

Title of Report	INVESTMENT STRATEGY – SERVICE AND COMMERCIAL 2020/21	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	2020-2025 Medium Term Financial Plans – Cabinet 10 December 2019	Public Report: Yes
	Statutory Guidance on Local Government Investments – GOV.UK Draft Corporate Scrutiny Minutes - 8 January 2020	Key Decision: No
Financial Implications	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.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications		
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications		
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek approval of the Investment Strategy – Service and Commercial 2020/21.	
Reason for Decision	To ensure the Council meets the requirements of statutory guidance issued by the government in January 2018 under section 15(1)a of the Local Government Act 2003.	
Recommendations	THAT CABINET RECOMMEND THE INVESTMENT STRATEGY – SERVICE AND COMMERCIAL 2020/21 FOR APPROVAL BY COUNCIL ON 25 FEBRUARY 2020.	

1. 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 a third party (service investments); and
 - iii. To earn interest income (known as commercial investments where there this is the main purpose).
- 1.2 The Investment Strategy attached as Appendix A was introduced in 2019/20, meeting the requirements of statutory guidance issued by the government in January 2018 under section 15(1)a of the Local Government Act 2003. The Investment Strategy has been reviewed and updated for 2020/21.
- 1.3 The Investment Strategy – Service and Commercial, focusses solely on service investments and commercial opportunities (as outlined in 1.1 ii. and iii. above. Treasury Management activities (as outline in 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 approved limits in relation to Service Investments: Loans and Shares are presented in the strategy for approval. There has no changes to the limits from 2019/20.
- 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.
- 1.6 The Investment Strategy was considered by the Corporate Scrutiny Committee on 8 January 2020. A link to the draft minutes have been included as a background paper on page one of this report.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Supporting Coalville to be a more vibrant, family-friendly town - Support for businesses and helping people into local jobs - Developing a clean and green district - Local people live in high quality, affordable homes - Our communities are safe, healthy and connected
Policy Considerations:	None
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable
Environment and Climate Change:	Not applicable
Consultation/Community Engagement:	Corporate Scrutiny Committee – 8 January 2020
Risks:	Investment and reliance on income from commercial activity carry elements of risk. These risks are moderated through the 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.
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