

HAMPSHIRE COUNTY COUNCIL

Officer Decision Record

Decision Maker:	Director of Corporate Resources
Title:	Decision Sheet for Hampshire Pension Fund – Cash Investments
Report From:	Gemma Farley

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1. The decision:

1.1. Hampshire Pension Fund's cash balances will be invested in accordance with the approved decision sheet for Hampshire Pension Fund – Cash Investments. This has been prepared with the advice of the County Council's Treasury Management adviser, Arlingclose Ltd, and in accordance with the Annual Investment Strategy 2018/19.

2. Reason(s) for the decision:

2.1. In accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, an investment policy must be formulated for the investment of the Fund's cash.

2.2. The production of an Annual Investment Strategy is in line with the recommendations of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in the Public Services.

2.3. The Annual Investment Strategy 2018/19 was prepared with the advice of the County Council's treasury management advisers, Arlingclose Ltd.

2.4. The Director of Corporate Resources has been authorised by the Pension Fund Panel and Board in the Annual Investment Strategy 2018/19 to manage the Pension Fund's cash balance in accordance with the policy as set out in the report dated 15 December 2017.

2.5. The primary objective in relation to the investment of Pension Fund cash remains the security of capital. The liquidity or accessibility of the Fund's cash investments followed by the yields earned on these investments are important but secondary considerations. Counterparties, durations, and minimum yields are set according to the advice of Arlingclose Ltd to achieve the policy objectives.

- 2.6. This decision sheet has been updated to reduce the interest rate trigger points for fixed rate investments. This reflects Arlingclose's amended interest rate forecast which has been influenced by the Bank of England's increased UK Bank Base Rate from 0.50% to 0.75%. The increased Base Rate will ultimately affect the rate of interest the Pension Fund will receive on its cash investments. Therefore the Treasury Management decision sheet has been updated to reflect this change.
- 2.7. This decision sheet has also been updated to reflect the addition of a new counterparty, the JP Morgan money market fund.

3. Other options considered and rejected:

- 3.1. Within the market there are a huge number of counterparties and different types of investments that the Pension Fund could use to invest its cash balances. However the Pension Fund uses the County Council's treasury management adviser, Arlingclose Ltd, who has great experience and knowledge of the market, and therefore the decision sheet is created with their advice.

4. Conflicts of interest:

- 4.1. None

5. Dispensation granted by the Head of Paid Service:

- 5.1. None

6. Supporting information:

Approved by:



Date:

20 August 2018

Carolyn Williamson

Director of Corporate Resources