

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Audit Committee
Date:	22 February 2012
Title:	Treasury Management Strategy Statement and Investment Strategy 2012/13 to 2014/15, and Treasury Management Policy Statement
Reference:	3682
Report From:	<i>County Treasurer</i>

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1. Executive Summary

1.1. In compliance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Treasury Management Code), the Audit Committee has been nominated to be responsible for ensuring effective scrutiny of the Council's treasury management strategy and policies.

2. Contextual information

2.1. The Code requires that a Treasury Management Strategy Statement is presented annually to the Council for approval before the start of the year. A copy of this is attached in Appendix 1.

2.2. Whilst the Treasury Management Policy Statement would not normally go to members as it tends not to change from one year to the next, the changes outlined in CIPFA's recently revised Treasury Management Code (November 2011) with a greater focus on risk management and significance of capital security as the Council's primary objective in relation to investments mean that it should be presented to members this year for their approval. A copy of this is attached in Appendix 2.

3. Training

- 3.1. The Code requires the *responsible officer*, which is the County Treasurer, to ensure that all members tasked with treasury management responsibilities, including challenge and scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.
- 3.2. A treasury management workshop jointly presented by the County Treasurer and the Council's external treasury advisers Arlingclose Ltd on 31 January 2012 provided members with an update in treasury matters.

4. Changes since report approved by Cabinet

- 4.1. Following a recent meeting with our Treasury Advisers it was highlighted that the current unrest in the Eurozone is making it difficult to place investment deposits across the banking sector. Therefore, in order to give the Council more security and flexibility in our investment strategy, it was decided to make greater use of lending direct to other local authorities and in order to secure better rates, the upper limit for investments over 364 days has been increased to £120m and the maximum term increased to 25 years. These changes are reflected in paragraphs 8.3 to 8.5 of the Strategy Statement and the table in Section 14 of the prudential indicators in Annex B.

5. Recommendation

- 5.1. That the Audit Committee endorses the County Council's Treasury Management Strategy Statement and Investment Strategy 2012/13 to 2014/15, and its Treasury Management Policy Statement.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:

Under CIPFA's Treasury Management in the Public Services: Code of Practice, the Audit Committee is required to scrutinise the Council's treasury management strategy and policies annually before the start of the year.

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

- 2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.