

### Question 3 – Cllr Jonathan Hucker

#### Re: Treasury Management

1. Is a list of approved investment instruments available?

Response. Yes, these were approved by Full Council on the 23<sup>rd</sup> February 2021 as set out in the Treasury Management Strategy (see link below). Annex 3 starting on page 28 provides details.

<https://democracy.bristol.gov.uk/documents/s57091/Appendix%204%20-%20Treasury%20Management%20Strategy%20202122.pdf>

2. Is a list of authorised investment counterparties available, including the investment limits?

Response. Yes, a list of counterparties meeting the Council's approved minimum rating requirements can be supplied including limits (£ and duration). When investing is considered these limits are then overlaid with our advisors recommended limits whichever is lesser using the latest market data, as an example credit default swap prices.

3. What are the minimum credit ratings (S&P, Moody's and Fitch) that an authorised investment counterparty is required to possess? How often are the credit ratings checked?

Response – As set out in the Treasury Strategy the minimum credit rating is the Fitch Long term Rating of -A or equivalent.

The minimum rating criteria uses the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria.

The Council's lending list is updated real time by our advisors.

4. Is a maturity schedule for the council's PFI / service contracts available?

Response – This is set out in the draft accounts for the year ending 31<sup>st</sup> March 2021, page 107. A link to this is below.

[https://www.bristol.gov.uk/documents/20182/5521114/Draft\\_statement\\_of\\_accounts\\_July\\_30\\_2021.pdf/ca58e22e-8a19-da96-ca50-602cc0cbc43b?t=1627659090153](https://www.bristol.gov.uk/documents/20182/5521114/Draft_statement_of_accounts_July_30_2021.pdf/ca58e22e-8a19-da96-ca50-602cc0cbc43b?t=1627659090153)

5. Does the council periodically calculate the fair value its long term debt?

Response – The Council does review the fair value of its long-term debt for various purposes including statutory accounting and Treasury Management reports. In addition, our advisor updates the fair value of the Council debt portfolio on a daily basis to identify debt restructuring opportunities. However, due to the current structure of interest rates, debt rescheduling would not be cost effective due to the breakage costs involved.