or complex financial instruments
- High-risk or speculative investments

6. Reserve Position and Investment Limits

- Unless approved otherwise, the Council will maintain a Reserve Position minimum of **3 months**¹ running costs or £50,000 whichever is the upper figure.
- No more than **50%** of available funds shall be invested with a single institution.
- Maximum investment period shall normally not exceed **3 years**, unless specifically approved by Council resolution.

7. Risk Management

The Council will manage risk by:

- Spreading investments across institutions where possible
- Reviewing the financial standing of institutions prior to investment
- Keeping investments under regular review via the Finance and Governance Committee
- Ensuring adequate cash flow for operational needs

8. Authority and Decision-Making

- The Council delegates authority to the **Responsible Financial Officer (RFO)** to place investments in accordance with this policy
- All investment decisions must be reported to the Council at the next available meeting
- Any investment outside this policy must receive prior approval by the full Council

9. Monitoring and Reporting

- A schedule of investments will be maintained by the RFO.
- A statement of balances will be produced monthly for every Full Council meeting.
- Investment performance and compliance with this policy will be reported to Council at least **annually, via the Finance & Governance Committee.**
- Investments will be reviewed regularly to ensure continued suitability

10. Review of Policy

This Investment Policy shall be reviewed by the Council **annually** or earlier if there are significant changes in legislation or financial circumstances.

¹ Defined as Salary, HMRC, Pension and other unavoidable monthly costs. In 2026 this would be 3 x £12500 or £37,500.