

***AUDIT
COMMITTEE
TREASURY
MANAGEMENT***

***Mike Owen
Director of Finance &
E-Government***



Chief
Financial
Services
Officer

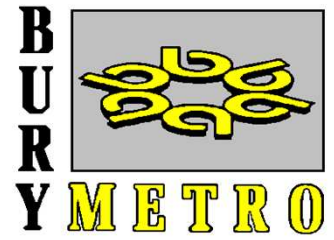
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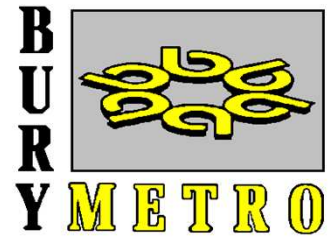
INVESTMENTS



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- **CURRENT POSITION : At the 8th December 2008**
Bury's Investments totalled £62.2M, made up as follows:-
 - UK Building Societies £37.3M
 - UK Clearing Banks £14.9M
 - Overseas Banks and Building Societies £10M

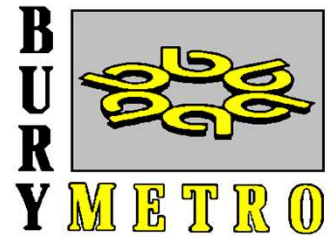
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- The Current Lending List is restricted to UK Banks and Building Societies and the Irish Banks and Building Societies covered by the Irish Government Guarantee
- At the present time we have investments with 13 counter-parties
- Investments are only made with counter-parties that have acceptable credit ratings

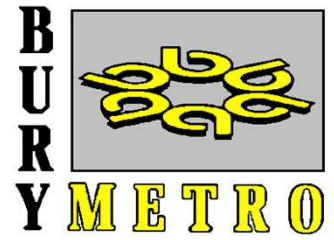
- **APPROACH TO INVESTING:**
 - We use the Sector Creditworthiness Service on a daily basis
 - Creditworthiness updates re banks and building societies
 - Fitch and Moody's ratings
 - Our Lending List has been approved by Sector and approved by Council

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- We are flexible and risk averse when deciding who to invest with
- If a rating change results in a counter-party not meeting our minimum criteria then new investments with this counter-party will not be made

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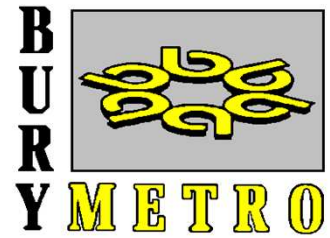


LOANS



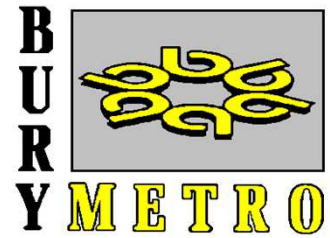
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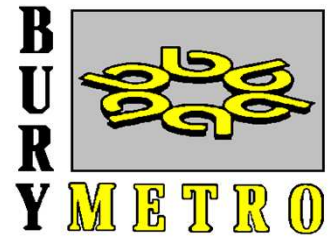
- **Current Position: Total loans at the 8th December 2008 amounted to £122.8M and comprise:-**
 - **Public Works Loan Board £75.3M**
 - **Airport PWLB £8.5M**
 - **Market Loans £39M**

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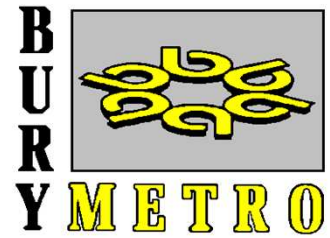
- **Approach to Managing Debt**
 - Borrow at the lowest rates of interest and invest surplus cash to earn maximum interest, all at an acceptable level of risk
 - Have regard to Prudential Code and affordability when borrowing
 - Take advantage of debt rescheduling opportunities
 - Maintain an efficient, manageable and cost effective debt profile

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- **GENERAL CONSIDERATIONS:-**
 - In all our treasury management dealings we take advice from Sector, our treasury management advisers
 - We ensure that treasury management supports the achievement of the Council's business and service objectives

Local Government Treasury Management



- It is important to anticipate changes in the Council's business that will impact on Treasury Management decisions in the short and long term
- We apply the principles of achieving best value in treasury management, and employ suitable performance techniques, within the context of effective risk management