



Office Hours
Monday to Friday
9am - 3pm

CHUDLEIGH TOWN COUNCIL

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Clerk: John Carlton

INVESTMENT STRATEGY 2023/24

INTRODUCTION

Chudleigh Town Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

This Strategy complies with the revised requirements set out in the Office of the Deputy Prime Minister's Guidance on Local Government Investments and Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes and takes account of the Section 15(1)(a) of the Local Government Act 2003.

INVESTMENT OBJECTIVES

In accordance with Section 15(1) of the 2003 Act, the Council will have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify.

The Council's investment priorities are the security of reserves and liquidity of its investments.

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

All investments will be made in sterling.

The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and made a return, is unlawful and this Council will not engage in such activity.

Where external investment managers are used, they will be contractually required to comply with the Strategy.

SPECIFIED INVESTMENTS

Specified Investment are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. Such short term investments made with the UK Government or a local authority or town parish council will automatically be Specified Investments.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use:

- Deposits with banks, building societies, local authorities or other public authorities
- The debt management agency of HM Government

NON-SPECIFIED INVESTMENTS

These investments have greater potential risk – examples include investment in the money market, stock and shares.

Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment.

LIQUIDITY OF INVESTMENTS

The Town Clerk in consultation with the Town Hall & Finance Committee, will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

LONG TERM INVESTMENTS

Long term investments are defined in the Guidance as greater than 36 months. The Council does not currently hold any long term investments.

INTERNAL CONTROLS FOR INVESTMENT DECISIONS

All investment decisions will require the approval of the Town Hall & Finance Committee. This approval will also require ratification by Full Council. This investment strategy will be reviewed annually by the Town Hall & Finance Committee at its May meeting and ratified by the June Full Council meeting

DETAILED STRATEGY FOR 2023/24

As at 29 March 2023 the Town Council had £10,205 in the current account and £250,917 in the deposit account. £121,000 are earmarked funds that can only be used for infrastructure projects (CIL). Our non-earmarked reserves at year end equated to £121,917, down from £160,181 in 2022. This does not include the £32,575 held in the building maintenance account. The latter is likely to come under pressure over the next year if the application to fit solar panels is successful and if other building works are undertaken. Our non-earmarked reserves are heading in a downward trajectory due to inflation and increased costs. That will continue to a degree in 2023/24. However, there does not appear to be any immediate need to spend significant sums of the CIL funds and that could give scope to invest up to £100,000 over a six to twelve month period. Consequently, the Town Hall & Finance Committee decided to invest £100,000 in a nine month fixed term bond with a return of 2.9% at their meeting on 5 April 2023. This was amended by full council to an investment of £140,000 on 15 June 2023 as an additional £45,000 in CIL funds was received on 28 April 2023.

John Carlton

Town Clerk

21 April 2023