

**MINUTES OF THE GENERAL PURPOSES COMMITTEE
THURSDAY, 22 OCTOBER 2009**

Councillors Meehan (Chair), Griffith (Vice-Chair), Bloch, Bull and Khan

Apologies Councillors Aitken and Alexander

Also Present: Council officers

MINUTE NO.	SUBJECT/DECISION
GPCO27.	APOLOGIES FOR ABSENCE (IF ANY) Apologies for absence were received from Councillors Aitken and Alexander and an apology for lateness was received from Terence Mitchison (Legal Advisor to the Committee).
GPCO28.	URGENT BUSINESS There were no urgent items.
GPCO29.	DECLARATIONS OF INTEREST There were no declarations of interest.
GPCO30.	DEPUTATIONS/PETITIONS There were no deputations or petitions.
GPCO31.	MINUTES The minutes of the meetings of the General Purposes Committee held on 25 June 2009 and 7 July 2009 were agreed as correct records of the proceedings.
GPCO32.	TREASURY MANAGEMENT - 2ND QUARTER REVIEW The Committee received the Treasury Management 2 nd Quarter and half year ended 30 th September performance update report, introduced by Kevin Bartle, Head of Corporate Finance and Colin Duck, Interim Head of Finance, Treasury and Pensions. A report on Money Market Fund accounts (MMFs) was tabled. Officers recommended the use of Money Market Fund accounts to enable further secure investments to be made with the objective of optimising investment returns where possible but keeping risk to a minimum. In response to questions the Committee was informed that other Council's allocated anything from 0-35% in Money Market Funds. Members noted that the Chief Financial Officer had approved the opening of Money Market Fund accounts with Goldman Sachs, Hendersons and RBS in accordance with his delegated authority. In response to Members concerns that the total value of investments in institutions

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	<p>was less in October 2009 than in October 2008, officers explained that the reduction reflected the Council’s need to utilise surplus cash in order to finance service expenditure and capital spending. The reduction in the total amount was not due to the Icelandic banks investments.</p> <p>Members were provided with an update to the recommendations agreed at the General Purposes Committee held on 7th July 2009. The first recommendation had been to revise the Treasury Management Strategy Statement (TMSS) to include the Clydesdale Bank as a permitted institution for investment purposes. The Head of Corporate Finance explained that within a week of the meeting on 7th July Clydesdale Bank had been downgraded to “negative outlook” therefore the Council did not currently invest in this institution.</p> <p>At the last meeting the officers had made a case for prematurely repaying some Public Works Loans Board (PWLB) debt on “neutral terms” in order to eliminate treasury risk in respect of the commensurate reduction in the available monies for investment. Unfortunately it had not been possible to carry this proposal into effect because gilt yields had fallen, thereby rendering this proposal financially unviable at present.</p> <p>The Committee was also informed that interest rates on “call-accounts” were currently very competitive and funds invested were instantly accessible on notice.</p> <p>RESOLVED</p> <p>3.1 That Council revise section 6.6 of the Treasury Management Strategy Statement (TMSS) to include “call accounts” as Specified Investments.</p> <p>3.2 That Members note the treasury activity undertaken for the second quarter and half year ended 30 September 2009.</p>
GPCO33.	NEW ITEMS OF URGENT BUSINESS There were no items of urgent business.

Councillor GEORGE MEEHAN

Chair

Councillor

Chair