

<b>Committee/Panel:</b>	Thames Basin Heaths Joint Strategic Partnership Board		
<b>Date:</b>	8 March 2019		
<b>Title:</b>	Investment working group update		
<b>Report From:</b>	Investment working group		
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## **1. Introduction**

1.1. The Joint Strategic Partnership Board (JSPB) last met on 6 December 2018 and received:

- an update from the Administrative body, covering projected cash flows, contractual arrangements, and details of decisions required for investments to be made on behalf of the JSPB;
- a presentation from Arlingclose recommending suitable investments for the JSPB and highlighting the associated risks;
- a draft investment strategy document from the Investment Working Group.

## **2. Investment Strategy Statement**

2.1. The Investment Working Group presented a draft investment strategy document at the last JSPB meeting and the document was agreed in principle, subject to a legal opinion on the document and any comments from partner authorities.

2.2. The JSPB will need to decide whether any amendments to the strategy document are needed prior to sign off.

## **3. Independent financial advisors – contract management**

3.1. The contract with Arlingclose to provide independent financial advice to the Board began on 1 December 2018.

3.2. This contract will be renewed annually, unless the JSPB gives written notice to the contrary 3 months prior to the contract renewal date.

3.3. The JSPB will therefore need to confirm at a meeting prior to 1 September 2019 whether the services of Arlingclose will be retained for the period 1 December 2019 to 30 November 2020.

3.4. Arlingclose will also need to be informed when the JSPB would like them to present updates on the performance of the investments held by the JSPB and any updates to their independent financial advice.

#### 4. Update on investments made

- 4.1. At the meeting of 6 December 2018, the JSPB agreed to the investment of £6m from the Endowment Fund.
- 4.2. It was agreed that the investment should be made on 17 December 2018 (or practically as soon thereafter as possible) and to be split equally between the three funds recommended by Arlingclose:
- CCLA Property Fund - £2m
  - Kames Diversified Monthly Income Fund - £2m
  - Schroder Income Maximiser Fund - £2m
- 4.3. Investments are made on behalf of the JSPB by Hampshire County Council (as the Administrative Body) and investments must therefore be made within the County Council's Treasury Management Strategy limits.
- 4.4. To work within these limits, the Chair of the JSPB and the Investment Working Group members approved splitting the timing of the investment into two tranches, to invest the maximum amount possible on 17 December 2018, with the remainder as soon as possible thereafter.
- 4.5. Arlingclose provided confirmation that they were happy with the staggered approach and advised that the minimum initial investment for both the Kames and Schroder funds was £1m.
- 4.6. The investments made on behalf of the JSPB were therefore as follows:

<b>Investment</b>	<b>17/12/18*</b>	<b>13/2/19*</b>	<b>Total</b>
CCLA Property Fund	£2m		£2m
Kames Diversified Monthly Income Fund	£2m		£2m
Schroder Income Maximiser Fund	£1m	£1m	£2m
<b>Total</b>	<b>£5m</b>	<b>£1m</b>	<b>£6m</b>

\* Date instructions were placed. Actual investment dates are dependent on the settlement cycle for each fund.

- 4.7. Although investments are made on behalf of the JSPB by Hampshire County Council as the Administrative Body, all investment risk sits with the JSPB.

#### 5. Recommendations

- 5.1. It is recommended that the JSPB:
- 1) Reviews the draft investment strategy statement
  - 2) Notes the timescales for deciding whether or not to renew the contract with Arlingclose
  - 3) Agrees when to next invite Arlingclose to attend a meeting of the JSPB
  - 4) Notes the investments made in line with the instructions given by the JSPB