

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE POLICY & RESOURCES COMMITTEE
HELD ON 17 NOVEMBER 2004**

Present: Councillor Bodfish (Chair); Councillors Mrs Brown, Burgess, Fitch, Hawkes, Hazelgrove, John (Deputy Chair), Kemble, Mitchell, Mrs Norman, Oxley (OS – Finance), Peltzer Dunn (OS), Randall, Taylor and Watkins.

126* Annual Investment Strategy 2004/05

126.1 The Committee considered a report of the Director, Finance & Property, which sought approval of a number of revisions to the Annual Investment Strategy (AIS) (for copy see minute book).

126.2 **RESOLVED TO RECOMMEND TO COUNCIL** - That the following revisions to the Annual Investment Strategy 2004/05 be approved with effect from 26 November 2004:

- to approve the revised ethical investment statement as set out in Appendix 2 to this report and to agree the draft letter by the Director of Finance & Property to the key UK financial services trade organisations as set out in Appendix 3 to this report;
- to permit up to 25% of the investment portfolio (exclusive of the externally managed fund) to be invested for periods of between 1 and 3 years in institutions that meet the minimum criteria of (i) long term rating of 'AA+', (ii) short term rating of 'F1+', (iii) support rating of 'B' and (iv) legal rating of '1';
- to permit investment in supranational financial institutions that meet the minimum criteria of (i) long term rating of 'AAA-' and (ii) short term rating of 'F1+';
- to permit investment in HBOS Treasury Services plc, with an exposure limit and maximum period based on the ratings assigned to its parent company, the Bank of Scotland plc; and
- to increase the maximum exposure limit for investment in the Co-operative Bank from £10m to £15m.