Dinnington St John's Town Council

INVESTMENT POLICY

July 2026

1. Introduction

1.1 Dinnington St John's Town Council recognises its responsibility to safeguard public money and to manage any surplus balances prudently, lawfully and in the best interests of the community.

1.2 This Strategy has been prepared in accordance with section 15(1)(a) of the Local Government Act 2003, the Secretary of State's statutory guidance on local government investments, and the Council's Financial Regulations and wider governance framework.

1.3 This Strategy applies to all funds held by the Council that are available for investment, including reserves and temporary cash surpluses.

2. Objectives

2.1 The Council's investment priorities are, in order of importance:

2.1.1 Security – protecting the capital sum invested.

2.1.2 Liquidity – ensuring funds are available when needed.

2.1.3 Yield – obtaining an appropriate return once security and liquidity have been addressed.

2.2 The Council will not seek to maximise return at the expense of security or liquidity.

3. Approved investment principles

3.1 The Council will normally invest only in specified investments as defined in the statutory guidance.

3.2 Investments will normally be placed only with the UK Government, UK banks, or UK building societies that meet the Council's approved credit standards.

3.3 The Council will diversify its deposits to reduce exposure to any single counterparty.

3.4 No single investment shall exceed [insert limit, e.g. 25%] of the Council's available investable balances without the specific approval of Full Council.

3.5 No investment shall normally be for a term longer than 12 months unless specifically authorised by Full Council.

3.6 The Council will maintain sufficient instant-access balances to meet day-to-day working requirements and foreseeable expenditure.

4. Creditworthiness and due diligence

4.1 The Responsible Financial Officer (RFO) shall carry out due diligence before any investment is made.

4.2 Due diligence shall include, as a minimum, checking current credit ratings from recognised agencies, reviewing financial strength and market information, confirming

deposit protection arrangements, and assessing the term, liquidity and risk of the proposed investment.

4.3 If a counterparty's credit rating falls below the approved threshold, the RFO shall report to Full Council promptly and recommend appropriate action.

5. Investment decision-making

5.1 All investment decisions shall be made in accordance with this Strategy and recorded in Council minutes.

5.2 The RFO may place deposits only within the limits and parameters approved by Full Council.

5.3 The movement of funds shall require the normal authorised signatories in accordance with the Council's banking and payment controls.

6. Liquidity and cash-flow management

6.1 The RFO shall maintain a cash-flow forecast and use it to inform investment decisions.

6.2 The Council shall ensure that investments do not compromise its ability to meet payroll and creditor payments, statutory obligations, project commitments, or earmarked reserve commitments.

7. Reporting and monitoring

7.1 The RFO shall report to Full Council at least quarterly on funds invested, counterparties used, maturity dates, interest earned, any breaches of policy, and any changes in creditworthiness.

7.2 The Council shall review this Strategy at least annually before the start of the financial year.

7.3 The Strategy shall also be reviewed earlier if there is a material change in reserves, cash flow, market conditions, legislation or statutory guidance, or the Council's risk appetite.

8. Review

8.1 Any amendments to this Strategy must be approved by Full Council.

8.2 This Strategy will be published on the Council's website once adopted.

Adopted date: 21/07/2026

Minute reference: F23/27

Review cycle: Annually

Next review date: July 2027 – Finance Committee