

ANNUAL INVESTMENT STRATEGY 2013/14

List of institutions which meet the Council's credit criteria

Country/Domicile	Counterparty	Maximum Group Limit £m	Maximum Maturity Limit
UK	Santander UK	15	370 days
UK	Lloyds TSB/Bank of Scotland	15	370 days
UK	Barclays Bank	15	370 days
UK	HSBC Bank	15	370 days
UK	Nationwide Building Society	15	370 days
UK	NatWest/RBS	15	370 days
UK	Standard Chartered Bank	15	370 days
Australia	Australia and NZ Banking Group	10	370 days
Australia	Commonwealth Bank of Australia	10	370 days
Australia	National Australia Bank	10	370 days
Australia	Westpac Banking Corp	10	370 days
Canada	Bank of Montreal	10	370 days
Canada	Bank of Nova Scotia	10	370 days
Canada	Canadian Imperial Bank of Commerce	10	370 days
Canada	Royal Bank of Canada	10	370 days
Canada	Toronto-Dominion Bank	10	370 days
Finland	Nordea Bank Finland	10	370 days
France	BNP Paribas	10	370 days
France	Credit Agricole CIB/SA	10	370 days
France	Société Générale	10	370 days
Germany	Deutsche Bank AG	10	370 days
Netherlands	ING Bank NV	10	370 days
Netherlands	Rabobank	10	370 days
Netherlands	Bank Nederlandse Gemeenten	10	370 days
Sweden	Svenska Handelsbanken	10	370 days
Switzerland	Credit Suisse	10	370 days
US	JP Morgan	10	370 days

The list above represents the institutions which meet the criteria at the time of preparation of the strategy. The CFO may introduce new names which meet the criteria from time to time and may adopt more restrictive limits on maturity or value as seems prudent

An operational list of institutions which are approved to take deposits from the Council will be prepared and circulated to dealing and approving Officers from time to time

Group Limits - for institutions within a banking group, the authority may lend the full limit to a single bank within that group, but may not exceed the limit for all group members.

Non-Specified Investments

Instrument

Call accounts, term deposits & CDs with banks, building societies & local authorities which do not meet the specified investment criteria (on advice from Arlingclose)

Deposits with registered providers

Gilts

Bonds issued by multilateral development banks

Sterling denominated bonds by non-UK sovereign governments

Money Market Funds and Collective Investment Schemes

Corporate and debt instruments issued by corporate bodies purchased from 01/04/12 onwards

Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573. These would be capital expenditure.

The Authority will hold up to a maximum of £30m in each category, subject to a maximum of £30m in all non specified investments at any time.

Policies and Objectives of Treasury Management Activities

The Council defines its treasury management activities as:

“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council’s investments followed by the yield earned on investments remain important but are secondary considerations.

The Council delegates the execution and administration of treasury management decisions to the County Treasurer who will act in accordance with the organisation’s policy statement and TMPs and CIPFA’s Standard of Professional Practice on Treasury Management.

The Council nominates its Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.