

# 2026

## Treasury Management & Investment **POLICY**



**MARLOW**  
TOWN COUNCIL



# Treasury Management & Investment Policy

Adopted: 2026

Review Date: 2027

## 1. Purpose and scope

This Treasury Management & Investment Policy sets out the framework for the prudent management of Marlow Town Council's surplus cash balances.

It establishes how funds surplus to day-to-day operational requirements may be invested, how investment risk is identified and managed, and how investments are monitored and reviewed.

This policy has been prepared in accordance with the Guidance on Local Government Investments issued under section 15(1) of the Local Government Act 2003.

## 2. Responsibility and governance

For the purposes of this policy:

- The Responsible Financial Officer (RFO) is the Town Clerk
- Day-to-day treasury management is delegated to the RFO
- The Resources Committee provides oversight and scrutiny
- Full Council retains ultimate responsibility for approval and amendment of this policy

## 3. Investment objectives

The Council defines its treasury management activities 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”.

The Council's investment priorities are:

- Security of capital
- Adequate liquidity to meet forecast cash-flow requirements
- Return on investment commensurate with proper levels of security and liquidity

## 4. Assessing liquidity needs

The RFO shall ensure that sufficient balances are maintained in instant-access accounts to meet day-to-day expenditure without the risk of overdraft.

A contingency balance shall be maintained to provide flexibility for reasonable one-off or unexpected events.

Where current account interest rates are uncompetitive, surplus cash may be placed in instant or easy-access accounts, provided funds can be repatriated at short notice.

Cash-flow forecasts shall:

- Cover a minimum forward period of 12 months
- Be reviewed on maturity of fixed-term investments

## 5. Counterparty risk

The Council will only deposit funds with institutions that are authorised by the Financial Conduct Authority (FCA), Prudential Regulation Authority (PRA), or an equivalent overseas regulator.

Counterparty risk will be managed by formal credit-rating limits and regular review prior to placing or rolling over investments.

## 6. Credit ratings and counterparty limits

The Council will use Fitch Ratings as its primary reference agency, with Moody's and Standard & Poor's used where appropriate.

Credit ratings shall be checked prior to each deposit placement or rollover.

Accrued interest may be included within these limits.

<b>Credit Grade</b>	<b>Fitch Rating</b>	<b>Maximum Deposit</b>	<b>Maximum Maturity</b>
Very High	AA- and above	£5,000,000	5 years
High	A- to A+	£1,000,000	5 years
Good	BBB- to BBB+	£500,000	5 years
Speculative or below	BB+ or lower	£85,000	1 year

## 7. Specified investments

Specified investments are those offering high security and liquidity, made in sterling and with a maturity of no more than one year.

The Council will use:

- Deposits with banks and building societies
- Deposits with local authorities
- Approved public sector investment funds

**The Council expressly prohibits investment in instruments where capital is placed at risk, including equities or speculative products.**

## 8. Permitted investment products

Surplus funds may be invested in:

- Overnight / instant-access accounts
- Easy-access savings accounts
- Notice accounts (typically 30–365 days)
- Fixed-term deposits

No individual investment shall exceed a maturity of five years.

## 9. Approved organisations

The Council's day-to-day banking is with Lloyds Bank.

Investments may be placed with approved institutions listed in **Schedule A**.

## 10. Authorisation and dealing arrangements

All transactions shall be authorised by the RFO.

Time deposits may be negotiated and placed by the RFO or Deputy RFO.

Transfers between the Council's bank accounts may be carried out in accordance with bank mandates.

Transfers of up to **£20,000** per day are permitted to maximise interest earnings on surplus funds.

## 11. Monitoring and reporting

Quarterly reports to the Resources Committee shall include:

- Funds invested and counterparties
- Investment tenors and maturity dates
- Interest rates achieved versus market rates

## 12. Review and amendment

The Treasury Management Policy shall be reviewed annually.

The Council reserves the right to make variations to the policy at any time following a report from the RFO.

## Schedule A – Approved institutions

### **Approved Banks**

Bank of Ireland UK  
Barclays  
HSBC  
NatWest  
Lloyds Banking Group  
Sainsbury's Bank  
Santander UK  
Tesco Bank  
The Co-operative Bank  
TSB  
Unity Trust Bank  
Ulster Bank  
Virgin Money

### **Approved Building Societies**

Coventry BS  
Market Harborough Building Society  
Nationwide BS  
Skipton BS  
Yorkshire BS

### **Other approved funds**

CCLA Public Sector Deposit Fund / Property Fund  
Other Government Schemes and Bonds of short-term liquidity (not more than one year)  
Insignis institutions listed in **Schedule B**

## Schedule B – Approved Insignis institutions

Agricultural Bank of China Limited - London Branch  
Aldermore Bank  
Al Rayan Bank  
Arbuthnot Latham Bank  
Bank of Montreal - London Branch  
Cambridge & Counties Bank  
Charity Bank  
Emirates NBD  
Goldman Sachs International Bank  
Hampshire Trust Bank  
HSBC Bank Plc - Tracker  
Investec  
Loughborough Building Society  
Mashreqbank Psc - London Branch  
National Bank of Egypt (UK) Limited  
NBKI  
OakNorth Bank  
Saffron Building Society  
Santander Financial Services Plc  
SBI UK  
Societe Generale - London Branch  
Standard Chartered  
Teachers Building Society  
Triodos Bank