

MINUTE EXTRACT

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday 28 January 2025

34 INVESTMENT STRATEGY 2025/26

The Senior Finance Manager introduced the report of the Director of Finance which presented the Investment Strategy 2025/2026 which fulfilled the requirement of the Ministry for Housing, Communities and Local Government (MHCLG) for local authorities to produce a separate investment strategy that covered non-treasury activities. It was reported that the particular investments outlined in this strategy were made by departments with a wider service objective or focus rather than for cash flow maintenance.

Members discussed risks associated with commercial property investments listed within the strategy and asked for further detail on the classification of the properties held and associated losses. Officers clarified that whilst the properties were held as investment properties in the Council's asset register, the properties were not acquired specifically for income generation, but rather as part of wider regeneration plans. Once the properties became part of active regeneration schemes, they would be reclassified as property, plant and equipment.

Members also discussed risks associated with loan commitments and financial guarantees to Edsential Community Interest Co (Edsential).

Resolved – That

- 1. the draft Investment strategy 2025/26 be noted including in relation to the scope of potential investment in the following activity areas:**
 - (a) Commercial Property;**
 - (b) Service Investments: Loans;**
 - (c) Service Investment: Shares; and**

- 2. The Policy and Resources Committee be recommended to endorse the Investment Strategy 2025/26 and refer to Council for approval.**