



# **Radyr & Morganstown Community Council**

## **Cyngor Cymuned Radur a Threforgan**

**Report**

**Agenda Item 12**

**Meeting: Finance Committee**

**Date: 4 January 2024**

**Report Author: Clerk to the Council**

### **Radyr & Morganstown Community Council Annual Investment Strategy 2024/25**

This Annual Investment Strategy is prepared in accordance with the statutory guidance on Local Government Investments issued by the Welsh Government.

Welsh Ministers recommend that for any financial year an investment Strategy (“the initial Strategy”) should be prepared and approved before the start of that year.

All cash, bank balances, financial assets, borrowings, and credit arrangements are defined as a part of the Council’s treasury management activities. This Annual Investment Strategy will concentrate on the Council’s temporary surplus resources (or other financial assets it holds) and the investments it undertakes of these resources.

The Council undertakes to ensure that, for all its investments, priority will be given firstly to security and secondly to liquidity rather than to yield.

In drafting this Annual Investment Strategy, the Council has made appropriate arrangements for:-

- Identification, management, and control of risks in the investments/treasury management activities it undertakes;
- Budgeting, accounting, and audit arrangements;
- Its cash flow management requirements;
- Segregation of responsibilities, organisational arrangements, adequate documentation, and the identification of a responsible officer for investment/treasury management activities;
- Corporate governance;
- Procedures to ensure it is alert to the possibility that it may become subject to an attempt to involve it in a transaction involving the laundering of money.
- The Strategy will be monitored in year by the Council's Finance Committee.
- The committee is responsible for monitoring, assessing, and mitigating the risk of loss of invested sums and for ensuring that such sums are readily accessible for expenditure whenever needed. Risk Assessment are not based on credit ratings by credit agencies or other sources of information on credit risk. The Council's investments are held with established financial institutions.
- The committee will also review and address the needs of the Council's treasury management staff for training in investment management.

All investments undertaken by this Council will be made and repaid in Sterling. The Council does not currently use external Treasury Management Advisors.

This Strategy will be reviewed annually but contingency arrangements will operate in the event of which a revised Strategy will be prepared (for example, significant changes in the risk assessment of a significant proportion of the authority's investments).

## **SUMS TO BE INVESTED**

Radyr & Morganstown Community Council has set its Precept for 2023/24 at £158,921. Based on the same population as 2022/23, Band D was shown as £39.90.

It was received from Cardiff Council in April 2023 and will be deposited with the Unity Trust Bank. The Council will consider its precept for 2024/25 in January 2024.

Other surplus income from balances and sales will be deposited with this bank. The Council has also approved the transfer of funds (£85,000) to the Co-operative Bank. These arrangements are being processed.

**LISTING OF INVESTMENTS UNDERTAKEN** The Council will undertake the following categories of investment for its revenue and reserve accounts for the financial year.

Unity Trust Bank.

As at 30 November 2023 the balance on accounts held was as follows

Unity Trust Account \*\*\*\*326 Unity Current Account.T2 £83,801.70 (Statement 132)  
Unity Trust Account \*\*\*\*011 Old Church Rooms. £140,219.59 (Statement 48)  
Unity Trust Account \*\*\*\*339 Instant Access. £71,563.16 (Statement 110)

Earmarked Reserves are identified in the Council's Statements of Accounts.

The amounts are considered appropriate. The Council will review these limits annually. The period for which funds may be committed will be reviewed as part of this review.

Non-Specified Investments have greater potential risk. Given the unpredictability and uncertainty surrounding such investments the Council will not normally use this type of investment.

The Council is in the process of reviewing its investments to ensure that its finances are not at risk as a result of compensation ceilings under the Financial Services Compensation Scheme (FSCS)

#### **High Credit Quality: Definition**

The Council considers that the investment options with relatively high security and high liquidity constitute high credit quality. The Council does not employ a system of credit ratings. Other sources of information on credit risk are not used.

**INVESTMENT OF MONEY BORROWED IN ADVANCE OF NEED** The Council has two current loans with the Public Works Loans Board (59741 and 60984).

Details of current amounts outstanding were reported to the Council on 16 November January 2023

Any future investment would be managed and risk-assessed in accordance with appropriate guidance and this Strategy adapted accordingly.

## **GLOSSARY**

Credit arrangements – this covers all forms of borrowing or credit transactions that the Council may undertake.

## **NEW INVESTMENTS: REPORTING REQUIREMENTS**

If any new investment instruments (other than those approved in the list above) are proposed, before such an investment is undertaken it will first be approved by the Council.