

Essex Pension Fund Board	EPB/05/12
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Essex Pension Fund 2012/13 Treasury Management Strategy

Report by the Executive Director for Finance

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1. Purpose of the Report

- 1.1 To present the 2012/13 Essex Pension Fund Treasury Management Strategy for approval.

2. Recommendation

- 2.1 That the 2012/13 Essex Pension Fund Treasury Management Strategy be approved.

3. Background

- 3.1 The Treasury Management Code issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) requires an annual Treasury Management Strategy to be agreed. The attached Treasury Management Strategy for the Essex Pension Fund has been prepared having regard to the Treasury Management Code and informal guidance issued by the DCLG.

4. Essex Pension Fund Treasury Management Strategy

- 4.1 The 2012/13 Treasury Management Strategy for the Essex Pension Fund replicates to a large extent the Treasury Management Strategy already approved for Essex County Council, but has been adapted to reflect the limited borrowing requirements, use of global custodian and the separate governance arrangements of the Pension Fund.
- 4.2 The key change from 2011/12 Strategy is the inclusion of the Fitch viability rating. This replaces the Fitch “individual” rating, which has been withdrawn and is one of the credit rating criteria used to compile the lending list for “in house” cash shown in Annex 1.
- 4.3 The global custodian contract is currently subject to a reprocurement exercise. In the event that custodian arrangements alter, an update will be brought to the Board.

5. Background Papers

- 5.1 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009.
- 5.2 Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (the Treasury Management Code) issued by CIPFA.
- 5.3 BNP Paribas Insticash prospectus.
- 5.4 BNY Mellon Liquidity Funds PLC prospectus.