

Central Bedfordshire Council

Executive

5 February 2019

Investment Strategy 2019-20

Report of: Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources (Richard.Wenham@centralbedfordshire.gov.uk)

Responsible Director: Charles Warboys, Director of Resources (Charles.Warboys@centralbedfordshire.gov.uk)

This report relates to a Key Decision

Purpose of this report

The purpose of this report is to seek Executive agreement to the Investment Strategy for 2019/20 to facilitate effective financial management and planning.

RECOMMENDATIONS

The Executive is asked to:

- 1. recommend to Council that the Investment Strategy for 2019/20 be approved.**

Overview and Scrutiny Comments/Recommendations

1. The Corporate Resources Overview and Scrutiny Committee considered the Investment Strategy at its meeting on 31st January 2019 and the comments are set out at Appendix B.

Issues

2. As a new requirement of the Ministry of Housing, Communities and Local Government's (MHCLG) revised *Capital Finance: Guidance on Local Government Investments (Third Edition)*, the Council is required to approve an Investment Strategy for the forthcoming financial year.

3. This Strategy is a high-level summary of the Council's approach to managing its non-treasury investments, defined as being held primarily or partially to generate a profit. It outlines how these investments contribute to the provision of local public services and provides an indication of the Council's total risk exposure resulting from its investment decisions.
4. It therefore covers investments that are not managed as part of normal treasury management processes or under treasury management delegations, further details of which are included in the Treasury Management Strategy which is a separate report on the same agenda.
5. Subject to agreement by the Executive Committee, this report will be submitted for approval by Council on 21st February 2019. In line with local arrangements which require the Corporate Resources Overview and Scrutiny Committee to scrutinise the Treasury Management Policy, Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Policy on an annual basis, this new Investment Strategy will follow the same route.

Reason for Decision

6. To recommend to Council the Investment Strategy for 2019/20, providing an effective investment framework for the Council which is underpinned by the principles of prudence, affordability and sustainability.

Council Priorities

7. As a key part of the Council's overall financial plan, the Investment Strategy supports the delivery of all the organisation's priorities.

Corporate Implications

Legal Implications

8. The Council's investment activities are regulated by statute, professional codes and official guidance. The Local Government Act 2003 (as amended) (the Act) provides the powers to borrow and invest as well as providing controls and limits. Under the Act, the Ministry of Housing, Communities and Local Government (MHCLG) has issued revised *Capital Finance: Guidance on Local Government Investments (Third Edition)* to structure and regulate the Council's investment activities. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended), develops the controls and powers within the Act. The Regulations require the Council to undertake any investment activity with regard to the CIPFA *Prudential Code for Capital Finance in Local Authorities (2017 Edition)* and the CIPFA *Treasury Management in the Public Services: Code of Practice (2017 Edition)*.

Financial and Risk Implications

9. The Council's Investment Strategy sets out the financial and risk implications within the context of the Council's Medium Term Financial Plan (MTFP).

Equalities Implications

10. There are no equalities implications to this report.

Conclusion and next Steps

11. The Corporate Resources Overview and Scrutiny Committee considered the Capital Strategy at its meeting on 31st January 2019 and the Executive will receive a verbal update of any comments or recommendations from that meeting.

Appendices

Appendix A – Investment Strategy

Appendix B – Overview and Scrutiny Comments

Background Papers

None.

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