

City Executive Board – 5th December 2012.

Response to comments from the Finance and Performance Panel.

Treasury Management Mid Year Review (supplementary agenda page 27)

Board Member and Director Comments

In accordance with the current Treasury Management Strategy the treasury team review the counterparty list on a daily basis, using credit rating information provided by Sector, the Council's treasury management advisors. The Treasury Team also utilise an operational strategy which allows for the temporary suspension or reduction in the amounts placed with specific counterparties, following a downgrading or warning on their credit rating. This ensures that all counterparties meet the specified limits and that counterparty risk is mitigated when investment decisions are made.

On a monthly basis a review of the operational strategy and counterparties is undertaken with the Executive Director, Organisational Development and Corporate Services and the Section 151 Officer as part of the consideration of action to be taken on maturities arising in the next month.

In light of current market conditions, officers are minded to make proposals to Council in February; as part of the Strategy review; to consider investing a proportion of the Council's core cash in property, subject to an agreed rate of return being achieved. If Scrutiny is minded to recommend other types of investments it would be helpful to have these specified in order that they can be considered in terms of their Security, Liquidity and Yield.

This page is intentionally left blank