

Open

Overview & Scrutiny Committee

Agenda Item No. 6 Treasury Management Strategy 2017-18

Updated pages 44 and 70

6pm
Thursday, 2nd February 2017
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Revision to limit for the Council's Bank agreed by the Treasury Management Review Panel 1st February 2017

	Colour (and long term rating where applicable)	% Limit	Time Limit
Banks *	yellow	25%	5yrs
Banks	purple	25 %	2 yrs
Banks	orange	25 %	1 yr
Banks – part nationalised	blue	50% (subject to a maximum value of £5m, whichever is the lower) Requires Chief Financial Officer approval if greater than 25%	1 yr
The Council's Bank	minimum green	50% (or £5m, whichever is the higher) Requires Chief Financial Officer approval if greater than 25% and time limit is greater than current colour	1 yr
Banks	red	25 %	6 mths
Banks	green	25 %	100 days
Other institutions limit	green	25 %	100 days
DMADF	AA	unlimited	6 months
Local authorities	n/a	25 %	5 yrs
Money market funds	AAA	25%	liquid
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	25 %	liquid
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	25 %	liquid
Property Funds		25%	Up to 5 years and over

APPENDIX 5 SPECIFIED AND NON-SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS:

The Council has determined to authorise Specified Investments as follows:

(All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum ‘high’ rating criteria where applicable)

	Minimum ‘High’ Credit Criteria	Use
Debt Management Agency Deposit Facility (DMADF) – UK Government	-	In-house
The Councils Own Bank – for transactional purposes	End of day balance £1m (at the discretion of the Chief Financial Officer)	In-house
The Council’s Own Bank – for investment purposes	Green	In-house
Term deposits – local authorities	-	In-house
Term deposits – banks and building societies *	Green	In-house
Money Market Funds and Financial Instruments	Green	In-house

	Minimum Credit Criteria	Use	Max % of total investments*	Max. maturity period
UK nationalised banks*– currently RBS Group. This banking group can be included if it continues to be part nationalised or meets the ratings in the Table above.	Blue	In-house	50% (subject to a maximum value of £5m, whichever is the lower). Requires Chief Financial Officer approval if greater than 25%	As per colour
The Council’s Own Bank – for investment purposes	Green	In-house	50% (or £5m, whichever is the higher). Requires Chief Financial Officer approval if greater than 25% and time limit is greater than current colour	1 year
Banks nationalised by high credit rated (AA+ sovereign rating) countries – non UK*. For UK revert to Capita Creditworthiness Methodology	Green	In-house and Fund Managers	25%	As per colour
Government guarantee (explicit) on ALL deposits by high credit rated (non UK AA+ sovereign rating) countries**. For UK revert to Capita Creditworthiness Methodology	Green	In-house and Fund Managers	25%	As per colour