

Dersingham Parish Council

Investment Policy

1. Introduction

This Investment Policy sets out how Dersingham Parish Council (“the Council”) will manage its financial investments in accordance with the Local Government Act 2003 (Section 12), the Accounts and Audit Regulations 2015 and the SAPPP Practitioners’ Guide (England).

The Council adopts the principles of Security, Liquidity and Yield (in that order of priority) and recognises its responsibility to safeguard public funds.

2. Objectives

The objectives of the Council’s investment activity are security of capital, liquidity to meet operational needs and yield consistent with low risk.

The Council will not engage in speculative investments.

3. Definition of Investments

Short-term investments: up to 12 months

Long-term investments: over 12 months

Long-term investments will only be used where funds are not required for foreseeable expenditure.

4. Investment Strategy and Reserves Alignment

Investment decisions will reflect the Council’s Earmarked Reserves Strategy. Funds will be invested according to their purpose and expected use:

- General Fund: held in short-term, highly liquid accounts
- Earmarked Reserves: invested based on anticipated expenditure timing

The Responsible Finance Officer (RFO) will maintain a reserves schedule and a linked investment schedule.

No funds will be invested beyond the date they are required.

5. Approved Investments

The Council will invest only in low-risk options:

- UK banks and building societies
- Local authority deposits
- Government-backed institutions
- FSCS-protected accounts

The Council will not invest in equities, cryptocurrencies or speculative products.

6. Investment Limits

- Maximum £120,000 per institution unless government-backed. 100% of the General Fund will be in short-term investments. Long-term investments will be limited to surplus earmarked reserves

7. Liquidity and Cash Flow

The RFO will maintain a cash flow forecast to ensure funds are available when required. Investments will be structured to align with spending commitments.

8. Risk Management

Risks include credit, liquidity, interest rate and inflation risks. Mitigation measures include diversification, use of secure institutions and regular review.

9. Reporting

The RFO will report every 6 months on investment balances, interest earned and compliance with this policy.

An annual review will be presented to Council.

This policy will be reviewed annually or when required.

Adopted by Dersingham Parish Council on: 22nd June 2026