

**Submission to Cabinet**  
19<sup>th</sup> November 2021



From Max Hunt CC

**Item 7: RECOMMENDED INVESTMENT INTO PARTNERS GROUP PRIVATE DEBT FUND AND JP MORGAN INFRASTRUCTURE INVESTMENT FUND REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

1. These two recommendations mark another step away from the original policy of the Corporate Asset Investment Fund to invest in local businesses and communities and towards portfolio of externally managed global investment funds.
2. In that respect it becomes closer to Treasury Management and may follow the CIPFA Code of Practice for treasury management.
3. The Hymans Robertson Report begins to suggest that the Council's current CAIF investments in the local community, (eg Leaders Farm South, Solar farms, Lutterworth, Airfield Farm, Apollo Business Park, LUSEP etc) might not have been such a wise investment. This is to neglect the primary aim was to deliver a tangible good to the community and local economy.
4. The public reasonably expect their Council Tax to be spent on services and capital to develop those services, including schools and provision for elderly and children. This increased involvement in the money markets might not conform to those expectations and ought to be more explicit (eg with the Corporate Strategy and consultations on the MTFS etc) so they are fully understood by our taxpayers.
5. Since it is extending its investments beyond the physical and local the CAIF Board (and those to whom it is responsible) should have its own Responsible Investment policy which ties all investment into our environmental and social policies.
6. We are told the funds recommended by the report have their own Responsible Investment and Environment and Social policies, these ought to be fully referenced in recommendations. In particular, we can't take Net Carbon aspirations for granted without knowing what part of 'net' is offset. Equally the 'residential investments' recommended by Hymans Robertson could conflict with our ethos if they go to the private rented sector in order to profit from vulnerable tenants and leaseholders.
7. We need to know more about risks and the authority's appetite in that regard. If we are tying up Leicestershire's capital in illiquid funds that may prevent future local

investment. Alternative the Government's settlements to LAs may begin to 'price in' income from CAIF and similar schemes to our disadvantage.

8. The Labour Group understands the need to create an income stream from capital investments when funds for essential services have become so seriously constrained by the Conservative Government. However, we want to see Leicestershire pounds invested primarily in the local economy, as we believed CAIF to be formerly committed to do this.

