Appendix 1 – Summary of the main amendments between 2020-21 and 2021-22

Minor text and table updates are not reported.

Item	Page	Comment
Treasury Management and Investment Strategy 2020-21		
- Counterparty limits	10-11	1. The maximum counterpart limit (excluding LAPF) is reduced from £6m to £5m for 2021-22. This is as a result of applying the rules set out at the foot of page 9 of the Strategy and rounding to the nearest £m. The actual value calculated is £4.92m (15% of £32.8m), rounded up £5m for practical application. In addition to the £32.8m usable reserves figure used above, the Council would also have an estimated £4m of working capital to absorb any losses. Table 4 2. The link to credit ratings is removed. This is already taken into account within the Council's approved lending list provided by Arlingclose. The overall minimum credit rating is requirement is maintained at A- (page 13) – categories affected by this are marked by a reference to note 1 in table 4. 3. The £24m limit on total investment in Money Market Funds (MMF) is removed for 2021-22. This limit was originally introduced to recognize that MMF all make similar underlying investments and therefore increasing the total amount in these funds may not increase underlying diversification. However, as MMFs are now a key tool to manage credit and liquidity risks in the current economic climate this limit has been removed. 4. Added 'other investments' category in table 4. This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans.

		Table 5 5. Limit of funds invested under the same management increased from £6m (£10m for the LAPF) to £15m, being 25% of expected investment values.
- Minimum Credit Rating	13	Text section added to clarify application of minimum credit rating criteria to Treasury investments in table 4.
- Negative Interest Rates	14	Updated section for the current economic outlook
- Responsible Investing	14-15	Added 'comply of explain' approach to investments based on institutions being a signatory to the UN Environment Finance Initiative's (UNEFI) Principles for Responsible Banking/ Investment.
- Borrowing Sources	16	General update to terminology and also to include community municipal bonds as a possible source of borrowing.
Non-Treasury Investments		
- Security	18-19	Added paragraphs to clarify the position regarding fair value of the Council's commercial investments.
Other items		
Policy on financial derivatives	24	Updated text following developments at other local authorities.
Capital Strategy		
- Impact of COVID-19	3	New section added
- Supporting Carbon reduction	4-5	New section added