



KINGSMEAD

PARISH COUNCIL

Investment Policy

Document details

Release date:	16/09/19
Version:	0.2
Author(s):	Sarah Morgan
Owner:	Kingsmead Parish Council
Document name:	Investment Policy

Revision history

Date of next revision: October 2026

Revision date	By	Summary of changes	Version
05.01.26	WM	Increase in FSCS protection limits	2.0

Approvals

This document requires the following approvals:

Date of Full Council Meeting	Minute Reference	Date of issue	Version
16 th September 2019	16/09/19/6(h)	16/09/19	0.1
24 th February 2025	25/02/04 – 230.1(a)	24/02/25	0.1
20 th October 2025	25/10/20 – 138.1(d)	20/10/25	0.1
19 th January 2026	2026/01/19 – 226 (a)	20/01/26	2.0

Distribution

This document has been distributed to:

Name	Date of issue	Version
All councillors and website	24.02.25	0.1
All councillors and website	20.10.25	0.1
All councillors and website	20.01.26	2.0

Contents

Introduction.....	3
Objectives	3
Investment Policy	3
Revision	4

Introduction

1. This policy is created under guidance issued by the Secretary of State for Housing, Communities and Local Government in accordance with the Local Government Act 2003. The extant guidance was issued by MHCLG in 2018.
2. Kingsmead Parish Council acknowledges its responsibility to the community and the importance of prudently investing any reserves held by the council.

Objectives

1. The general policy objective of the Council is prudent investment of its balances. The Council's investment priorities are:
 - (i) Security of reserves
and then
 - (ii) Liquidity of investments
 - (iii) Yield
2. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

Investment Policy

1. Reserves held in excess of £120,000 with one financial service will not be covered by the Financial Services Compensation Scheme. The Parish Council shall therefore diversify its reserves in excess of this amount between multiple relatively-highly rated UK banks and building societies to ensure individual accounts with one service do not exceed £120,000. The Parish Council shall only use specified investments as defined by MHCLG guidance.
2. A significant percentage of the Council's bulked reserves shall be placed on interest bearing term/notice deposits.

3. To retain liquidity these shall be placed with phased end dates i.e. there will always be some maturing sooner than others.
4. No one investment shall be for a period longer than 12 months.
5. The procedure for undertaking investments shall be documented by the Responsible Financial Officer and approved by the Finance Committee before any investments are placed.

Revision

1. Any revisions to this policy shall be approved by the Full Council.
2. 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. Where no changes are proposed, Full Council shall note the policy.