

Audit Committee – 24 January 2025

Investment Strategy 2025/26

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report provides the council's proposed investment strategy for 2025/26.</p> <p>It provides a high-level overview of how the Council manages and invests its surplus cash and its associated investment assets</p>
Recommendation(s)	It is recommended that Audit Committee: 1) Recommend to Full Council that the Investment Strategy 2025/26 provided in Appendix 1 be approved.
Reasons for recommendation(s)	To comply with the statutory guidance issued by the Government in January 2018.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources and Transformation (Section 151 Officer)
Officer Contact	Paul Whittles Assistant Director - Finance 02380 285766 paul.whittles@nfdc.gov.uk

Introduction and background

1. The Investment Strategy provided in Appendix 1 is a high-level document, giving an overview of how the Council manages and invests its surplus cash and its associated investment assets.
2. The Council currently holds and has approved strategy in place to increase its exposure in a variety of Investments held in part for the purpose of generating additional income to the Council.

3. By producing this overarching investment strategy report, the Council is following statutory guidance issued by the Government in January 2018.

Overview of the Investment Strategy contents

Treasury Management Investments

4. The Investment Strategy has regard to the Treasury Management Strategy, which sets out in detail how the Council's treasury service will invest surplus cash, taking into consideration the requirements of the Council's capital programme, and other financing needs.
5. The balance of treasury management investments fluctuates and can exceed £80m at given points during a fiscal period. However, it is worth noting that overall the Council's cash balances have been reducing and the need to borrow in order to continue supporting the Council's priorities has increased.

Property Investments

6. The Property investments section of the strategy brings together properties which have been in NFDC ownership for several years, as well as the accumulation of property investment strategies that have been adopted more recently by this Council. Although the primary purpose of these adopted strategies is to support the economic sustainability and regeneration within the District and provide additional housing to support New Forest residents and communities, the strategies also generate a revenue return, hence being prevalent to this investment strategy.
7. The strategy considers the contribution made by these investments, the security, the risk assessment process and liquidity.
8. The strategy sets out various performance indicators, designed to assist readers understand the implications of the Council's investing activities on the general fund, and the forecast yields expected from the differing investment categories.

Corporate plan priorities

9. Regular monitoring and reporting of our financial activity including adjusting budgets whilst maintaining a balanced medium term financial plan (MTFP), ensures we are being financially responsible and supports our Future New Forest transformation programme which underpins the delivery of all our priorities.

Options appraisal

10. None undertaken.

Consultation undertaken

11. Consultation between our external advisors and internal finance officers, service managers and budget holders has determined the forecast data presented in the report.

Financial and resource implications

12. This is a financial report with budget implications already detailed and considered in the main body of the report.

Legal implications

13. There are no legal implications arising directly from this report.

Risk assessment

14. None undertaken.

Environmental / Climate and nature implications

15. There are no environmental implications arising directly from this report.

Equalities implications

16. There are no equality implications arising directly from this report.

Crime and disorder implications

17. There are no crime and disorder implications arising directly from this report.

Data protection / Information governance / ICT implications

18. There are no data protection, information governance or ICT implications arising directly from this report.

Appendices:

Appendix 1 – Investment Strategy
2025/26

Background Papers:

Treasury Management Strategy
2025/26

Capital Strategy 2025/26