

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET - TUESDAY, 5 FEBRUARY 2019**

Report Title	<b>INVESTMENT STRATEGY - SERVICE AND COMMERCIAL 2019/20</b>
Key Decision	a) Financial Yes b) Community Yes
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Purpose of report	To seek approval of the Investment Strategy – Service and Commercial and to meet statutory requirements.
Reason for Decision	To meet statutory requirements.
Council priorities	Value for Money
Implications:	
Financial/Staff	This strategy lays out how the Council will support local public services through investments and invest commercially. Investment activities may impact on the resources available to the council through utilisation of reserves and through interest earned.
Link to relevant CAT	Could impact on all CAT's
Risk Management	Investment and reliance on income from commercial activity carry elements of risk. These risks are moderated through compliance with the CIPFA code of Treasury Management, the retention of Treasury Management advisors (Arlingclose) to offer expert advice, the adoption of the Treasury and Investment Strategies and sound financial management through the Medium Term Financial Strategy, budget setting and monitoring processes implemented by the council.
Equalities Impact Screening	Not applicable
Human Rights	Not applicable

Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	The Council's treasury Advisors; Corporate Leadership Team; and Policy Development Group 9 January 2019
Background papers	<a href="#">2019-2024 Medium Term Financial Strategy</a> – Cabinet 11 December 2018  <a href="#">Statutory Guidance on Local Government Investments</a> – GOV.UK
Recommendations	<b>THAT CABINET RECOMMEND THE INVESTMENT STRATEGY – SERVICE AND COMMERCIAL 2019/20 FOR APPROVAL BY COUNCIL ON 26 FEBRUARY 2019</b>

## 1.0 INTRODUCTION

1.1 The council invests its money for three broad purposes:

- i. Because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments);
- ii. To support local public services by lending to or buying shares in other organisations, including loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party (service investments); and
- iii. To earn investment income (known as commercial investments where this is the main purpose).

1.2 The investment strategy attached as Appendix A is a new report for 2019/20 which was presented at Policy Development Group 9 January 2019. The minutes of the meeting are included as Appendix B for Cabinet consideration. It meets the requirements of statutory guidance issued by the government under in January 2018 under section 15(1)(a) of the Local Government Act 2003.

1.3 The Investment Strategy – Service and Commercial, focuses solely on service investments and commercial investments (as outlined in 1.1 ii. and iii. above). Treasury management activities (as per paragraph 1.1 i. above) are detailed within the council's separate Treasury Management Strategy.

1.4 When considering security and liquidity of loans, local authorities should set limits for their total exposure. The proposed limits in relation to Service Investments: Loans and Shares are presented in the strategy for approval.

- 1.5 This strategy supports the Council's wider strategic framework, including the council's Commercial Strategy and considers financial implications and risks of any investments for a service or commercial purpose.