ENCLOSURE 12

Kenilworth Town Council

Jubilee House, Smalley Place, Kenilworth, CV8 1QG

Telephone: 01926 859155

E-mail: kentc@kenilworth.org

Town Clerk: Miss M S Field

INVESTMENT STRATEGY

Date of Approval – 1 February 2024

Date of Review – February 2025

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 Department of) Communities and Local Government maintain that borrowing of monies purely to invest, or to lend and make a return is unlawful and the Town Council will not engage in such activity.

1.07 The Town Clerk will review this strategy annually for approval by the Full Council when annual estimates are being considered.

1.08 At the end of the financial year during the preparation of accounts the Town Clerk will also report on investment activity.

1.09 The Council may recommend variations of the strategy for approval by the Full Council in accordance with the guidance from the Secretary of State.

1.10 The Council will review the Town Council's banking arrangements every two years.

1.11 The Town Council will consider the placement of the Town Council's deposits one month before any bond matures.