

FINANCE ADVISORY GROUP  
24 January 2013 at 9.30 am

At the above stated meeting the attached documents were tabled for the following items:

6. Treasury Management Strategy 2013/14

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*Roy Parsons*

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**Extract from the Minutes of the Performance and Governance Committee meeting  
held on 8 January 2013**

106. Treasury Management Strategy 2013/14

The Local Government Act 2003 (the Act) and supporting regulations required the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans were affordable, prudent and sustainable. The Act required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act). The report set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

Members' attention was drawn to paragraphs 57-59 of the report, which dealt with changes to the investment criteria in the light of recent credit rating downgrades. Paragraph 58 set out officer's proposals for the 2013/14 investment policy. Members agreed with the proposals in general, but expressed great concern with regards to increasing the limits of investments to 40% of the total fund to any single institution or institutions within a group of companies. Some Members felt that it should remain at 25% or possibly increase to 30%. A Member was nervous of Building Societies.

In response to a question on longer term investments, the Principal Accountant reported that advice received recommended against investments for longer than three months, except in the cases of semi-nationalised banks and public authorities where up to one year was recommended. This was in line with what neighbouring authorities were doing.

It was agreed that these concerns should be referred to the Finance Advisory Group.

Public Sector Equality Duty

Members noted that there were no adverse equality impacts arising from the report.

Resolved: That the concerns expressed above be drawn to the attention of the Finance Advisory Group.

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	Balance	25%	30%	35%	40%
Dec-11	36.5	9.1	11.0	12.8	14.6
Jan-12	36.9	9.2	11.1	12.9	14.8
Feb-12	31.2	7.8	9.4	10.9	12.5
Mar-12	24.2	6.1	7.3	8.5	9.7
Apr-12	25.7	6.4	7.7	9.0	10.3
May-12	26.9	6.7	8.1	9.4	10.8
Jun-12	34.3	8.6	10.3	12.0	13.7
Jul-12	34.1	8.5	10.2	11.9	13.6
Aug-12	33.4	8.4	10.0	11.7	13.4
Sep-12	32.4	8.1	9.7	11.3	13.0
Oct-12	33.3	8.3	10.0	11.7	13.3
Nov-12	31.6	7.9	9.5	11.1	12.6
Dec-12	37.6	9.4	11.3	13.2	15.0
Now	37.2	9.3	11.2	13.0	14.9

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