

Audit Committee – 13 February 2026

Investment Strategy 2026/27

Purpose	For Review
Classification	Public
Executive Summary	<p>This report provides the council's proposed investment strategy for 2026/27.</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 2026/27 provided at 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 (Section 151 Officer)
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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.
9. Table 3 lists all commercial properties covered by this strategy. The New Forest Enterprise Centre, Totton and Queensway, New Milton assets have been reclassified since last year's update, due to changes in accounting treatment and operational use respectively. Consequently, they do not form part of the 2026/27 portfolio.

Corporate plan priorities

10. Regular monitoring and reporting of our financial activity including treasury management, ensures we are being financially responsible and supports our Future New Forest transformation programme which underpins the delivery of all our priorities.

Options appraisal

11. None undertaken.

Consultation undertaken

12. Consultation between our external advisors and internal finance officers, service managers and budget holders has determined the forecast data presented in the report.
13. The Executive Management Team were presented with the report in the lead up to being presented to the Audit Committee, and supported the Strategy as presented.

Financial and resource implications

14. There are none arising for consideration as this is a financially focussed report, and so implications are covered throughout the report.

Legal implications

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

Risk assessment

16. None undertaken, although the absence of an up-to-date investment strategy would hinder the Council's ability to maximise its investment returns from both treasury and non-treasury activity.

Environmental / Climate and nature implications

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

Equalities implications

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

Crime and disorder implications

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

Data protection / Information governance / ICT implications

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

Appendices:

Appendix 1 – Investment Strategy
2026/27

Background Papers:

Treasury Management Strategy
2026/27

Capital Strategy 2026/27