

Title of Report	INVESTMENT STRATEGY - SERVICE AND COMMERCIAL 2021/22	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	Statutory Guidance on Local Government Investments – GOV.UK Review of Medium Term Financial Plan – Cabinet 2 February 2021 Investment Strategy – Service and Commercial 2021/22 - Cabinet 2 February 2021	Public Report: Yes
Financial Implications	The strategy sets out how the Council will support local public services through investments and investing 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	None. Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None. Signed off by the Deputy Head of Paid Service: Yes	
Purpose of Report	To seek approval of the Investment Strategy – Service and Commercial 2021/22.	
Recommendations	THAT COUNCIL APPROVE THE INVESTMENT STRATEGY – SERVICE AND COMMERCIAL 2021/22.	

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 a third party (service investments); and

- iii. To earn interest income (known as commercial investments where there is the main purpose).
- 1.2 The Investment Strategy attached at Appendix A was introduced in 2019/20, meeting the requirement of statutory guidance issued by the government (see background papers). The Investment Strategy has been reviewed and updated for 2021/22.
 - 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 outlined 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 been no change to the limits from 2020/21.
 - 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.

Policies and other considerations, as appropriate	
Council Priorities:	The Investment Strategy assists the Council to achieve all its priorities.
Policy Considerations:	Not applicable
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 – 6 January 2021. Cabinet – 2 February 2021
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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