



Kenilworth Town Council

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Town Clerk: Miss M SField

INVESTMENT STRATEGY

Date of Approval – 12 February 2026

Date of Review – February 2027

- 1.01 Kenilworth Town Council acknowledges its responsibility to the community and the importance of prudently investing the temporary surplus funds held on behalf of the community.
- 1.02 The general policy objective for this Council is prudent investment of its balances. The Council's investment priorities are:-
 - (i) the security of its reserves (the single most important priority) followed by:
 - (ii) the liquidity of its investments.
 - (iii) the yield on its investments
- 1.03 All the Town Council's investments will be Specified Investments which are those offering high protection and high liquidity. This means that:-
 - (i) All investments will be made in sterling and any payments or repayments will also be made in sterling.
 - (ii) Long term investments will be limited to a maximum of £350,000 and will be reviewed annually,
 - (iii) All investments will be made with a body or investment scheme which has been awarded a high credit rating by a credit rating agency. (A high credit rating will be defined as 'A' 'High Credit Quality'.)
 - (iv) All non long term investments will be made in UK banks and building societies.

(v) Town Council investments should not be held in products or institutions where there is scope for significant investment in non-ethical activities, e.g. alcohol, arms-trade, illegal drugs, gambling, pornography, tobacco and fossil-fuel extraction.

- 1.04 Credit Ratings will be monitored annually. If the credit rating falls, the Town Clerk, in consultation with the Leader of the Council, will decide on the appropriate action.
- 1.05 For prudent management of its balances, the Town Council, maintaining sufficient levels of protection and liquidity, will adopt a policy whereby funds which are likely to be surplus for up to three months can be invested in short term deposits with one or more of the UK major clearing banks and/or building societies.
- 1.06 The Responsible Finance Officer may transfer a portion of current year funds into instant access interest bearing accounts and transfer funds from such interest bearing accounts on a routine basis as required.
- 1.07 The Responsible Finance Officer shall determine and routinely review the minimum balance to be held in the current account and shall ensure this is maintained.
- 1.08 The CCLA Public Sector Deposit Fund shall usually be used for this purpose and the effectiveness of this shall be reviewed by the Responsible Finance Officer at least annually.
- 1.09 The Town Council will not engage in the borrowing of monies purely to invest, or to lend and make a return. This is not considered to be prudent financial management.
- 1.10 The Town Clerk will review this strategy annually for approval by the Full Council when annual estimates are being considered.
- 1.11 At the end of the financial year during the preparation of accounts the Town Clerk will also report on investment activity.
- 1.12 The Council may recommend variations of the strategy for approval by the Full Council in accordance with the guidance from the Secretary of State.
- 1.13 The Council will review the Town Council's banking arrangements annually.
- 1.14 The Town Council will consider the placement of the Town Council's deposits one month before any bond matures.