

Report to: Audit & Governance Committee Meeting 1 February 2023

Director or Business Manager Lead: Sanjiv Kohli Deputy Chief Executive / Director – Resources - Section 151 Officer

Lead Officer: Andrew Snape, Assistant Business Manager Financial Services on ext 5523

Report Summary	
Report Title	Investment Strategy 2023/24
Purpose of Report	This investment strategy is for 2023/24, meeting the requirements of statutory guidance issued by Department of Levelling Up, Housing and Communities DLUHC (previously MHCLG) Investment Guidance in January 2018.
Recommendations	That Committee approves each of the following key elements and recommends these to Full Council on 9 March 2023 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter: <ul style="list-style-type: none"> • The Investment Strategy 2023/24 Appendix A. • The Investment Prudential Indicators and Limits for 2023/24, contained within Appendix A.
Reason for Recommendation	Not to approve these policies would contravene the requirements of both legislation and good practice. In addition, the Mazars External Auditors may pass comment in their Report to those charged with governance (ISA260).

1.0 Background

1.1 The definition of an investment covers all of the financial assets of the Council as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

1.2 A loan is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

1.3 Statutory Requirements:

- The DLUHC Investment Guidance is issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003. Under that section local authorities are required to “have regard” to “such guidance as the Secretary of State may issue”.
- For each financial year, a local authority should prepare at least one Investment Strategy (“the Strategy”). The Strategy should contain the disclosures and reporting requirements specified in this guidance. The Strategy should be approved by the full council.

2.0 Summary of Limits

2.1 The below table summarises the proposed limits within the Investment Strategy 2023/24 for the non-treasury investments, each category has further details within the **Appendix**;

Category of borrower	2021/22 actual			2023/24
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Approved Limit £m
Service Investments: Loans	0.802	0.013	0.789	14.500
Service Investments: Shares	3.655	0.342	3.997	5.000
Commercial Investments: Property	0	0	0	0

Background Papers and Published Documents

DLUHC Investment Guidance 3rd Edition