



TREASURY MANAGEMENT POLICY

1. INTRODUCTION

This document sets out the parameters and operational issues for investing surplus funds of the Council. This policy has been prepared in accordance with the Guidance on Local Government Investments ('the Guidance') issued under section 15(1) of the Local Government Act 2003, effective from 01.04.2018.

The Guidance states:-

- a. Where a Town or Parish Council expects its investments at any time during a financial year to exceed £500,000, the Guidance should apply in relation to that year.
- b. Where a Town or Parish Council expects its investments at any time during a financial year to exceed £10,000 but not £100,000, it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year.
- c. Where a Town or Parish Council expects its investments during any time during a financial year not to exceed £10,000, no part of the Guidance need be treated as applying in relation to that year.

For the purpose of this policy, the Responsible Financial Officer (RFO), is the Town Clerk to the Council.

2. INVESTMENT OBJECTIVES

The Council defines its treasury management activities as *"the management of the Council's cash flows, its banking and money market transactions, the effective control of the risks associated with those activities and the pursuit of best value performance consistent with those risks"*.

This policy establishes formal objectives, policies and practices and reporting arrangements for the effective management and control of the Council's treasury management activities and the associated risks and should be read in conjunction with the Council's Financial Regulations.

The Council's investment priorities are:

- The security of its reserves, and
- The adequate liquidity of its investments, and
- The return on investment (the Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity).

The Council will monitor the risk of loss on investments by review of credit ratings on a regular basis. The Council will only invest in institutions of high credit quality – based on information from credit rating agencies.

3 SPECIFIED INVESTMENTS

Specified investments are those offering high security and high liquidity, made in sterling and with a maturity of no more than a year. Such short term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, Marlow Town Council will use:

- Deposits with banks, building societies, local authorities or other public authorities
- Other approved public sector investment funds

The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

Those investments which have greater potential risk (e.g. investment in the money market, stocks and shares) are inherently unpredictable and uncertain, and as such the Council will not use this type of investment.

Investments will be regarded as commencing on the date the commitment to invest is entered into rather than the date on which the funds are paid over to the counter-party.

- Long term investments are defined in the Guidance as greater than 12 months
- Surplus funds shall be invested in short-term cash deposits only, i.e. from 1 to 364 days
- The Council does not currently hold any funds in long term investments
- The maximum amount to be invested in a single approved organisation is £500,000

4 APPROVED ORGANISATIONS

The day to day banking is with Lloyds Bank. The investments will be split between banks and institutions approved by the Town council from time to time.

Investment movements will be carried out between approved organisations by the RFO in accordance with the investment objectives. Approved banks and funds are set out in Schedule A which may be amended from time to time on a recommendation from the RFO.

Transfers between the Council's current and deposit accounts shall be permitted up to a maximum of £30,000 per day, to maximise interest earnings on surplus funds that cannot be placed in time deposits (usually for a minimum of one month).

5 AUTHORISATIONS

All transactions shall be carried out under the direction of and authorised by the RFO. Time deposit shall be negotiated and placed on a day-to-day basis either by the RFO or Deputy Town Clerk.

Transfers between the Council's bank accounts shall be carried out either by the RFO or Deputy Clerk. Transfers between the Lloyds bank account shall be carried out by the Council

approved management accountant up to a maximum of £30,000 as per the terms and conditions of the bank mandate.

6. INVESTMENT REPORTS

The RFO will provide reports on investment activity for the Council quarterly.

7. REVIEW AND AMENDMENTS

The Treasury Management Policy will be reviewed annually and revised if considered necessary.

The Council reserves the right to make variations to the Treasury Management Policy at any time on receipt of a report from the RFO. Any variations will be available to the public.

8. FREEDOM OF INFORMATION

In accordance with the Freedom of Information Act 2000, the Council's Treasury Management Policy will be published on the Town Council's website and will be available as hard copy from the Town Council office.

3.1 Time deposits shall be negotiated and placed on a day-to-day basis by either the Town Clerk (Responsible Finance Officer) or the Deputy Town Clerk (Finance Officer).

3.2 Transfers between the Council's bank accounts shall be carried out by either the Town Clerk, or the Deputy Town Clerk together with the Town Mayor as an additional account operator.

4 REPORTING ARRANGMENTS

4.1 The RFO shall report all transactions and the effects on interest earnings, compared with the agreed budget, at the Resources Committee meeting following the end of each quarter ending i.e. 30 June, 30 September, 31 December, 31 March.

SCHEDULE A

Approved Banks

Bank of Ireland UK
Barclays
Clydesdale Bank PLC
Unity Trust Bank
HSBC
NatWest
Lloyds Banking Group
Royal Bank of Scotland
Sainsbury's Bank
Santander UK
Tesco Bank
The Co-operative Bank
TSB
Unity Trust Bank
Ulster Bank
Virgin Money

Approved Building Societies

Coventry BS
Market Harborough Building Society
Nationwide BS
Skipton BS
Yorkshire BS

Other approved funds

CCLA Public Sector Deposit Fund / Property Fund
Other Government Schemes and Bonds of short term liquidity (not more than one year)