
Agenda Item:	Investment Strategy
Meeting Date:	3 February 2025
Contact Officer:	Responsible Financial Officer

Background

In accordance with the Statutory Guidance on Local Government Investments (3rd edition, April 2018) "For each financial year, a local authority should prepare at least one Investment Strategy ("the Strategy")." This is the report is in relation to the Strategy for 2024-25.

The Investment Strategy set outs what the Council intends to do with any surplus funds and is there to ensure that the Council invests prudently to achieve the optimum return, bearing in mind the security (safety) and liquidity (ease of access) of the funds invested. These requirements form a basis to create clear treasury management objectives and to structure sound treasury management policies and practices.

Current Situation

The Strategy is compliant with the Local Government Act 2003, the Revised statutory guidance on Local Government Investments (3rd Edition, March 2018) and the guidance set out in the Joint Panel on Accountability and Governance Practitioners' Guide (2024).

The RFO has reviewed the Strategy and some non-material changes have been made, which are shown in the tracking. Where appropriate a tracking comment summarises the reason for the proposed change.

It should be noted that the Committee can make variations to the attached Strategy at any time, subject to the approval of the Council.

Current Process for Investing Surplus Funds

The Investment Strategy details how the Council invests surplus funds held on behalf of the community. The policy delegates the choice of institution for the investment of such funds to the RFO in consultation with the Town Clerk rather than the Chair of the Policy, Governance and Finance Committee. The policy then requires that these matters are reported to the Policy, Governance and Finance Committee.

Financial Regulations require that the RFO together with the Proper Officer (Town Clerk/ Chief Executive) assists the Council to secure economy, efficiency and effectiveness in the use of its resources. Consequently the Council will invest surplus funds for the best income return having regard both to the requirements of the Local Government Act 2003 and the absolute requirement to avoid capital loss.

Date of review of strategy

The strategy is currently reviewed annually. For 2025-26 the intention is that:

- (i) That the report on annual investment activity for the previous financial year (in this case, 2024-25) is presented at the meeting of this Committee in June 2025, as it was in 2024.
- (ii) That the Investment Strategy for 2025-26 is considered in the July 2025 cycle of meetings, so that it may be informed by (i) and any agreed changes may be made earlier in the financial year.

Impact Assessments

The Town Council has a duty to consider the effects of its decisions, functions and activities on equality, biodiversity, and crime & disorder. Consideration should also be given to effects on the environment, given the Council's Climate Emergency declaration in 2019.

- a) Equality – no implications directly resulting from this report.
- b) Biodiversity - no implications directly resulting from this report.
- c) Crime & Disorder - no implications directly resulting from this report.
- d) Environment & Climate Emergency - no implications directly resulting from this report although the strategy details how these matters will be taken into account in relation to investment decisions.

Risk

In decision making Councillors should give consideration to any risks to the Council and any action it can take to limit or negate its liability. The Strategy details the Council's prudent approach to risk in relation to investments.

Social Value

Social value is the positive change the Council creates in the local community within which it operates. A robust investment strategy assists in sustaining an adequate budget to create social value.

Financial implications

None directly arising from this report.

Recommendations

The Committee is invited to note this report and

1. That the attached appendix being the Annual Investment Strategy 2024/25 is formally approved by the Committee, and subsequently full Council on 24 February 2025.
2. That this report is approved and:
 - (i) That the report on annual investment activity for the previous financial year (in this case, 2024-25) is presented at the meeting of this Committee in June 2025.
 - (ii) That the Investment Strategy for 2025-26 is considered in the July 2025 cycle of meetings.