

<b>Title of Report</b>	<b>INVESTMENT STRATEGY – SERVICE AND COMMERCIAL 2020/21</b>	
<b>Presented by</b>	Councillor Nicholas Rushton Corporate Portfolio Holder	
<b>Background Papers</b>	<a href="#">Statutory Guidance on Local Government Investments – GOV.UK</a>  <a href="#">2020-2025 Medium Term Financial Plan</a> – Cabinet 4 February 2020  <a href="#">Investment Strategy – Service and Commercial 2020/21</a> - Cabinet 4 February 2020	<b>Public Report:</b> Yes
<b>Financial Implications</b>	<p>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.</p> <p><b>Signed off by the Section 151 Officer:</b> Yes</p>	
<b>Legal Implications</b>	<p>As detailed in the report</p> <p><b>Signed off by the Monitoring Officer:</b> Yes</p>	
<b>Staffing and Corporate Implications</b>	<p>As detailed in the report</p> <p><b>Signed off by the Head of Paid Service:</b> Yes</p>	
<b>Purpose of Report</b>	To seek approval of the Investment Strategy – Service and Commercial and to meet statutory requirements.	
<b>Recommendations</b>	<b>THAT COUNCIL APPROVE THE INVESTMENT STRATEGY – SERVICE AND COMMERCIAL 2020/21.</b>	

## 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 under 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.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	<ul style="list-style-type: none"> <li>- Supporting Coalville to be a more vibrant, family-friendly town</li> <li>- Support for businesses and helping people into local jobs</li> <li>- Developing a clean and green district</li> <li>- Local people live in high quality, affordable homes</li> <li>- Our communities are safe, healthy and connected</li> </ul>
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 Cabinet – 4 February 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.
Officer Contact	Tracy Bingham Head of Finance and S151 Officer <a href="mailto:tracy.bingham@nwleicestershire.gov.uk">tracy.bingham@nwleicestershire.gov.uk</a>