

HAMPSHIRE COUNTY COUNCIL

Officer Decision Record

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

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1. The decision:

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

2. Reason(s) for the decision:

- 2.1. In accordance with the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services and the Prudential Code, the County Council determines a Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also includes the Annual Investment Strategy as required by the Department for Communities and Local Government's Investment Guidance.
- 2.2. The TMSS 2018/19 was prepared with the advice of the County Council's treasury management advisers, Arlingclose Ltd.
- 2.3. The Director of Corporate Resources has been authorised by the County Council in the TMSS 2018/19 to manage the County Council's investments according to the risk assessment process in the Investment Strategy as appropriate to most effectively manage the County Council's investments in accordance with the policy as set out in the report dated 22 February 2018.
- 2.4. The primary objective in relation to the investment of the County Council's 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 specified in the decision sheet are set according to the advice of Arlingclose Ltd to achieve the policy objectives.

2.5. 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 County Council receive on its cash investments. Therefore the Treasury Management decision sheet has been updated to reflect this change.

2.6. 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 County Council could use to invest its cash balances. However the County Council uses a treasury management adviser, Arlingclose Ltd, who has specialist experience and knowledge of the market, and therefore the decision sheet is maintained based on their advice.

4. Conflicts of interest:

4.1. None

5. Dispensation granted by the Head of Paid Service:

5.1. None

Approved by:



Date:

20 August 2018

Carolyn Williamson

Director of Corporate Resources