

## Treasury Management Strategy Statement and Investment Strategy 2010/11 to 2012/13

### Specified and Non Specified Investments

***Please note the CLG is in the process of undertaking a review of the Investment Guidance for Local Authorities in England and this section may therefore be subject to review and amendment***

#### **Specified Investments identified for use by the Council**

Specified Investments will be those that meet the criteria in the CLG Guidance, i.e. the investment

- is sterling denominated
- has a maximum maturity of 1 year
- meets the “high” credit criteria as determined by the Council or is made with the UK government or is made with a local authority in England, Wales and Scotland.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

“Specified” Investments identified for the Council’s use are:

- Deposits in the DMO’s Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- \*Certificates of deposit with banks and building societies
- \*Gilts : (bonds issued by the UK government)
- \*Bonds issued by multilateral development banks
- AAA-rated Money Market Funds with a Constant Net Asset Value (Constant NAV)
- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

*\* Investments in these instruments will be on advice from the Council’s treasury advisor.*

For credit rated counterparties, the minimum criteria will be the short-term / long-term ratings assigned by various agencies which may include Moody’s Investors Services, Standard & Poor’s, Fitch Ratings.

*For example: Long-term minimum: Aa3 (Moody’s) or AA- (S&P) or AA-(Fitch)*

*Or: Short-term P-1 (Moody’s) or A-1 (S&P) or F1 (Fitch).*

*(Please note the above are examples only)*

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

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New specified investments will be made within the following limits:

<b>Instrument</b>	<b>Country</b>	<b>Counterparty</b>	<b>Maximum Limit of Investments %/£m</b>
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/Call Accounts	UK	Other UK Local Authorities	No limit
Term Deposits/Call Accounts	UK	Abbey	£5 Million
Term Deposits/Call Accounts	UK	Bank of Scotland/Lloyds	£5 Million
Term Deposits/Call Accounts	UK	Barclays	£5 Million
Term Deposits/Call Accounts	UK	Clydesdale	£5 Million
Term Deposits/Call Accounts	UK	HSBC	£5 Million
Term Deposits/Call Accounts	UK	Nationwide	£5 Million
Term Deposits/Call Accounts	UK	Royal Bank of Scotland	£5 Million
Term Deposits/Call Accounts	Australia	Australia and NZ Banking Group	£1 Million
Term Deposits/Call Accounts	Australia	Commonwealth Bank of Australia	£1 Million
Term Deposits/Call Accounts	Australia	National Australia Bank Ltd	£1 Million
Term Deposits/Call Accounts	Australia	Westpac Banking Corp	£1 Million
Term Deposits/Call Accounts	Canada	Bank of Montreal	£1 Million
Term Deposits/Call Accounts	Canada	Bank of Nova Scotia	£1 Million
Term Deposits/Call Accounts	Canada	Canadian Imperial Bank of Commerce	£1 Million
Term Deposits/Call Accounts	Canada	Royal Bank of Canada	£1 Million
Term Deposits/Call Accounts	Canada	Toronto-Dominion Bank	£1 Million

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Term Deposits/Call Accounts	Finland	Nordea Bank Finland	£1 Million
Term Deposits/Call Accounts	France	BNP Paribas	£1 Million
Term Deposits/Call Accounts	France	Calyon (Credit Agricole Group)	£1 Million
Term Deposits/Call Accounts	France	Credit Agricole SA	£1 Million
Term Deposits/Call Accounts	Germany	Deutsche Bank AG	£1 Million
Term Deposits/Call Accounts	Netherlands	Rabobank	£1 Million
Term Deposits/Call Accounts	Spain	Banco Bilbao Vizcaya Argentaria	£1 Million
Term Deposits/Call Accounts	Spain	Banco Santander SA	£1 Million
Term Deposits/Call Accounts	Switzerland	Credit Suisse	£1 Million
Term Deposits/Call Accounts	US	JP Morgan	£1 Million
Gilts	UK	DMO	No limit
Bonds	EU	European Investment Bank/Council of Europe	25% in aggregate
AAA rated Money Market Funds	UK/Ireland/ Luxembourg	CNAV MMFs	30%/37.5%
Other MMFs and CIS	UK	Collective Investment Schemes	£1 Million

*NB Any existing deposits outside of the current criteria will be reinvested with the above criteria on maturity.*