



Report to: Audit & Governance Committee Meeting 19 February 2025

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

Lead Officer: Nick Wilson, Business Manager Financial Services on ext 5317

Report Summary	
<b>Report Title</b>	Investment Strategy 2025/26
<b>Purpose of Report</b>	This investment strategy is for 2025/26, meeting the requirements of statutory guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance in January 2018.
<b>Recommendations</b>	That Committee approves each of the following key elements and recommends these to Full Council on 6 March 2025 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"> <li>• The Investment Strategy 2025/26 <b>Appendix A</b>.</li> <li>• The Investment Prudential Indicators and Limits for 2025/26, contained within <b>Appendix A</b>.</li> </ul>
<b>Reason for Recommendation</b>	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

## 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 MHCLG 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 2025/26 for the non-treasury investments, each category has further details within the **Appendix**;

Category of borrower	2023/24 actual			2025/26
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Approved Limit £m
Service Investments: Loans	0.021	0	0.021	<b>16.500</b>
Service Investments: Shares	4.404	-0.365	4.039	<b>5.000</b>
Commercial Investments: Property	0	0	0	<b>0</b>

## 3.0 Implications

In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

### 3.1 Legal Implications (LEG2425/3145)

Audit & Governance Committee is the appropriate body to consider the content of this report, by virtue of its terms of reference.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

MHCLG Investment Guidance 3rd Edition