

**Report Purpose:**

Investment Position Statement

**Author:**

Town Clerk

**Background**

The Town Council's Investment Strategy was approved in Mar 2024. The Strategy states that at the end of the financial year, the Town Clerk/RFO will provide a report on the performance of the Council's investments and an Investment Position Statement to the Council.

Within the annually produced Investment Position Statement, the Council will report on:

- Return on investments as an indicator of investment performance
- Debt to net revenue expenditure (gross debt as a percentage of net revenue expenditure, where net revenue expenditure is a proxy for the size and financial strength of a local authority)

**Statutory Guidance**

Statutory Guidance has been issued by the Government on Local Government Investments (3rd Edition) issued under section 15 (1)(a) of the Local Government Act 2003 and effective for financial years commencing on or after 1 April 2018. The key principles of the guidance are transparency and democratic accountability. The guidance is statutory for parish councils, providing their total investments exceed or are expected to exceed £100,000 at any time during the financial year.

The guidance states that where authorities are holding treasury management investments for more than 12 months, they should include quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions.

**Investment Indicators**

The Town Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

**Total risk exposure**

The first indicator shows the Council's total exposure to potential investment losses.

<b>Investment</b>	<b>31.3.2023 Actual</b>	<b>31.3.2024 Actual</b>	<b>31.3.2025 Actual</b>
CCLA Account	£830,769.72	£872,288.91	£916,819.55
Total Investments	£830,769.72	£872,288.91	£916,819.55
Total Exposure	£830,769.72	£872,288.91	£916,819.55

**How investments are funded**

The Council does not fund any of its investments from borrowing. Investments are funded from:

- Usable reserves
- Income received in advance of expenditure
- Rental income from buildings and allotments

### Rate of return received

This indicator shows the investment income received and the net rate of return for each year.

Year	Investment Value (£)	Investment Income (£)	Net Rate of Return (%)
31.3.2023	830,769.72	15,530.91	1.89%
31.3.2024	872,288.91	41,519.19	4.88%
31.3.2025	916,819.55	44,532	4.98%

The Council has no outstanding debt and no borrowing, resulting in a debt-to-net-revenue-expenditure ratio of 0%.

**Treasury Management Statement** Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council typically receives its income in cash (e.g., from precept) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure. These activities can lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy.

The Authority has invested money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted with due regard to the Chartered Institute of Public Finance and Accountancy's Guidance for Smaller Public Organisations on the Application of the CIPFA Code of Practice Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (Treasury Management Code) (2018) (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's obligation to have regard to the CIPFA Code and any other appropriate guidance.

- **Security**

The Council will only invest in institutions of high credit quality – based on information from approved credit rating agencies. High credit quality is defined as a body or investment scheme with an 'A' or P1 rating.

The Council currently has one investment with the CCLA Investment Management Ltd and a current Bank Account with Barclays Bank.

**The Public Sector Deposit Fund** - as at 31 March 2025 the Fitch Ratings were confirmed as AAmmf (a risk-weighted measure that considers the credit quality and maturity profile of the portfolios' securities)

**Barclays Bank** currently holds a Fitch long-term rating of 'A' (Stable outlook) and is therefore considered high credit quality, in compliance with the Council's Investment Strategy.

### Recommendations

1.2 That members note the Investment Position Statement

## **2. Financial Implications**

There will be no financial implications as a direct result of this report, but The Council shall be able to amend or make variations to the Policy at any time following consideration of recommendations from the Town Clerk/RFO. Where the Council proposes to make a material change to its Investment Strategy during the year a revised Strategy should be presented to full council for approval before the change is implemented, such changes could include a change to Capital Reserves held due to Capital project costs.