



Investment Policy

Approval date: 20/04/2026	Approved by: Board
Applies to: Board Members and officers responsible for the management, oversight, or authorisation of the Board’s financial investments.	Linked Documents: Finance Regulations.
Frequency of review: 2 years	Next review date: April 2028

1. Introduction

- 1.1 The Board maintains investments and reserves at an appropriate level and with adequate liquidity so it can meet its statutory obligations during periods of stress or unforecast events.
- 1.2 The Board acknowledges the importance of prudently investing public funds collected from local ratepayers. This Policy complies with the arrangements set out in the Statutory Guidance on Local Government Investments and the Chartered Institute of Public Finance and Accountancy’s Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes and takes account of Section 15 (1)(a) of the Local Government Act 2003.

2. Investment Objectives

- 2.1 In accordance with Section 15 (1)(a) of the Local Government Act 2003, the Board will have regard (a) to such guidance as Government Ministers may issue from time to time and (b) to such other guidance as Government Ministers may by regulations specify.
- 2.2 The Board’s investment priorities are the security of reserves and liquidity of its investments.
- 2.3 The Board will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity, and be consistent with avoiding any major risks.
- 2.4 All investments will be made in sterling.
- 2.5 The Board recognises borrowing monies to purely invest, or to lend and make a return, from the Public Works Loan Board or another lender, would not be appropriate, and the Board will not engage in such activity.
- 2.6 Appropriate external advice from regulated advisors whether that regulation be the Financial Conduct Authority, The Royal Institution of Chartered Surveyors, The Law Society or nationally recognised bodies will be sought by the Board when considering investments other than bank deposits.
- 2.7 Where bank deposits or similar deposits are made, the Board will consider the need for liquidity and the financial institution's financial strength, mindful of the fact that the Board does not qualify for the Financial Services Compensation Scheme as a large local authority body.



Investment Policy

- 2.8 Investments and reserves will be kept diversified between asset classes (i.e. cash and property), and where cash is held, consideration will be made to diversify between different banks or similar.
- 2.9 Investments, cash held, and the terms and institutions under which they are held will be reviewed by the Financial Committee at least quarterly and more frequently, as appropriate, during periods of economic uncertainty or operational stress.
- 2.10 This policy should be read alongside the Board's Capital Financing and Reserves Policy, which sets out target reserve levels and liquidity expectations.

3. Specified Investments

- 3.1 Specified investments are those offering high security and high liquidity, made in sterling and which must mature within one year. The Board only places deposits with financial institutions that are on the Financial Conduct Authority's approved list of financial institutions. These investments can be used with minimal procedural formalities as currently used by the Board.
- 3.2 For the prudent management of its surplus balances, maintaining sufficient levels of security and liquidity, the Board will use:
 - Deposits with banks, building societies, local authorities, or other public authorities.
 - Deposits in securities which are guaranteed by the Government.
- 3.3 The limit of any such investment will be restricted to £1,000,000 with any one particular institution or banking group, or such other sum as the Board specifies from time to time.
- 3.4 The Board recognises that public authorities such as Internal Drainage Boards may not qualify for protection under the Financial Services Compensation Scheme and therefore places particular emphasis on the security, creditworthiness, and diversification of financial institutions used.

4. Non-Specified Investments

- 4.1 These investments have greater potential risk and mature after any period longer than 365 days – examples include investment in the money market, stocks and shares, or with bodies that do not have a high credit rating.
- 4.2 Given the unpredictability and uncertainties surrounding such investments, the Board will not use this type of investment without a resolution stating otherwise.

5. Liquidity of Investments

- 5.1 The Clerk and the Finance Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.
- 5.2 Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the relevant body.



Investment Policy

6. Long Term Investments

- 6.1 Long term investments are defined in the Guidance as greater than 36 months.
- 6.2 The Board does not currently hold any long-term investments; neither will it make any such investments other than the unmortgaged freehold of 13 Conqueror Court, Sittingbourne.

7. Internal Controls

- 7.1 The Finance Officer will report on all investments held every quarter as part of the Management Accounts that are sent by email to all members of the Finance Committee. As existing investments mature, the Finance Officer will prepare a current cash flow projection indicating any future suggested investments. This projection will be authorised by both the Finance Officer and the Clerk. The current satisfactory practice is for a maturity profile investment projection to be prepared, which provides the Board with the option to pull back or invest further according to the cash flow requirements.
- 7.2 The Finance Officer will then act on this authorisation and proceed with any further investments as agreed. A copy of the confirmation of the investment from the financial institution will be initialled by the Clerk.

8. End of Year Investment Report

- 8.1 The Annual Report for the preceding and forthcoming financial year will be prepared by the Clerk/Finance Officer and presented to the Finance Committee meeting in November each year for initial approval and the Board meeting in December for final approval.

9. Review and Amendment of this Strategy

- 9.1 This Policy will be reviewed triennially.
- 9.2 The Board reserves the right to make variations to the Policy at any time.

Version Control

Version	Date Approved	Summary of Changes
1.0	20/04/2026	Initial policy approved