

Finance & Administration Committee 27 November 2008 – Treasury Management, Item 10

Revised Recommendations (note: nos. 1, 3, 4 and 5 are as set out in the original report)

1. To recommend that Council authorises an increase in the “Prudential Indicator – Upper Limit for fixed interest rate exposure” from £11m to £20m.
2. To recommend that Council authorises an amendment to the Treasury Management Strategy to include the following interim policy on the use of counterparties for temporary investment.

Minimum credit ratings required

	Fitch	Moody's	Standard & Poors
Short Term	F1	P1	A1
Long Term	A-	n/a	n/a
Support Rating	3 or higher	n/a	n/a

Additional conditions

Exclude all non-UK institutions except Irish banks subject to Irish Government guarantee.

Exclude financial institutions while there is a short term rating on Negative Rating Watch.

Deposits in banks and building societies to be limited to 3 months or less.

Amounts placed with each institution to be restricted to £2m (while there is a Fitch Short Term Rating of F1+) or £1m (while there is a Fitch Short Term Rating of F1).

3. To revise the interim policy in February 2009 when the 2009/10 Treasury Management Strategy is approved.
4. To note the 2008/09 treasury transactions to the end of October 2008, as set out in this report.
5. To note that officers will be market testing the treasury advisory service, and will invite the three companies listed in paragraph D (iii) to submit bids.