

Appendix 4

Counterparties

The Performance Management and Budget Scrutiny Committee considered the proposed extension to the counterparty list. At the Committee the members received a briefing session on the way credit ratings are used to compile and monitor the counterparty list. The Committee asked for the following questions to be considered and the answers to be communicated to Cabinet.

1. Which other Councils use these banks?

The additional banks that are proposed to be added to the list of counterparties are summarised in the table below. These have been selected from the list of over 100 available banks.

Of the 212 councils who also use Capita as their treasury advisors, the number of those investing with the proposed banks and the amounts invested are shown below.

Bank	Total Amount	No. of Clients
Goldman Sachs	£720,642,007	76
National Australia Bank	£78,451,498	8
Nordea AB	£39,000,000	6
Sumitomo	£112,871,781	18
Swedbank	£29,000,000	6
Toronto Dominion	£253,504,702	27

In terms of the banks' risk profile, none of those listed above have, in the last 12 months, moved outside of the range of credit ratings considered acceptable by Capita.

2. How is it working?

Local authorities will typically have an account and procedures set-up to invest money with banks through a broker called King & Shaxson, which works very well. Worcester City Council already have an account set up with this broker and this is used for our existing counterparties without any issues.

3. Have there been any difficulties?

No difficulties have been experienced.