

South Oxfordshire District Council

Treasury Management Strategy 2018/19

Addendum to the report of the Head of Finance to the Joint Audit & Governance Committee on Monday 29 January 2018

Paragraph 11. to the covering report, under sub section “Maturity period adjustment” should be replaced with revised wording as follows.

Maturity period adjustment

This change is proposed to reflect more closely the risk of these investments in the period over which investments can be made.

- To change the maximum maturity period from 1 year to 2 years for institutions with a minimum rating of F1/A-
- To change the maximum maturity period from 2 years to 3 years for institutions with a minimum rating of F1/A

Paragraph 11. to the covering report should now include the following sub section under “Total investment adjustment”, wording as follows.

Total investment adjustment

This change is proposed to reflect more closely the risk of these investments in the maximum proportion of the councils total treasury investment which can be made.

- To change the maximum investment total from 50 per cent to 30 per cent for institutions with a minimum rating of F1/A-
- To change the maximum investment total from 30 per cent to 50 per cent for institutions with a minimum rating of F1/A

Appendix A. to the covering report, table 5 should be replaced with the following table that takes account of the changes above.

Table 5: Counterparty limits				
Counterparty	Minimum Fitch Rating (or equivalent)	Counterparty Limit £m	Max. maturity period	Maximum % of total investments
Bank - part nationalised UK	UK Sovereign	£20m	4 years	100%
Building societies - assets > £1,000m	n/a	£10m	1 year	30%
Building societies - assets > £3,000m	n/a	£12m	1 year	40%
Building societies - assets > £5,000m	n/a	£15m	1 year	50%
Corporate bonds	F1+/A+	£5m	variable	10%
Enhanced cash funds (VNAV)	AAA	£20m	variable	50%
Non-UCITS Retail Scheme (NURS)	n/a	£5m	variable	15%
Housing associations	F1+/A+	£15m	variable	15%
Institutions with a minimum rating	F1+/AA-	£15m	4 years	25%
Institutions with a minimum rating	F1+/A+	£15m	3 years	25%
Institutions with a minimum rating	F1/A-	£15m	2 years	30%
Institutions with a minimum rating	F1/A	£15m	3 years	50%
Local Authorities / parish councils	n/a	£15m	25 years	50%
Managed bond fund	F1/A-	£15m	1 year	40%
Money Market Fund (CNAV)	AAA	£20m	liquid	100%
Pooled bond fund	F1+/A+	£5m	variable	10%
Pooled property fund	n/a	£10m	variable	15%
Property related investments	n/a	£30m	variable	80%
Supranationals	AAA	£10m	10 years	40%
UK equities	n/a	£10m	variable	20%
UK government - gilts	UK Sovereign	£15m	15 years	10%
UK government - treasury bills	UK Sovereign	£15m	15 years	10%
UK Govt & DMADF	UK Sovereign	no limit	n/a	100%