

22 November 2005

Joint Report of the Chief
Constable and Treasurer of
The Police Authority

TREASURY MANAGEMENT

INTRODUCTION

1. This report has been prepared to seek approval to update the current list of approved investment organisations included within the Treasury Management Policy statement to enable the Authority to obtain the best return on investments.

BACKGROUND

2. The Police Authority adopted a Treasury Management Policy Statement as part of its financial regulations, which included categories of organisations with whom monies can be placed up to a limit of £10M.
3. The current approved list (Appendix 1) is out of date due to certain organisations which:
 - a. no longer are in the market for small tranches of money
 - b. have been taken over or merged
 - c. have changed their name
 - d. the credit rating has been amended.

These are shaded in Appendix 1 for ease of reference.

4. The current list was amended in November 2002 (minute 1776 refers) and includes banks with the most secure short term credit rating of F1/F1+ and AA1 and Building Societies with assets exceeding £1 billion. The credit ratings are classified by leading international banking credit assessment agencies, such as FITCH IBCA Ltd and Standard and Poor's Fund Services.
5. It is proposed to amend the approved list to include:
 - a. 5 more U.K. Building Societies whose assets now exceed £1 billion.
 - b. E.B.S. Building Society –Republic of Ireland No.1 Building Society.
 - c. 5 United Kingdom banks currently recorded as having a limit of £2.5M who will take smaller tranches of money.

These are shaded in Appendix 2 for ease of reference.

RECOMMENDATION

6. It is recommended that the organisations and limits listed in Appendix 2 be approved for investment with immediate effect.

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Chief Constable

S C DRIVER
Treasurer to the
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Police Headquarters, Priory Road, Hull

Background Papers: Treasury Management Policy