



Meeting	Full Council
Date	22 November 2023
Report Title	Investment Advice
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1.0 PURPOSE OF REPORT

- 1.1. To request that councillors consider a proposal to engage a professional specialist investment advice firm to advise the council on its investment strategy as recommended by the Strategy & Resources Committee (S&R) at its meeting on 18 October 2023.

2.0 INTRODUCTION AND BACKGROUND INFORMATION

- 2.1 The final internal audit report for the year 2022/23, presented to the S&R Committee on 6 September 2023, included a recommendation from the Council's internal auditor that the Council should consider the placement of surplus funds in a variety of separate banking institutions to help defray any potential losses should its main banker ever fail.
- 2.2 The CIPFA Treasury Management Code and the Department for Levelling Up, Housing, Communities and Local Government (DLUHC) Guidance require the Council to invest its funds prudently and to have regard to the security (protecting the capital sum from loss) and liquidity of its investments (ensuring funds are easily available when required) before seeking the highest rate of return/yield.
- 2.3 The Council does not have its own internal investment management expertise and therefore the S&R Committee supported a proposal that the Council engage a specialist professional investment advice firm to advise the council on the development and implementation of its investment strategy. This will provide the Council with assurance that it is making appropriate decisions with regard to investments.

3.0 INVESTMENT ADVICE

- 3.1 It is proposed that the Council seeks advice on the following:

- Assistance developing the Council's investment strategy;
- Assistance developing the Environmental, Social and Governance considerations within the strategy;
- A review of current investments held by the Council including longer-term investments;
- Credit advice including credit ratings for recommended counterparties the Council may use;
- Suggestions for cash and cash equivalent investment options to manage the Council's investment balances.

- 3.2 It is further proposed that the Council enter into a 3-year retainer contract for investment advisory services, so that the Council has access to on-going advice and regular meetings with the investment adviser.
- 3.3 Officers have been in discussions with a suitable provider and a sum of up to £12,000 pa would be required to provide the necessary advice services.
- 3.4 As this would be a new initiative for this financial year, the cost for this advice is not included in this year's budget and councillors are asked to consider the approval of unbudgeted expenditure this year (2023/24) and to include a sufficient amount in next year's budget (2024/25).
- 3.5 The earliest date that this professional specialist investment advice service could commence is 1st December 2023 and so the maximum unbudgeted Income & Expenditure impact this year (2023/24) would be £4,000. A sum of £12,000 is recommended to be included in next year's budget (2024/25).
- 3.6 Any subsequent amendments to the Council's Investment Strategy will be approved by Full Council.

4.0 CONTRIBUTION TO CORPORATE PLAN PRIORITIES

- 4.1 Corporate Priority - Maintain effective and efficient governance and management of resources.

5.0 STAFFING IMPLICATIONS

- 5.1 There are no staffing implications.

6.0 FINANCIAL IMPLICATIONS

- 6.1 For councillors to note an unbudgeted cost for this year of up to £4,000 and for £12,000 to be included in next year's budget.

7.0 LEGAL IMPLICATIONS

- 7.1 The Council's treasury activities are regulated by the CIPFA Code of Practice for Treasury Management in the Public Services and the DLUHC Investment Guidance.

8.0 CLIMATE AND ECOLOGICAL IMPLICATIONS

- 8.1 This report is administrative and does not have any known direct Climate and Ecological impact.

9.0 RECOMMENDATIONS

- 9.1 For councillors to approve:
- (a) The delegated authority to the Chief Executive to enter into an agreement for the engagement of a professional specialist investment advice firm on a 3-year retainer contract to provide investment advice to the Council;
 - (b) Approval of unbudgeted expenditure of up to £4,000 for this year (2023/24) and inclusion of £12,000 in next year's budget (2024/25).