

TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2016/17

Investment Instruments and Credit Criteria

Investment instruments used for the prudent investment of the Authority's cash balances are listed below under the 'Specified' and 'Non-Specified' Investments categories.

Specified investments - are those investments offering high security and liquidity. All such investments will be in sterling, with a maximum maturity of 364 days, meeting the minimum 'high' rating criteria where applicable. Table 1 below shows the credit rating criteria used to select whom the Authority will place funds:

Table 1: Specified Investments and Credit Criteria

For credit rated counterparties, the minimum criteria will be the lowest equivalent short-term and long-term ratings assigned by Fitch, Moody's and Standard & Poor's, (where assigned).

Long-term minimum: A1 (Moody's); A+ (S&P); A+ (Fitch)

Short-term minimum: P-1 (Mood's); A-1 (S&P) or F1 (Fitch)

	Maximum Deposit	Maximum Period
UK Government Debt Management Office (DMO)	£50m	3 mths
UK Local Authorities	£20m	12 mths
UK Government Gilts, Bonds and Treasury Bills (DMO)	£10m	12 mths
AAA-rated Money Market Funds	£5m per fund	Instant Access
Certificate of Deposit with Banks and Building Societies	£5m per individual Bank / Building Society	12 mths
UK Banks / Building Societies	£5m per individual Bank / Building Society	12 mths

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Non-specified investments - are all sterling denominated, with maturities in excess of one year. A maximum of 25% may be held in aggregate in non-specified investments. Table 2 below shows the counterparties with whom the Authority will place funds:

Table 2: Non-Specified Investments

	Maximum Deposit	Maximum Period
UK Local Authorities	£5m	3 years