



INVESTMENT POLICY

Reviewed and adopted on 18th November 2025

1 A Local Council's Investment Strategy

A local council has a general power to invest its funds for any purpose relevant to its functions under any enactment and for the prudent management of its financial affairs (Local Government Act (LGA) 2003 sections 12).

HM Government has issued statutory guidance on local government investments, under section 15(1)(a) of the Local Government Act 2003. Under that section, local authorities including Parish Councils are required to 'have regard' to 'such guidance as the Secretary of State may issue'.

The guidance states that for each financial year, a local authority should prepare at least one investment policy which should be approved by the Full Council and be made publicly available. The term 'investment' covers all financial assets of a Local Authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit. The guidance is effective for financial years commencing on or after 1 April 2018. It applies to Parish Councils whose investment of surplus funds exceed or are expected to exceed £100,000 at any time during the financial year. Surplus funds are defined as funds not earmarked for specific projects or budgeted funds for planned expenditure. Investments below £10,000 are not subject to this guidance but the Council must make a formal decision on the extent to which the guidance applies for investments between £10,000 and £50,000.

2 OPC adopted the following investment terms at the full Council meeting on 18th November 2025

All investments shall be made in £ sterling.

Short term investments are defined as investments up to 1 year.

Long term investments are defined as investments over one year.

Investments shall consider the following objectives to ensure the best balance between:

1. Security
2. Liquidity
3. Yield

All investments shall be "specified investments" giving relatively high security and liquidity such as short term deposits, 1, 2 or 3 year bonds or short term fixed deposits with high street banks or other funds marketed to the public sector.

"Non-specified investments" such as stocks and shares give a much higher, potential risk and shall not be considered.

Full Council or the Finance Committee will review and agree all investments and every transaction will require two Councillor signatories plus the Responsible Finance Officer.

Assumptions:

No less than £10,000 shall be held in the Unity Trust account to cover any unforeseen expenditure or interruption to OPC's administration. This is based on easy to access funds being available in the CCLA Deposit account and Lloyds Treasurers account.