

TENTERDEN TOWN COUNCIL

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INVESTMENT POLICY

Tenterden Town Council (the council) acknowledges the importance of prudently investing the temporary surplus funds held on behalf of the community as part of its fiduciary duty.

The council has an appointed Responsible Financial Officer and should liaise with independent financial advisers and Ashford Borough Council who have resources with skills and knowledge to guide the council to discharge its responsibilities.

This Strategy complies with the revised requirements set out in the Department of Communities and Local Government Guidance on Local Government Investments 2010.

The Local Government Act 2003 states that a local authority may invest: - for any purpose relevant to its functions under any enactment - for the purpose of prudent management of its financial affairs.

The council defines its treasury management objective as "the management of the council's cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks."

This strategy establishes formal objectives, policies, practices and reporting arrangements for the effective management and control of the Council's treasury management activities and the associated risks.

The council's investment priorities are:

1. The security of its reserves and capital
2. Maturity dates commensurate with need
3. The adequate liquidity of its investments
4. Optimum return on investment

The council's investment duties are:

1. All investments to be made in sterling.
2. Investments to be spread over different providers where appropriate to minimise risk.
3. Any loans to local third parties provided to be fully risk assessed and written on commercial basis with clear loan covenant and security.
4. The council to monitor the risk of loss on investments by review of credit ratings on a regular basis.
5. The council to only invest in institutions of high credit quality – based on information from credit rating agencies (as defined).