

Report to: Audit & Accounts Committee Meeting 4 March 2026

Director Lead: Sanjiv Kohli Deputy Chief Executive, Director – Resources & Section 151 Officer

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

<b>Report Summary</b>	
<b>Report Title</b>	Non-Treasury Investment Strategy 2026/27
<b>Purpose of Report</b>	This investment strategy is for 2026/27, 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 5 March 2026 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 2026/27 <b>Appendix A</b>.</li> <li>• The Investment Prudential Indicators and Limits for 2026/27, 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 2026/27 for the non-treasury investments, each category has further details within the **Appendix**;

Category of borrower	2024/25 actual			2026/27
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
	£m	£m	£m	£m
Service Investments: Loans	3.232	0	3.232	26.500
Service Investments: Shares	4.039	-0.078	3.961	5.000
Commercial Investments: Property	0	0	0	0

### Background Papers and Published Documents

MHCLG Investment Guidance 3rd Edition