



## Treasury Management Policy

### BACKGROUND

The Council acknowledges the importance of prudently investing any cash balances that it holds during the course of its normal business on behalf of the community. It is committed to careful Treasury Management to ensure that it maintains the security of its cash balances whilst retaining sufficient liquidity to meet its revenue spending plans. In particular, it will look to ensure that any:

- capital expenditure plans are affordable;
- external borrowing and other long-term liabilities are within prudent and sustainable levels.

In accordance with Section 15(1) of the Local Government Act 2003, the Council will have regard to any guidance and regulations that the Secretary of State may issue.

### OBJECTIVES

The Council's investment priorities are the security of its cash reserves and the liquidity of its investments. It will always:

- invest prudently to ensure the security of the capital sum and protect it from loss;
- maintain liquidity in the portfolio to meet the Council's day to day spending plans;
- mitigate risk;
- seek the optimum returns available whilst remaining consistent with the proposed levels of security and liquidity.

### TREASURY & INVESTMENTS

To meet its, objectives, the Council's approach will be:

#### SECURITY

The Council will only make deposits with a UK bank or building society which is regulated by the Financial Conduct Authority (FCA). The total invested with any such financial institution or group of non-independent institutions will not exceed £100,000. The Council's annual budget in excess of EUR500,000 (approx. £437,588) means that its funds are not safeguarded under the Financial Services Compensation Scheme (FSCS). For this reason, investments will only not normally be made in stocks and shares.

#### LIQUIDITY

investments of over 12 months' duration will only be made provided that the cash projected to be available from the council's current account is judged as adequate to cover the council's commitments during the period of the investment(s).

### **CASH DEPOSITS**

The Council defines Treasury as all cash deposits held in bank accounts, including bonds of up to 12 months in duration. It will hold its working funds as cash deposits in the form of easily accessible bank deposits or other short-term savings accounts for example accounts which do not require more than 90 days' notice to access the funds. These are used to maximise income from cash balances during the financial year. Income and expenditure will be through one bank account and sufficient funds for the day to day transactions will be held.

### **YIELD**

Funds will be invested in the account or accounts which satisfy the security and liquidity requirements described above and which maximise the yield available.

### **ETHICAL BANKING**

The Council will only invest in institutions which have an established policy for ethical investments.

### **COMPLIANCE**

All treasury and investment will comply with the relevant sections of the Council's Standing Orders and Financial Regulations.

## **PROCEDURES**

Through the Clerk, the RFO is responsible for the day to day management of the Council's funds. The RFO will:

- identify appropriate deposit accounts or short-term bond with a financial institution that fits with the Council's Treasury and Investment Policy;
- seek Council approval if the proposed deposit is with a financial institution not currently used by the Council;
- action the opening of the account and the setting up of the bank mandate for councillors to sign in accordance with the financial regulations;
- report all transfers/deposits to Council through the Cash Statement & General Reserve Report;
- have delegated authority to deposit funds with any of the Council's existing financial institutions;
- have delegated authority to set up transfers between bank accounts which will follow the normal payment procedure as detailed in the financial regulations. Investment.