

## Summary of Treasury Management Activities 2002/2003

### 1.0 Borrowings

#### 1.1 Borrowing Movements / Interest Paid

	B/Fwd £'000	Borrowed £'000	Repaid £'000	C/Fwd £'000	Interest £'000
<u>Short Term</u>					
Money Market	1,000	0	1,000	0	0
Parish Councils	131	0	0	131	4
<u>Long Term</u>					
PWLB	8,137	-	73	8,064	639
Money Market	1,000	-	-	1,000	49
<b>Total Borrowing /Interest Paid</b>	<b>10,268</b>	<b>0</b>	<b>1,073</b>	<b>9,195</b>	<b>692</b>

#### 1.2 Levels Of Borrowing / Variable Rate Borrowing

	Highest Level During 2002/2003 £'000	Limit Set By Committee £'000
Short Term Borrowing	1,131	10,000
Overall Borrowing	10,268	20,000
Proportion Of Interest At Variable Rates	7.66 %	20.00%

### 2.0 Investments

#### 2.1 Investment Movements / Interest Received

	B/Fwd £'000	Invested £'000	Repaid £'000	C/Fwd £'000	Interest £'000
<u>Short Term</u>					
Money Market	4,000	48,200	49,500	2,700	183
Co-operative Bank Reserve A/c	500		83net	417	9
<b>Total Investments /Interest Received</b>	<b>4,500</b>	<b>48,200</b>	<b>49,583</b>	<b>3,117</b>	<b>192</b>

nb. There were no long term investments during 2002/2003.

## TREASURY MANAGEMENT POLICY STATEMENT

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# TREASURY MANAGEMENT POLICY STATEMENT

## 1 INTRODUCTION

### 1.1 Background

This authority has had a formally adopted Treasury Management Policy Statement for a number of years which has been based upon CIPFA's previous code of practice originally issued in 1992 and updated in 1996.

This Code has now been fully revised and the purpose of this document is to outline those procedures that cover the whole range of treasury management activities, and has been prepared within the revised guidelines of the "Treasury Management in the Public Services Code of Practice" published by CIPFA. As such, the authority will adopt the key recommendations of the code.

Accordingly, the authority will create and maintain, as the cornerstones for effective treasury management:

- ◆ A treasury management policy statement, stating the policies and objectives of its treasury management activities
- ◆ Suitable treasury management practices (TMPs), setting out the manner in which the authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

### 1.2 Treasury management reporting

The Finance and Management Committee will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in the TMPs.

### 1.3 Delegated responsibility

This Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Finance and Management Committee, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the Council's policy statement and TMPs and CIPFA's *Standard of Professional Practice on Treasury Management*.

# TREASURY MANAGEMENT POLICY STATEMENT

## 2 TREASURY MANAGEMENT POLICY STATEMENT

Treasury Management is concerned with the management of the organisation's cash flows, its banking, money markets and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their implications for the organisation.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

## 3 TREASURY MANAGEMENT PRACTICES (TMPs)

### 3.1 Introduction

The Code of Practice recommends that an authority adopts a number of Treasury Management Practices to reflect its treasury management powers and the scope of its treasury management activities. The TMPs relevant to South Derbyshire District Council are outlined in the rest of the section and are supported by the schedules in Section 4, which explain the present arrangements.

The TMPs:-

### 3.2 Risk management (TMP1)

The Chief Finance Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the authority's objectives in this respect. This will be done in accordance with the procedures set out in *Reporting requirements and management information arrangements (TMP6)*. In respect of each of the following risks, the arrangements that seek to ensure compliance with these objectives are set out in the schedule to this document.

#### 3.2.1 Liquidity risk management

The Council will ensure it has adequate, though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the levels of funds available to it which are necessary for the achievement of its business/service objectives.

## TREASURY MANAGEMENT POLICY STATEMENT

### 3.2.2 Interest rate, exchange rate and inflation risk management

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements.

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

The effects of varying levels of inflation, insofar as they can be identified as impacting directly on its treasury management activities, will be controlled by the organisation as an integral part of its strategy for managing its overall exposure to inflation.

It will achieve these objectives by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates, exchange rates or inflation. The above are subject at all times to the consideration, and, if required, approval of any policy or budgetary implications.

### 3.2.3 Credit and counterparty risk management

The Council regards a prime objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investments activities to the instruments, methods and techniques referred to in *Approved instruments, methods and techniques (TMP4)* and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

### 3.2.4 Refinancing risk management

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the authority as can be reasonably achieved in the light of market conditions prevailing at the time.

It will manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

# TREASURY MANAGEMENT POLICY STATEMENT

## 3.2.5 Legal and regulatory risk

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under *Credit and counterparty risk management (TMP1)*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the authority, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

## 3.2.6 Fraud, error and corruption, and contingency management

The Council will ensure that it has identified the circumstances that may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

## 3.2.7 Market risk management

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations

## 3.3 Best value and performance measurement (TMP2)

The Council is committed to the pursuit of best value in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the authority's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

## 3.4 Decision making and analysis (TMP3)

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at

## TREASURY MANAGEMENT POLICY STATEMENT

the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule.

### **3.5 Approved instruments, methods and techniques (TMP4)**

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in *Risk management (TMP1)*.

### **3.6 Organisation, clarity and segregation of responsibilities, and dealing arrangements (TMP5)**

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when this authority intends, as a result of lack of resources or other circumstances, to depart from these principles, Chief Finance Officer will ensure that the reasons are properly reported in accordance with *Reporting requirements and management information arrangements (TMP6)* and the implications properly considered and evaluated.

The Chief Finance will ensure that there are clear written statements of the responsibilities of each post engaged in treasury management, and the arrangements for absence cover. The present arrangements are detailed in the schedule to this document.

The Chief Finance Officer will ensure that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations of the Chief Finance Officer in respect of treasury management are set out in the schedule to this document. The Chief Finance Officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs, constitution, and, if a CIPFA member, the "*Standard of Professional Practice on Treasury Management*."

## TREASURY MANAGEMENT POLICY STATEMENT

### 3.7 Reporting requirements and management information arrangements (TMP6)

The Council will ensure that regular reports are prepared and considered in the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum, the Finance and Management Committee will receive:-

- ◆ An annual report on the strategy and plan to be pursued in the coming year;
- ◆ An annual report on the performance of the treasury management function, on the affects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Council's treasury management policy statement and TMPs.

### 3.8 Budgeting, accounting and audit arrangements (TMP7)

The Chief Finance Officer will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with *Risk management (TMP1)*, *Best value and performance measurement (TMP2)* and *Approved instruments (TMP4)*, *Methods and Techniques*. The Chief Finance Officer will exercise effective controls over this budget, and will report upon and recommend any changes in accordance with *Reporting requirements and management information (TMP6)*.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

### 3.9 Cash and cash flow management (TMP8)

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Chief Finance Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Chief Finance Officer will ensure that these are adequate for the purposes of monitoring compliance with *Liquidity Risk Management (TMP1)*.



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### **3.10 Money laundering (TMP9)**

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.

### **3.11 Staff training and qualifications (TMP10)**

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Chief Finance Officer will recommend and implement the necessary arrangements.

### **3.12 Use of external service providers (TMP11)**

The Council recognises the potential value of employing external providers of treasury management services in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons that will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed and documented, and subjected to regular review. It will also ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender and re-tender arrangements, legislative requirements will be observed. The monitoring of such arrangements rests with the Chief Finance Officer

### **3.13 Corporate governance (TMP12)**

The Council is committed to the pursuit of proper corporate governance throughout its business and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This Council has adopted and has implemented the key recommendations of the Code. This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Chief Finance Officer will monitor and, if necessary, report upon the effectiveness of these arrangements.

## **4 TREASURY MANAGEMENT SCHEDULES**

### **4.1 Introduction**

The schedules outlined in this section present the current arrangements in place at South Derbyshire District Council, in respect of its treasury management function. They are provided in support of the treasury management practices (TMPs') outlined in Section 3.

## TREASURY MANAGEMENT SCHEDULES

### 4.2 Risk management (TMP1)

#### Liquidity risk

Points of reference / key schedules prepared and maintained that support current practices:

- i) **Amounts of approved minimum cash balances and short-term investments.**
  - Subject to any specifically negotiated domestic banking terms, there will be no requirement for the Authority to maintain a net cash balance following the off-set of its four main current accounts ie. General A/c, Payments A/c, Collection A/c and Returns A/c (known as Group 1 accounts)
  - Short-term investment will only be made where the combined end of day balance on the Reserve A/c and the Group 1 accounts is a surplus of .£250,000 or more.
- ii) **Cashflow forecast for 2003/04.**
  - initially compiled during the budget cycle before the start of the year then updated mid-year at the next budget cycle for any changes to the cashflow.
- iii) **Daily cashflow Forecast.**
  - completed with bank balance figures taken from Financial Director and known payments and receipts for that day. Action is then taken to either invest or recall funds depending on whether there is a surplus or a shortfall of funds.
- iv) **Cumulative actual daily cashflow.**
  - updated weekly to monitor both daily balances and cumulative net interest payable/receivable against forecasts.
- v) **Overdraft arrangement.**
  - the Council has an overdraft limit of £1m at an interest rate 1% above base rate.
  - there is also a Settlement Risk limit of £5m available. ie. the bank allows the Council to make payments via the CHAPS payment system up to this limit, when there are insufficient cleared funds in the Council's accounts, in anticipation of receiving covering funds later in the day.
- vi) **Borrowing facilities.**

Funds may be borrowed from any source, but due regard will be given to obtaining a variety of sources for funding.  
The Authority is enabled to raise funds:

  - by an overdraft from an authorised institution within the meaning of the Banking Act 1987, or
  - on short-term from the Bank of England (short-term as defined in Section 45 / 46 of the 1989 Act), or
  - on short-term from an authorised institution within the meaning of the Banking Act 1987, or
  - from the National Debt Commissioners / the Public works Loan Commissioners, or
  - by means of a Loan Instrument as defined by Section 43(4) of the Local Government and Housing Act 1989, or
  - by means of a stock issue.

## TREASURY MANAGEMENT SCHEDULES

vii) **Insurance / guarantee.**

- South Derbyshire has Fidelity Guarantee Insurance which provides cover for losses as a result of fraud or dishonesty by an employee. Details of cover appear in this TMP1 schedule under *Insurance / guarantee*.

• **Interest rate, exchange rate and inflation risk management**

Points of reference / key schedules prepared and maintained that support current practices:

- Budgeted investment income and reserves 2003/04**
- Bank charges budget (incl. Interest) 2003/04**
- The maximum proportion of variable rate interest is set at 20% for 2003/4 (Finance & Management – 18/2/03 minute FM / 94)**

• **Credit and counterparty risk management**

Points of reference / key schedules prepared and maintained that support current practices:

- Approved lending list 2003/04**
  - the lending list is agreed annually and lists financial institutions with which South Derbyshire can invest funds. The institutions included on the list are grouped according to the recommended maximum level of investment corresponding to their credit ratings.

• **Refinancing risk management**

Points of reference / key schedules prepared and maintained that support current practices:

- Profile of long-term debt**
  - a maturity profile of long-term debt is maintained identifying maturing debt / repayments due each year. This is used as a reference when taking out new or replacement loans to avoid an excessive build-up of maturing debt in any one year thus ensuring an even spread of interest rates within the Council's portfolio.
- Debt / other capital financing maturity profiling, policies and practices**
  - to be considered as part of the new Prudential Code.
- Projected capital investment requirements**
  - to be considered as part of the new Prudential Code.
- Policy concerning limits on revenue consequences of capital financings**
  - to be considered as part of the new Prudential Code.

## TREASURY MANAGEMENT SCHEDULES

- **Legal and regulatory risk**

Points of reference / key schedules prepared and maintained that support current practices:

**References to relevant statutes and regulations**

- The Council as a matter of policy will comply with the London Code of Conduct for activities in the financial markets as set out by the Bank of England.
- The Authority will operate its borrowing activities so as not to exceed its Aggregate Credit Limit as defined by Regulations made under the Local Government and Housing Act 1989.
- The Authority will invest surplus funds at the highest achievable interest rates, in accordance with the Local Authorities (Capital Finance) (Approved Investments) Regulations 1990 as amended from time to time, but with particular regard to the security of the principal invested, with regard to the maintenance of a prudent maturity profile, and in a manner consistent with meeting the cash flow requirements of the Authority.

- **Fraud, error and corruption and contingency management**

Points of reference / key schedules prepared and maintained that support current practices:

**i) Fidelity guarantee insurance**

South Derbyshire has Fidelity Guarantee Insurance which provides cover for losses as a result of fraud or dishonesty by an employee. The cover provided is:

- £3,500,000 for the following 9 Designated Officers:
  - Chief Finance Officer
  - Finance Services Manager
  - Revenue Manager
  - Exchequer Manager
  - Technical Officer (General)
  - Technical Officer (Bank & VAT)
  - Audit Manager
  - Senior Audit Assistant
  - Audit Assistant

In line with the above, the limit for a single CHAPS transaction on the Financial Director system is set at £3,500,000. Only officers covered by this limit have full access to the system.

- £1,500,000 for the following five Designated Officers:
  - IT & Customer Services Manager
  - Systems Manager
  - Systems Development Analyst
  - Systems Support Analyst
  - IT Operations Manager
- All other employees £1,000,000.

## TREASURY MANAGEMENT SCHEDULES

- ii) **Emergency and contingency planning arrangements**  
The Chief Executive and Chief Finance Officer will include arrangements for the proper and continuous fulfilment of the treasury management function in accordance with this policy statement, in any disaster planning arrangements.

- **Market risk management**

Points of reference / key schedules prepared and maintained that support current practices:

- i) Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate

The Council has no investments where the capital value is liable to fluctuation.

## TREASURY MANAGEMENT SCHEDULES

### 4.3 Best value and performance measurement (TMP2)

Points of reference / key schedules prepared and maintained that support current practices:

- **Internally managed funds**

A spreadsheet is kept which details the daily outstanding investments and borrowings, balances in bank accounts and the Local Authority Seven-Day Rate.

The target for returns on investments charges for borrowings is therefore the interest due when applying the average Local Authority Seven-Day rate for a period to daily outstanding investments/loans and balances.

- **Externally managed Funds**

The Authority currently has no externally managed funds.

## TREASURY MANAGEMENT SCHEDULES

### 4.4 Decision-making and analysis (TMP3)

On a daily basis a cashflow forecast is completed using bank balance figures from Financial Director plus any known payments and receipts for each day.

A daily record book is kept and updated with:

- the net Group 1 cleared balance
- the net Group 1 intraday cleared balance
- the Reserve intraday balance
- details of known payments and receipts due
- details of investments and borrowings made that day

nb. the Group 1 bank accounts include the General A/c, Payments A/c, Collection A/c and Returns A/c.

As a general rule, the net balance at the end of the day on the Group 1 accounts should be as near to £0.00 as possible, in order to maximise investment interest, whilst not incurring unnecessary costs due to being overdrawn.

However, the efficient use of staff time and CHAPS fees incurred that go with money market transactions has to be weighed up against the interest receivable when deciding whether or not to make small investments or borrowings.

It has therefore been decided that:

- **investment** (or repayment of loans) will only take place where the net forecast end of day balance of the Group 1 and Reserve\* accounts is a credit of £250,000 or more.  
*nb. where the net surplus of the Group 1 and Reserve accounts is less than £250,000, a transfer should be done at the end of the day between the General and Reserve Accounts to leave a net zero balance in the Group 1 accounts.*

#### ***Exception to the rule:***

A balance exceeding £250,000 can be retained in the Reserve\* account if one or more large payments are due within the next 7 days that cannot be covered by income, recalling investments, etc in that period.

*Interest is currently paid at the following rates on balances held in the Reserve Account:*

<i>Balance</i>	<i>Interest rate</i>
<i>Up to £49,999</i>	<i>2.00% below base rate</i>
<i>£50,000 - £249,000</i>	<i>1.25% below base rate</i>
<i>£250,000 - £499,999</i>	<i>1.00% below base rate</i>
<i>£500,000 - £999,999</i>	<i>0.75% below base rate</i>
<i>£1m +</i>	<i>0.65% below base rate</i>

- nb. i) *The maximum amount that can be invested in this account is £3m.*  
ii) *The maximum investment / withdrawal allowed to / from the account on any business day is £1m.*



## TREASURY MANAGEMENT SCHEDULES

- **borrowing** (or recall of investments) will only take place where the net forecast end of day balance of the Group 1 and Reserve\* accounts is a debit of £250,000 or more.  
*nb. where the net debit of the Group 1 and Reserve accounts is less than £250,000, a transfer should be done at the end of the day between the General and Reserve Accounts to leave a zero balance in the Reserve account.*

## TREASURY MANAGEMENT SCHEDULES

### 4.5 Approved instruments, methods & techniques (TMP4)

- **Internally managed funds**

- i) **Approved types of investment**

The Council may use the following types of investment when managing funds internally:

Fixed Term Deposits  
On Call Deposits

- ii) **Approved institutions for investment**

The Council may invest surplus cash with the following institutions, subject to the provisions within the **Internal investment policy** below:

UK Debt Management Office (DMO);  
Local Authorities and Police Authorities within the UK;  
Major clearing banks incorporated in the UK and their subsidiaries (*use of non-british banks is subject to the assessment and approval of the Finance Services Manager*);  
UK Building Societies;  
British Merchant Banks and Securities House Association members;  
The secondary banking sector (*use of non-british banks is subject to the assessment and approval of the Finance Services Manager*).  
Foreign Banks with an F1+ Rating (*subject to the assessment and approval of the Finance Services Manager*).

- iii) **Internal investment policy**

The following limits apply on the amount of money that can be invested with any one institution mentioned in TMP4 ii above, by the designated officers:

UK Debt Management Office (DMO)	£10M
Highest quality financial institutions	£5M
Local authorities and police authorities	£1M
100% owned subsidiaries of clearing banks	£1M
F1/AA rated building societies	£1M
Top 10 building societies (Butlers Guide List)	£1M
F1/A rated building societies	£0.5M
F1 /A rated merchant or secondary banks	£0.5M
F2/A rated merchant or secondary banks	£0.25M

The highest quality financial institutions must have a minimum short-term Fitch IBCA rating of F1+ and long-term rating of AA-.

## TREASURY MANAGEMENT SCHEDULES

The Finance and Management Committee shall review the above list of institutions and limits attached thereto at least annually as part of the overall strategy review. Authority is delegated to the Chief Finance Officer to vary the list and limits applying as circumstances dictate. Any variations are to be reported to the Finance and Management Committee at the earliest opportunity.

- **Externally Managed Funds:**

The council has no externally managed funds.

## TREASURY MANAGEMENT SCHEDULES

### 4.6 Organisation, clarity and segregation of responsibilities, and dealing arrangements (TMP5)

- Treasury management organisation chart

