

**Open
Key Decision**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Revised Commercial Investment Strategy

Meeting/Date: Cabinet – 16th September 2025

Executive Portfolio: Executive Councillor for Finance and Resources
Cllr Brett Mickelburgh

Report by: Corporate Director – Finance and Resources

Wards affected: All

Executive Summary:

This report provides the opportunity to review the revised Commercial Investment Strategy which supports the Treasury Management Strategy in delivering income from investments to support the council's General Fund. Income from investment sources support the overall delivery of the Place Strategy and the Corporate Plan.

Recommendation:

The Cabinet is

RECOMMENDED

1. to approve the Revised Commercial Investment Strategy.

1. PURPOSE OF THE REPORT

- 1.1 This report proposes a revised Commercial Investment Strategy to be approved and subsequently adopted for implementation.

2. BACKGROUND

- 1.1 The Commercial Investment Strategy was originally agreed in 2015 and whilst there have been some revisions, a full review had not been undertaken since its inception.
- 1.2 Following a tender exercise, CIPFA were engaged to carry out the review with engagement from officers and a member group. The Treasury and Capital Management Working group also reviewed the draft and their comments have been included in the draft document.
- 1.3 The revised draft strategy focuses on the principles and framework for investments.
- 1.4 It does not aim to review the current investment holdings. That work will be carried out as part of the overall review of property holdings both for investment and as part of the general fund asset holdings. Any review and changes in property holdings will need to be considered against the strategy but also the context of Local Government Reorganisation.
- 1.5 The council's policy for investment is to create income from sources outside of the council's operations, in order to bolster reserves and generate additional revenue streams that can be used to support front line services.
- 1.6 This Strategy is to be operated alongside other policies of the Council including the Treasury Management approach; and the Constitution.
- 1.7 Consultation and Engagement took place in April 2025 with various Members from across the chamber. An updated Strategy was shared in draft with Treasury & Capital Management Group in July. These discussions have helped to shape the strategy as presented.

3. COMMENTS OF OVERVIEW AND SCRUTINY

- 3.1 The Overview & Scrutiny (Performance & Growth) Panel discussed the report at its meeting on 3rd September 2025.
- 3.2 Councillor Jennings agrees with the principle that all decisions taken under the Strategy should lead to revenue generation; however, he has concerns about the approach to risk. In his view all investments should comply with the Council's agreed level of risk. Councillor Jennings is also of the view that an appropriate forum should be identified for reporting on the activities of the governance arrangements. However, it is recognised that monitoring extends wider than the Strategy and is constrained by the terms of the Constitution.

- 3.3 The Chair has commented that the yield appears to be optimistic and that there is significant reliance on the S151 Officer.
- 3.4 Councillor B Chapman has challenged whether the Council should be making investments given that Local Government Reorganisation (LGR) will be implemented in a short period of time. He has suggested the Council should have an exit strategy that includes disposing of assets and any money devoted to Huntingdonshire. He has also questioned the Council's approach to holding Community Infrastructure Levy funding. In return, it has been pointed out that there will not necessarily be further investments, but the Strategy has been updated in case it is needed. The business case for any investments will include consideration of the implications of LGR.
- 3.5 Councillor R Martin has expressed concern that the Strategy will not achieve the objective of generating revenue as effectively as the previous iteration. He has also sought assurances that the Strategy will not be used for Invest-to-save purposes as this does not accord with the Strategy's revenue generating objective.
- 3.6 Councillor J Catmur has suggested that the contents of the Strategy should be made clearer and given greater emphasis.

In response to key points raised:

- 3.7 Reliance on the S151 Officer – This aligns with our existing Constitutional requirement; and it is considered that the Strategy will lead to an unacceptable impact on the S151 when compared with the historical and current situation.
- 3.8 Making investments prior to LGR – This is a strategy, not a commitment that the Council will be undertaking actions to make further investments. Such decisions will be implementation and or management (relating to existing assets) decisions. This should not preclude the Council from updating the strategy to ensure that it is up to date and fit for purpose.
- 3.9 Objective of Revenue Generation – The core thrust of the strategy remains as it is now, to drive income to enable the Council to support its other activities.

4. KEY IMPACTS/RISKS

- 4.1 The main impact of this Strategy relates to the ongoing requirement to create income to enable the Council to support other objectives. The proposed Strategy has been formulated to enable this to occur.
- 4.2 The Strategy also includes details of key considerations relating to investments which would come forward through separate business cases. The Strategy also highlights key factors such as Governance and a Framework for implementation. It is considered that all key risks and

impacts can be fully considered and appraised as a result of implementation of the Strategy and its reading with other established policies and procedures relating to Treasury Management.

- 4.3 The strategy also takes account the need for governance, and this reconciles with other processes around Treasury Management. There will however need to be an element of flexibility with the strategy to support agile decision making – particularly around new opportunities or divestment – but this is similar to the historic operation of the strategy.
- 4.4 Investment or divestment opportunities will need to conform to the framework of the revised strategy.

5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 5.1 This strategy is aligned to the Council's Corporate Plan objectives of Improving quality of life for local people, creating a better Huntingdonshire for future generations, and doing core work well. It also aligns with the objectives of the Place Strategy.
- 5.2 This Strategy sits alongside the Authority's Treasury Management Strategy and is fully aligned with CIPFA's Treasury Management Code of Practice and Prudential Code, which together set the professional standards for prudent financial management and capital investment.

6. LEGAL IMPLICATIONS

- 6.1 None.

7. RESOURCE IMPLICATIONS

- 7.1 No additional resource requirements arise from this report.

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 CIPFA have carried out a full review of the existing Commercial Investment Strategy.
- 8.2 The Treasury and Capital Management Working Group have also reviewed the draft and their comments have been considered in the final document.
- 8.3 The revised Strategy continues to support the Treasury Management Strategy in delivering income from investments to support the Council's activities. It also aligns with other policies and strategies, including the Corporate Plan.
- 8.4 The revised Strategy is a refresh of the existing policy, and aligns with a Corporate Plan Action/Project (no.54). This will provide a clear basis for maintaining or taking other Commercial investments over the coming years pre-Local Government Reorganisation.

9 LIST OF APPENDICES INCLUDED

Appendix A - Draft Commercial Investment Strategy.

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