

Formal Response from the Cabinet following matters referred by the Committee and/or requests from the Performance and Governance Committee

- a) Treasury Management Strategy 2013/2014 (Minute 83 Response from Cabinet 7 February 2013)

The Portfolio Holder for Finance and Value for Money introduced the Treasury Management Strategy 2013/14 setting out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. The Portfolio Holder explained that the Local Government Act 2003 required the Council to set out its treasury strategy for borrowing each year and to prepare an Annual Investment Strategy which set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The report had previously been considered by the Performance and Governance Committee and the Finance Advisory Group who had considered that the maximum investment period should be for one year and the maximum investment in a single institution should be a limit of 25% of the Fund at the time the investment was made. There should also be a further limit of £5m per counterparty except for call accounts where the limit was £6m, and deposits with the Lloyds banking group and Royal Bank of Scotland where the limit was £8m. Finally, Building Societies with assets in excess of £9bn were to be included in the lending list with a maximum investment limit of £2m and a maximum duration of 3 months.

Members agreed that these proposals would increase opportunities for the Council to invest wider.

Resolved: That Council be recommended to approve the Treasury Management Strategy for 2013-14.