



DEEPING ST JAMES PARISH COUNCIL

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Investment Policy

This policy sets out how Deeping St James Parish Council will manage its financial investments in line with the Local Government Act 2003, relevant statutory guidance and the council's duty to safeguard public funds.

The Council's priorities are:

1. Security – protecting capital sums from loss
2. Liquidity – ensuring funds are available when needed
3. Yield – achieving a reasonable return consistent with 1 and 2 above.

Scope:

This policy applies to all monies held by the Council, including operational expenditure and routine banking arrangements.

Policy Objectives:

1. To maintain adequate reserves and working balances
2. Ensures investments are only with institutions of high credit quality
3. Where appropriate, seek modest returns on surplus funds.

Types of Investment:

1. The Council will only use investments permitted under statutory guidance, such as specified investments, (low risk, in sterling, repayable within 12 months), e.g., bank deposits or building society accounts.
2. At present Deeping St James Parish Council does not intend to use non-specified investments i.e., longer term or high risk.

Risk Management:

1. Monies will only be placed with institutions covered by the Financial Services Compensation Scheme (FSCS) or equivalent.
2. No more than £120,000 of reserves will be placed with one single institution
3. Regular monitoring of bank credit ratings will be undertaken.

Liquidity and Maturity:

1. Sufficient funds will be retained in instant access accounts to meet at least three months of routine expenditure
2. Longer term deposits may be considered for reserves not required within the financial year.

Reporting and Review:

1. The Responsible Financial Officer (RFO) will report to the Council at the six Finance Committee meetings each year.
2. This strategy will be reviewed annually in line with the budget setting process.
3. All decisions will comply with the Council's Financial Regulations and Audit requirements.