



# Fulford

## Parish Council

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## INVESTMENTS POLICY

### Introduction

- 1) A local council may invest funds for any purpose relevant to its statutory functions or for the purpose of prudent financial management (ss.12, 19 and 23 LGA 2003 [LGA2003 s12 onwards](#)). The latest guidance on local authority investments was issued by the Department of Levelling-Up, Housing and Communities (DLUHC) in 2018.
- 2) Fulford Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the Council.

### Objectives

- 3) The general policy objective of the Council is prudent, ethical investment of its balances. The Council's investment priorities are:
  - a) Security of reserves  
and then
  - b) Liquidity of investments
- 4) The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity without compromising its ethical stance.

### Investment Policy

- 5) Fulford Parish Council shall diversify its reserves between multiple relatively highly rated UK banks and building societies. The Council shall only use specified investments as defined by DCLG guidance.
- 6) A significant percentage of the Council's reserves shall be placed on interest bearing term/notice deposits.
- 7) To retain liquidity these shall be placed in accounts with varying notice periods.
- 8) No new investment shall be held with the council's current bankers.
- 9) The Council shall only invest with banks/building societies which are Members of the Financial Services Compensation Scheme (FSCS) and where possible choose ethical banks/building societies.
- 10) Investments shall be 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 the General Purposes 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 General Purposes Committee or Full Council 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. Should the credit rating of an organisation fall below that specified under 9), the Responsible Financial Officer shall consult the General Purposes Committee or Full Council and take the appropriate action.

### **Revision**

- 13) Any revisions to this policy shall be approved by the Full Council.
- 14) The General Purposes Committee shall review this policy every two years and recommend any proposed changes to Full Council prior to the commencement of the new financial year.
- 15) Where no changes are proposed, Full Council shall note the policy.
- 16) Notwithstanding 15) above, this policy shall be reviewed in the event the Bank of England increases its base rate above 3% or the Financial Services Compensation Scheme is extended to cover the Council.

Policy Adopted Date: 25 July 2024

Policy Review Date: May 2026.