

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE COUNCIL

30 January 2019

1. INVESTMENT STRATEGY 2019/20

Submitted by: Executive Director – Resources and Support Services

Portfolio: Finance and Efficiency

Ward(s) affected: All Indirectly

Purpose of the Report

To approve the Investment Strategy for 2019/20.

Recommendations

(a) That the Investment Strategy Report for 2019/20 be approved.

Reasons

The Council needs to have an approved Investment Strategy for 2019/20 in place before the start of the 2019/20 financial year.

1. Background

1.1 This strategy is compiled according to the Ministry of Housing, Communities and Local Government's Guidance on Local Government Investments ("the Guidance") and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code") It sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

2. Issues

2.1 The Investment Strategy for 2019/20 is attached at Appendix 1.

2.2 This investment strategy is a new strategy for 2019/20, meeting the requirements of statutory guidance issued by the government in January 2018

2.3 The Strategy is based on guidance provided by Arlingclose Ltd, the Council's treasury management advisors.

2.4 Quantitative investment indicators are included within the Strategy to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

2.5 This Strategy is part of several strategies including the Council's Capital Strategy and Treasury Management Strategy.

3. Legal and Statutory Implications

3.1 See Background for details.

4. **Financial and Resource Implications**

4.1 There are no specific financial implications arising from the strategy report.

5. **Major Risks**

5.1 Investments are a major area of risk for the Council in that large amounts of money can be involved.

5.2 The overriding consideration is to safeguard the Council's capital. Within this constraint the aim is to maximise any return.

5.3 Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

6. **List of Appendices**

6.1 Appendix 1, Investment Strategy Report 2019/20.

7. **Background Papers**

- Ministry of Housing, Communities and Local Government's Guidance on Local Government Investments;
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (2017);
- Council's Treasury Management Strategy 2019/20;
- Council's Capital Strategy 2019/20;
- Local Government Act 2003; and
- Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.