

## **Cabinet – 15 December 2011 – Minute Extract**

### **Half Year 2011/12 Treasury Management Activity**

The Interim Director Finance introduced the half year summary of Treasury Management activities for 2011/12. The report also proposed changes to the external debt limits and Counterparty Policy. A minor amendment was made to paragraph 28 of the report increasing the range for recommended maximum maturities for major UK banks from 0 to 36 months instead of the 24 months stated.

The Interim Director informed Members that the outturn position was favourable and the budget was prudent. She referred to the policy on credit ratings and the need to invest money where the returns were higher than those received currently by the Council. The report therefore proposed a change in the investment policy, which the Governance Audit and Risk Management Committee had also agreed following advice from Sector, a leading and independent provider of capital financing, treasury advisory and strategic consulting services to UK public service organisations.

**Resolved to RECOMMEND:** (to Council) That

- (1) the revised Counterparty Policy for investments, shown in appendix 1 to the report, be approved;
- (2) the increase in authorised limit (£378m) and operational boundary (£366m) for external debt be approved.

**RESOLVED:** That

- (1) the Half Year Treasury Management activity for 2011/12 be noted;
- (2) the Governance, Audit and Risk Management Committee be asked to review the report.

**Reason for Decision:** To promote effective financial management and comply with the Local Authorities (Capital Finance and Accounting) Regulations 2003 and other relevant guidance. To note the Treasury Management activities and performance.

*[Call-in does not apply to a Recommendation to Council].*