Cyngor Tref Trallwng Welshpool Town Council

Welshpool Town Council, The Vicarage Gardens, Welshpool, Powys, SY21 7DD
Tel: 01938 553142 Email: office@welshpooltowncouncil.gov.uk

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Author	Richard Williams Town Clerk & Responsible Finance Officer
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Investments and Reserves Strategy 2025-26

The Council is authorised by Section 12 of the Local Government Act 2003 to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent financial management of its financial affairs.

Investments

All cash, bank balances, financial assets, borrowings and credit arrangements are included within the scope of this strategy. The strategy focusses on the Council's temporary surplus resources and the investment of these resources, and not with capital, land or trust holdings.

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

The strategy also interfaces with the Council's approved Risk Register and the Council will have regard to prudent cash, cash flow management, budgeting and estimated expenditure for the next financial year.

The Council will undertake investments in one or more of the following organisations for the 2025-26 financial year:

- Lloyds Current Account & 30 Day Account
- CCLA Public Sector Deposit Fund

The following temporary sums may be invested during the 2025-26 financial year:

- Annual Precept - £781,600
- Grants expected to be received - amount received
- All other budged income to be received - £131,800
- Monies b/f as at the 1st April 2025 - £49,995
- Unbudgeted income received - amount received
- Loan monies between receipt and expenditure - amount received

Reserves

The Council recognises the impact of it's long term financial security and in order to improve this security, will commit to the following principles:

- To keep 6 months of expenditure in general reserves. This is to cover unexpected or unplanned items and timing between income and expenditure to ensure that the Council is able to meet it's liabilities when arising.
- As part of the budget setting process, have due regard to the remaining bank balances including general reserves and consider including a budgeted amount to increase reserves to a level which would meet the aim above.
- That any underspends in budget lines at year end are automatically transferred to general reserves, unless a request is made by an appropriate committee or the RFO to ear-mark the monies for spend in the upcoming financial year.
- To setup ear-marked reserves (EMRs) for projects as appropriate and to review them to ensure they are still relevant. Any EMRs no longer relevant will be transferred to general reserves.