

**2015/16 Treasury Management Strategy (extract)****1. Amendment to the 2015/16 Treasury Management Statement**

- 1.1 Minor but important amendments are required to the Council's Treasury Management Strategy to permit the investment in shares in the Municipal Bonds Agency. The technical name for this type of investment is 'Non-Specified'.
- 1.2 It is important to note that the amendments will not enable the Council to make investments in shares where the sole purpose is to speculate on increasing share values.
- 1.3 It is proposed that the following sentences will be **deleted** from the Treasury Management Strategy (para 5.17):- *'Non-Specified investments are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in Table 4 below. Non specified investments would include any sterling investments'*.
- 1.4 The following sentences will be **added** to the Treasury Management Strategy (para 5.17: *'The Council may make an investment in the form of shares in the municipal bonds agency (Local Capital Finance Company Limited) where the primary purpose is to support the Council's priorities rather than to speculate on the capital sum invested. With the exception of the municipal bonds agency investment, only investments where there is no contractual risk to the capital invested and where the rate of return justifies their use will be entered into.*

*Non-Specified investments are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in Table 4 below. Non specified investments would include the purchase of shares in the municipal bonds agency (Local Capital Finance Company Limited).'*