ANNUAL TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2024/25

1. PREAMBLE:

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

1.2 All cash, bank balances, financial assets, borrowing and credit arrangements are defined as a part of the Council's treasury management activities. This Annual Strategy will concentrate not only on the Council's treasury management activities but also upon the Council's temporary surplus resources (or other financial assets it holds) and the investments it undertakes of these resources.

1.3 The Council undertakes to ensure that for all its treasury management and investments, priority will be given to security and liquidity rather than to yield. In drafting this Annual Strategy the Council has made appropriate arrangements for:

a) Identification, management and control of risks in the investments/treasury management activities it undertakes.
b) Budgeting, accounting and audit arrangements.
c) Its cash and cash flow management requirements.
d) Segregation of responsibilities, organisational arrangements, adequate documentation and the identification of a responsible officer for investment/treasury management activities.
e) Corporate governance.
f) Procedures to ensure it is alert to the possibility it may become subject to an attempt to involve it in a transaction involving the laundering of money.

1.4 All treasury management activities and investments undertaken by this Council will be made and repaid in Sterling.

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2. TREASURY MANAGEMENT ARRANGEMENTS:

2.1 For the day to day financial management of the Council two bank accounts are operated with Unity Trust Bank:

a. Current T2 Account
b. Instant Access Account

2.2 Both the accounts are held at Unity Trust Bank and the interest rate received on the Instant Access Account is currently (correct as at 1st April 2024) as follows, the interest will vary according to economic circumstances:
2.75% AER. No interest is received on the Current T2 Account.

2.3 Interest is credited on a quarterly basis. There are monthly bank charges levied for the transactions on the Current T2 Account. There is no authorised overdraft.

2.4 The Current T2 Account is used only for making the monthly payments as agreed by reference to the schedule presented each month to the Finance and Economic Development Committee. In order to achieve a balance sufficient to pay the monthly outgoings, sums of money are transferred from the Instant Access Account, which is the account where all income owed to and received by the Council is deposited.

2.5 The accrued balances, with the exception of the Current T2 Account shall be reviewed on an ongoing basis to ensure that specific and general reserves are maintained at a level to meet expected demands. Should the balances in those reserves reach a level beyond that which is reasonably required, potential transfers to High Interest earning accounts should be considered.

2.6 All sums of money owed by the Council will be discharged by either Bank Direct Debit, Standing Order, Bank Transfer, authorised Council cheque payment or Equals Prepaid Expenses Card.

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3. LISTINGS OF INVESTMENTS UNDERTAKEN:

3.1 The Council will undertake the following categories of investment for the financial years 2024/25:

Bank	**Account Type**	**Interest Rate @ 1st April 2024**	**Balance @ 1st April 2024**
Lloyds Bank	32 Day Notice	2.5%	£129,800.27
Lloyds Bank	Business Bank Instant	1.3% pa	£5,759.75
Lloyds Bank	Business Account	0	£94.96
Cambridge & Counties	Easy Access Account	0.50% (awaiting re-investment)	£155,264.38
CCLA Investment Management Ltd	The Public Sector Deposit Fund SC4	Average fund yield 5.22% pa	£25,788.41

The Council undertakes to ensure that for all its Treasury Management and Investments, priority will be given to security and liquidity rather than yield" (see above).

3.2 If during the current and future financial years the Council disposes of any fixed assets, the net proceeds of any such disposal shall be placed in the Unity Trust Bank Instant Access Account as soon as they are received. If the net proceeds of the sale of any individual asset exceed £20,000.00, the monies shall be placed in a High Interest Deposit Account as soon as is practicable.

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4. NEW TREASURY MANAGEMENT AND/OR INVESTMENTS – REPORTING REQUIREMENTS:

4.1 If any Treasury Management or Investment Instruments (other than those approved in the lists above) are proposed during the current or future financial year before such proposals are undertaken notification shall be made to the next Finance and Economic Development Committee meeting.

5. REVIEW OF ARRANGEMENTS:

5.1 A review of banking arrangements was conducted in 2023 (See minute 18646 Finance and Economic Development Committee 24th January 2023).

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