

ANNEX 2a				
Treasury Management Counterparties				
‘Specified ‘ Investments:				
Treasury ‘Vehicle’	*Minimum ‘High’ Credit Criteria	Use	Investment Limit	Duration
Debt Management Agency Deposit Facility	Not Applicable	In-house		6 months
Term deposits - other LA’s (including police & fire authority’s)	Not Applicable	In-house		364 days
Term deposits - banks and building societies**	*Short-term F1 Long-term A,	In-house and Fund Managers		In house based on Capita Asset services colour durations
Certificates of deposits issued by banks and building societies covered by UK Government guarantee	*Short-term F1 Long-term A,	In-house and Fund Managers		In house based on Capita Asset services colour durations
Certificates of deposits issued by banks and building societies NOT covered by UK Government guarantee	*Short-term F1, Long-term A,	In-house and Fund Managers		In house based on Capita Asset services colour durations
1. Callable deposits	*Short-term F1, Long-term A,	In-house and Fund Managers		
2. Range trade	*Short-term F1, Long-term	In-house and Fund Managers		
3. Snowballs	*Short-term F1, Long-term	In-house and Fund Managers		
UK Government Gilts	AAA-AA	In-house and Fund Managers		
Bonds issued by multilateral development banks	AAA	Fund Managers		
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):				

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Treasury ‘Vehicle’	*Minimum ‘High’ Credit Criteria	Use	Investment Limit	Duration
1. Money Market Funds	AAA	Fund managers and In-house		
2. Enhanced cash funds	AAA,	Fund managers and in-house		
3. Short term funds	*Short-term F1, Long-term A,	Fund Managers		
4. Bond Funds	Not Applicable	Fund Managers		
5. Gilt Funds	*AAA-AA	Fund Managers		
Bonds issued by a financial institution which is guaranteed by the UK government	*AAA	In-house on a ‘buy-and-hold basis. Also for use by fund managers		
Sovereign bond issues (i.e. other than the UK govt)	*AAA	Fund Managers		
Treasury Bills	AA	Fund Managers. In-house on a buy and hold basis.		

** If forward deposits are to be made, the forward period plus the detail period should not exceed one year in aggregate.

Note: Counterparty limits for individual banking groups will not exceed £10 million, except for Lloyds and NatWest Groups which have been individually approved at £20 million respectively.

Treasury Management Counterparties				Annex 2b
Non Specified Investments:	* Minimum Credit Criteria	Use	**Max% of total investments	Maximum maturity period
Treasury vehicle				
Term deposits - other LAs (with maturities in excess of 1 year)		In-house	60%	5 years
Term deposits - banks and building societies (with maturities in excess of 1 year)	*Short-term F1, Long-term A.	In-house	80%	5 years
Commercial paper issuance by UK banks covered by UK Government guarantee	*Short-term F1, Long-term A.	Fund Managers		5 years
Fixed term deposits with variable rate and variable maturities				
1. Callable deposits	*Short-term F1, Long-term AA.	Fund managers	80%	5 years
2. Range trade	*Short-term F1, Long-term AA.	Fund managers	10%	5 years

Treasury Management Counterparties				Annex 2b
Non Specified Investments:	* Minimum Credit Criteria	Use	**Max% of total investments	Maximum maturity period
3. Snowballs	*Short-term F1, Long-term AA.	Fund managers	10%	2 years
Certificates of deposits issued by banks and building societies with maturities in excess of 1 year	*Short-term F1, Long-term AA.	Fund Managers	50%	5 years
UK Government Gilts with maturities in excess of 1 year	AAA-AA	Fund Managers	100%	10 years
Bonds issued by multilateral development banks with maturities in excess of 1 year	AAA	Fund Managers	40%	10 years
Bonds issued by a financial institution which is guaranteed by the UK government with maturities in excess of 1 year	AAA-AA	Fund Managers	40%	10 years
Sovereign bond issues (i.e. other than the UK govt) with maturities in excess of 1 year	AAA	Fund Managers	50%	10 years

Treasury Management Counterparties				Annex 2b
Non Specified Investments:	* Minimum Credit Criteria	Use	**Max% of total investments	Maximum maturity period
Corporate Bonds	*AAA	Fund Managers.	10%	5 years
Floating Rate Notes	*AAA	Fund Managers.	10%	5 years

** Note: When setting these limits it includes both in-house and externally managed funds.

Treasury Management Counterparties				Annex 2c
Non Treasury	* Minimum Credit Criteria	Use	**Max% of total investments	Maximum maturity period
Direct investment in Property.	Credit rating not applicable. Financial viability, operational and risk minimisation to be evaluated in line with Capital programme bidding process.	In House or Procurement	£20 million.	Medium to long term investment.
Property Funds	Credit ratings not applicable. Business case to be reported to Executive and Council for consideration and approval.	Fund Manager	£20 million. Maximum of two Funds at any one time for viability.	Medium to Long Term