



Arundel Town Council Investment Policy

Version	Date of Adoption	Minute Ref	Review Date	Owner
2025/26	22/10/2025	F227		RFO

Executive Summary

Arundel Town Council is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out standards to ensure that funds are securely held and a rate of return is received.

1. INTRODUCTION

- 1.1. This policy sets out the treasury management procedures for the monitoring of the cash flow and banking arrangements of Arundel Town Council.
- 1.2. Authority reference is to the council's Financial Regulations.
- 1.3. The Local Government Act 2003 Section 12 provides the power to invest (a) for any purpose relevant to its functions under any enactment or (b) for the purpose of the prudent management of its financial affairs. Section 15(1) of the Act requires a local authority to have regard to guidance issued by the Secretary of State.
- 1.4. The council acknowledges its duty of care to the community and the prudent investment of funds.

2. OBJECTIVES

- 2.1. The council's priorities are:
 - (i) The security of capital to minimise the risk of losses.
 - (ii) The liquidity of investments to meet the cash flow needs of the council.
 - (iii) Maximising income within the framework of the national economic situation unless there are ethical reasons not to do so.
- 2.2. The council will aim to achieve a rate of return on investments commensurate with adequate safeguards of security and liquidity.

3. INVESTMENTS

- 3.1. All investments will be placed with UK registered institutions and wherever possible with those covered by the FSCS compensation guarantee.
- 3.2. If the financial institution chosen to invest with is not covered by the FSCS compensation scheme the credit rating of the institution will be a minimum of “A” and these will be monitored regularly.
- 3.3. Investments for current expenditure will be on instant access deposit accounts with a daily feeder to the current account.
- 3.4. Investments not required for current expenditure i.e. the general reserve may be placed on longer term deposits of up to 2 years.
- 3.5. Investments not required for current expenditure i.e. earmarked reserves may be placed on medium term deposits not exceeding 1 year.
- 3.6. In order to spread the financial risk to a minimum, investments will be made with a minimum of 2 financial institutions.
- 3.7. The credit ratings of the institutions will be a minimum of ‘A’ and these will be monitored regularly.

4. REVIEW

- 4.1. The management of this policy will be by the Clerk / RFO and reported to the Finance Committee meeting.
- 4.2. This policy will be reviewed by the Finance Committee on an annual basis. Any variation to the policy will be submitted to the full council for approval.