

# Policy

## Treasury Management Practices

### Purpose

Treasury Management has been defined as: The management of the Authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with these activities; and the pursuit of optimum performance consistent with those risks.

The treasury management practices prescribe how the Combined County Authority will manage and control its treasury activities.

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## PRINCIPLE AND SCHEDULES

This document has been prepared in the sequence provided by CIPFA. For ease of use, the key areas for GLCCA treasury operations are referenced below:

<b>Content</b>	<b>TMP Number</b>
<ul style="list-style-type: none"> <li>• Organisational chart of the Authority's Finance and Treasury Division</li> </ul>	TMP 5
<ul style="list-style-type: none"> <li>• Statement of duties and responsibilities</li> <li>• Absence cover</li> </ul>	TMP 5 TMP 5
<ul style="list-style-type: none"> <li>• Liquidity Management, Cash flow, bank overdraft, short-term borrowing/lending</li> <li>• Cash flow forecasts</li> <li>• Bank statements, payment scheduling</li> </ul>	TMP 1  TMP 8 TMP 3
<ul style="list-style-type: none"> <li>• Electronic banking and dealing</li> <li>• Standard Settlement Instructions, Payment Authorisation</li> </ul>	TMP 5 TMP 11
<ul style="list-style-type: none"> <li>• Approved types and sources of borrowing</li> <li>• Approved investment instruments</li> </ul>	TMP 4 TMP 4
<ul style="list-style-type: none"> <li>• Counterparty and Credit Risk Management</li> <li>• Current criteria</li> </ul>	TMP 1 TMP 1
<ul style="list-style-type: none"> <li>• Electronic Banking and Dealing:</li> <li>• Authorised dealers</li> <li>• Dealing limits</li> <li>• Settlement transmission procedures</li> </ul>	TMP 5
<ul style="list-style-type: none"> <li>• Reporting arrangements/Performance measurement</li> <li>• Officers' responsibilities for reporting</li> </ul>	TMP 6 TMP 2 TMP 5
<ul style="list-style-type: none"> <li>• Budget, Statement of Accounts, treasury-related information requirements for Auditors</li> </ul>	TMP 7
<ul style="list-style-type: none"> <li>• Anti-Money Laundering Procedures</li> </ul>	TMP 9
<ul style="list-style-type: none"> <li>• Contingency Arrangements</li> </ul>	TMP 1
<ul style="list-style-type: none"> <li>• External Service Providers</li> </ul>	TMP 11
<ul style="list-style-type: none"> <li>• References to Statute and Legislation</li> </ul>	TMP 1

## **TMP1 Schedule 1 - Risk Management**

### **1.1 Risk management**

All treasury management activities present risk exposure for the Authority. The Authority's policies and practices emphasise that the effective identification, management, and containment of risk are the prime objectives of treasury management activities.

The Section 73 Officer will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties in consultation with the Authority's advisors. The criteria will be agreed by Audit Committee. Investment with government offers the least risk but lower yields.

#### **1.1.1 Policy on the use of credit risk analysis techniques**

The Authority selects countries and the institutions within them for the counterparty list after analysis and careful monitoring of:

- a) Credit Ratings - the Authority will use credit rating criteria as the main means of assessing the creditworthiness of counterparties for placing investments with – where available this Rating information will be supplemented by additional risk indicators such as Credit Default Swap Rates.
- b) Sovereign credit ratings/sovereign support mechanisms (which now includes resolution mechanisms for failing financial institutions)
- c) The Authority's Treasury Advisor also undertakes analysis on the balance sheet structure of key banking institutions to help inform the potential restructure (i.e. bail-in) of a bank's unsecured liabilities should this be required by the regulatory authorities.
- d) The credit rating criteria will also apply to securities issued by financial and non-financial institutions, which in some instances, might be higher than that of the issuing institution.
- e) Financial limits for individual counterparties and sectors will be set to ensure a sound diversification policy.
- f) Longer term and cash limits may be set for secured investments (e.g., those with underlying collateral or which are by regulation excluded from being bailed-in/restructured in the event of financial distress.)
- g) Where there is no investment-specific rating, but collateral upon which the investment secured is rated, then the higher of the collateral and counterparty rating will be used to determine time and cash limits.
- h) Credit Default Swap (CDS) information
- i) Macro-economic indicators
- j) Asset values - consideration of the use of building societies that do not meet credit rating criteria for banks may be based on asset size rather than a formal rating.
- k) Corporate developments, news and articles, market sentiment

Where one or more counterparties are part of a group a limit will be set for the aggregate for all investments with the group.

- 1.1.2 Treasury Advisors will construct a lending list comprising time, type, sector and specific counterparty limits based on the Authority's approved Annual Investment Strategy. The counterparty list will be agreed and confirmed by the Section 73 officer.
- a) It may be impractical to determine a specific list of non-financial counterparties in whose securities investments might be made. The minimum credit rating criteria and whether the security is secured or unsecured will determine its selection for investment.
  - b) The counterparty list will be checked in accordance with the Annual Investment Strategy.
  - c) Credit ratings for individual counterparties can change at any time. The Treasury Advisors notify the Authority of credit rate changes which affect the Authority's counterparty list and any consequent change in limits. They also provide economic summaries, CDS information (monthly) and share price information.
  - d) In addition, Treasury Management Officers will use their own means to monitor market sentiment (via Treasury Live software) and ratings changes.
  - e) The Section 73 Officer will amend the approved list in line with the policy on criteria for selection of counterparties.
  - f) Where an entity's credit rating is downgraded so that it fails to meet the minimum criteria, then only with the explicit approval of the S73 officer will a lower level of investment be permitted within the non-Specified category. This is particularly apposite for the Authority's own bankers where overnight deposits may be required for Operational purposes.
  - g) Where a credit rating is placed on review for possible downgrade (also termed 'rating watch negative') so that it may fall below the minimum approved credit criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the rating review has been completed and its outcome known. This will not apply for 'negative outlooks' which indicate a long-term direction of travel rather than a possibility of an imminent downgrade.
  - h) Credit ratings will be used as supplied from one or more of the following credit ratings agencies.
    - 1. Fitch Ratings Ltd
    - 2. Moody's Investors Services
    - 3. Standard & Poor's
  - i) Operationally the Section 73 Officer may take measures to restrict (but not extend) the criteria approved in the Annual Investment Strategy.
  - j) Advisers will be advised of changes to the Counterparty List where necessary.

### **1.1.3 Policy on environmental, social and governance (ESG) considerations**

- a) The Authority is appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way. The Authority uses ratings from Fitch, Moody's and Standard & Poor's to support its assessment of suitable counterparties. Each of these rating agencies is a signatory to the ESG in credit risk and ratings statement:

- b) For short term investments with counterparties, this Authority utilises the ratings provided by Fitch, Moody's, and Standard & Poor's to assess creditworthiness, which do include analysis of ESG factors when assigning ratings. The Authority will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process where available in a consistent manner.

## 1.2 Liquidity Risk Management

- 1.2.1 The Authority will seek to maintain sufficient cash balances to meet its daily cash requirements without recourse to short-term borrowing, should unforeseen circumstances arise short-term borrowing will be undertaken to ensure liabilities are met as they fall due.
  - a) Approved sources of short-term borrowing are: -
    - i. The Authority agrees an overdraft facility, if necessary, with its bankers.
    - ii. The Authority accesses temporary loans either through money brokers or directly from financial institutions/other local authorities.
  - b) The Authority will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current programme or to finance future debt maturities.

- 1.2.1 Cash flow forecasts will be maintained (see TMP8)

## 1.3 Interest Rate Risk Management

- 1.3.1 Treasury management strategies are prepared in consultation with treasury advisors, where appointed, to take account of interest rate forecasts (see TMP6). Trigger points for consideration of borrowing are included within the strategy where appropriate. The treasury management advisors, where appointed, periodically update the forecasts and any impact on trigger points. The Authority may determine it is more cost effective in the short-term to fund its borrowing requirement using internal resources ('internal borrowing') or through borrowing short-term loans. The benefits of such borrowing will be monitored regularly against the potential for incurring additional costs by deferring or refinancing in future years when interest rates are expected to be higher.
- 1.3.2 For its investments, the Authority also considers dealing from forward periods dependent upon market conditions. The Authority's counterparty term limits will apply and will include the forward period of the investment.
- 1.3.3 The Prudential Code requires the Authority to determine each year upper limits on net fixed interest rate and net variable interest rate exposures are determined each year as part of the Treasury Management Indicators included in the annual Treasury Management Strategy Statement.
- 1.3.4 The upper limits on net fixed interest rate and net variable interest rate are reviewed at least annually and are approved by Authority within the Treasury Management Strategy reports. The provider Credit and Investment Manager maintains a

spreadsheet to monitor compliance which is subject to regular review as part of the assurance arrangements.

- 1.3.5 Policies concerning the use of financial derivatives<sup>1</sup> and other instruments for interest rate management are set out in TMP4.

## **1.4 Exchange Rate**

- 1.4.1 Borrowing and Lending will only be undertaken in £ Sterling.
- 1.4.2 The Authority may have some exposure to exchange rate movements from time to time because expenditure or income is denominated in a foreign currency, but these transactions will generally be small and will normally be converted out of or into sterling at the time of the transaction.

## **1.5. Inflation Risk Management**

- 1.5.1 The organisation will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

## **1.6. Refinancing**

- 1.6.1 The Authority will seek to limit refinancing exposure by ensuring that only a limited amount of loan debt will mature in any one year. This limit will be kept under review and reported annually as part of the Annual Treasury Strategy. The Prudential Code requires as a specific treasury management indicator, upper and lower limits for the maturity structure of the Authority's debt.

The Section 73 Officer will, by the 31st March of each year, produce a borrowing strategy detailing the projected borrowing requirement for the subsequent year.

- 1.6.2 The opportunities for debt restructuring will be kept under review in line with market conditions. All loan debt rescheduling will be reported to the Authority as part of the outturn report.
- 1.6.3 The Section 73 Officer will prepare as a minimum a three-year plan for capital expenditure for the Authority. The Capital Investment Strategy and capital programme will be used as a basis for estimating the anticipated financing requirement and a three-year revenue budget for loan charges consisting of principal repayments, interest and expenses as well as loan repayments and forecast interest rates.
- 1.6.4 The Authority sets affordable limits for borrowing to inform the capital investment plans. The main source of borrowing for the authority is the Public Works Loan Board (PWLB) and estimates shall be prepared using forecast PWLB rates.

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<sup>1</sup> Derivatives are financial instruments whose value is derived from the value of something else. They generally take the form of contracts under which the parties agree to payments between them based upon the value of an underlying asset or other data at a particular point in time. The main types of derivatives are futures, forwards, options and swaps.

#### 1.6.5. Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing

- In considering the affordability of its capital plans, the Authority will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on the Authority.
- It will also consider affordability in the longer term beyond this three-year period and assess the risks and rewards of significant investments to ensure the long-term financial sustainability of the authority. (CIPFA has not defined what longer term means but it is likely to infer 20-30 years in line with the financing time horizon and the expected life of the assets, while medium term financial planning, at a higher level of detail, is probably aimed at around a 10-year time frame and to focus on affordability in particular.)
- The Authority will also undertake an annual review of commercial, (debt for yield), investments (where existing) with a view to divest, where appropriate, to avoid or minimise additional external borrowing.
- The Authority will use the definitions provided in the Prudential Code for borrowing, capital expenditure, capital financing requirement, commercial property, debt, financing costs, investments, net revenue stream, other long term liabilities, treasury management and transferred debt.

## **1.7. Legal and Regulatory References to Relevant Statutes and Regulations**

- 1.7.1 The treasury management activities of the Authority shall comply fully with legal statute, guidance, Codes of Practice, and the regulations of the Authority.
- 1.7.2 The Authority will confirm, if requested to do so by counterparties, the powers and authorities under which the Authority effects transactions with them.
- 1.7.3 The responsible officer shall take appropriate action with the Authority, the Head of Paid Service and the Leader of the Authority to respond to and manage appropriately political risks, leadership in the Authority, change of Government etc.
- 1.7.4 The monitoring officer is the Chief Legal Officer the duty of this officer is to ensure that the treasury management activities of the Authority are lawful.
- 1.7.5 It is the duty of the Section 73 officer to ensure that the financial affairs of the Authority are conducted in a prudent manner and to make a report to the Authority if they have concerns as to the financial prudence of its actions or its expected financial position.
- 1.7.6 Where required, the Authority will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.

## **1.8 Operational risk, including fraud, error and corruption,**

- 1.8.1 The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption, or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.
- 1.8.2 This organisation will ensure that it has identified the circumstances which 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.
- 1.8.3 TMP5 and TMP6 and supporting Schedules set out the Authority's arrangements for clarity of organisation, reporting arrangements, and management information systems and controls.
- 1.8.4 Emergency and Contingency Planning Arrangements  
Disaster Recovery Plan.

Under established agile working practises, all members of the Treasury Management team have remote access to the required systems to enable continuity.

- An electronic record is kept of all necessary treasury management data.
- CHAPS payments can be given by instruction by hand to the Bank.



- Balances can also be obtained over the telephone.
- All computer files are “backed up” to enable files to be accessed from remote sites.
- Capability exists to make payments off-site following the adoption of agile working practices.

#### 1.8.5 Details of systems and procedures to be followed:

##### **Authority**

- The scheme of delegation to Officers set out the appropriate delegated levels. All loans and investments, including PWLB, are negotiated by authorised persons.

##### **Occurrence**

- A detailed register of loans and investments is maintained as part of the treasury management arrangements (Treasury Live). This is confirmed to the ledger balance.
- Adequate and effective cash flow forecasting records are maintained within the treasury management arrangements to support the decision to lend or borrow.
- Confirmation of a deal is received from the counterparty or trading portal. This could be in electronic or hardcopy format.
- A broker note showing details of the loan arranged confirming all transactions placed through brokers

##### **Completeness**

- The loans register (Treasury Live) is updated to record all lending and borrowing this includes the date of the transaction and its terms.

##### **Measurement**

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Authority.

##### **Timeliness**

- The Treasury Live system highlights when money borrowed, or lent is due to be repaid. On a daily basis the service will obtain from the Authority’s bankers the intraday balance and ensure that allowance will be made for the repayment/ receipt of loans/ investment due.

##### **Procedure**

- All lending is only made to institutions on the approved list.

- All loans raised and repayments made go directly to and from the Authority's designated bank account.
- Authorised limits are set for every institution, grouped entities and certain types of instruments.
- Transactions are cross-checked against broker notes, counterparty confirmations and schedules by dates, amounts, interest rates, maturity, interest payment dates, etc.
- Brokers will have a list of named officers authorised to perform loan transactions.
- The control totals on the Treasury Live system are reconciled quarterly with the ledger.
- There is a clear separation of duties between the authorisation, inputting and releasing a payment processing of a payment and its checking and authorisation.
- Bank reconciliation is carried out regularly from bank statement to financial ledger.

### **Security**

- Investment Payments - should only be authorised by an authorised signatory and payments over £3m require a second authorised signatory authoriser.
- Faster Payments – Payments should be authorised by a signatory from HR services manager and an authorised signatory.
- Cards, PINs and card readers are required for Barclays.net transactions.
- When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through independently obtained contact details for the payee before altering payment details.

### **Internal Audit**

1.8.6 Internal Audit will undertake an annual regulatory review of the treasury management function. (See TMP 7)

### **1.9 Price Risk Management**

- 1.9.1 This is the risk that, through adverse market fluctuations in the value of the principal sums the Authority borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.
- 1.9.2 The Authority will from time-to-time access instruments in which there is an active secondary market (Certificates of Deposit, Treasury Bills etc.). The capital value of these instruments will fluctuate depending on the remaining period to maturity and prevailing market conditions. However, when using such instruments, the Authority will always do so on the basis that it intends to hold them to maturity and thereby secure a fixed capital value.

- 1.9.3 The Authority may consider Variable Net Asset Value (VNAV) funds, as appropriate, in line with its TMSS.
- 1.9.4 The method for accounting for unrealised gains or losses on the valuation of financial assets will comply with the Accounting Code of Practice.

### **1.10 Management practices for non-treasury investments**

- 1.10.1 The Authority recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.
- 1.10.2 This organisation will ensure that all the organisation's investments are covered in the capital strategy, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.
- 1.10.3 The organisation will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures, and liabilities including financial guarantees and the organisation's risk exposure.

## Schedule 2 – TMP2 Performance measurement

- 2.1 All strategic treasury decisions are to be evaluated to determine:
- The impact on the Authority’s finances
  - Any resultant change in the treasury management risk characteristics.
- 2.2 Methods to be employed for measuring the performance of the authorities Treasury Management activities.
- Prudential Indicators are local to the Authority and are not intended as a comparator between authorities.
  - Benchmarking information can be obtained from Advisors (where applicable), Treasury Live and/or CIPFA.
  - The performance review will be made in the light of general trends in interest rates during the year and how the decisions made corresponded with these trends and the Authority’s agreed strategy, i.e. the Authority will avoid hindsight analysis.
    - For debt management the following Performance Indicators will be used
    - Average rate on all external debt
    - Average rate on external debt borrowed in previous financial year
    - Average period to maturity of external debt
    - For new borrowing, the average PWLB borrowing rate for the period for the same maturity profile.
- 2.3 To assist in evaluating the impact of strategic treasury management decisions the following will be carried out.
- The Credit and Investment Manager will produce regular updates to the Treasury Management Strategy Group (TMSG).
  - Mid-year report to Audit Committee. Annual Report to Authority
  - Reviews with the treasury management advisors
  - Internal audit reviews
- 2.4 Frequency and Processes for tendering. Banking services and other treasury services provided by external providers shall be subject to review by the Section 73 Officer at least every 5 years depending on type of contract.
- 2.5 Banking services will be re-tendered or renegotiated at least every 5 years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends.
- 2.6 Except for approved direct dealing the Authority uses money broking services in order to make deposits or to borrow from the market and will establish charges for all services prior to using them. The Section 73 Officer has established the under noted list of brokers, which takes account of both prices and quality of services, to obtain funds from the money markets and to place investments in accordance with the Approved list.

- Martin Brokers
- Tullett Prebon
- King and Shaxson Limited
- Tradition UK
- BGC Partners
- Munix Limited

This list may be revised at any time by the Section 73 Officer. Use of individual brokers will be determined by the need to access the services which they provide in the first instance and by performance/cost assessment thereafter.

- 2.7 The Authority's policy is to appoint full-time professional treasury management advisors; the contract will be reviewed at least every three years.
- 2.8 The Authorities' current policy is not to appoint external investment managers, but this will be kept under review by the Section 73 officer.

### **Schedule 3 - TMP3 Decision making and analysis.**

3.1 In respect of funding, borrowing, lending, and new instruments / techniques:

Documents will be retained to evidence the processes and rationale behind all decisions:

3.2 Records to be kept. The Treasury team maintains a daily electronic record of bank balances, statements and cash flow calculations and uses specialist computer software to record all cash flow and treasury management transactions which are authorised independently. The record will have the following details relative to each loan or investment.

- Brokers (if applicable)
- Counterparty
- Interest rate
- Repayment date
- Term of loan
- Loan type
- Commission
- Transfer arrangement
- Basis on which a particular deal was judged to be the correct one.
- Confirmation of compliance with Counterparty List

In addition, the following records will be kept: -

- Broker Confirmations
- Counterparty Confirmations
- Deal Tickets

3.3 Processes to be pursued.

- Cash flow forecasting – 6 months ahead (daily breakdown), period of Medium-Term Financial Forecast (Monthly breakdown).
- Investment of surplus cash balances
- Temporary borrowing to cover cash deficits.
- Long-term borrowing to finance capital expenditure.
- Obtaining other forms of financing where that offers best value.
- Managing the investment and debt portfolio – maturity profile, debt rescheduling opportunities etc.
- Monitoring of actual against budget for debt charges, interest earnings and debt management expenses

3.4 In respect of every decision made the Authority will have regard to the nature and extent of the risks to which the authority may become exposed.

- Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained.

- Be content that the documentation is adequate both to deliver the Authority's objectives and protect the Authority's interests, and to deliver good housekeeping.
- Ensure that third parties are judged satisfactory in the context of the Authorities creditworthiness policies, and that limits have not been exceeded.
- Be content that the terms of any transactions have been fully checked against market and have been found to be competitive.

3.5 In respect of borrowing and other funding decisions, the S73 Officer will:

- consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets to ensure that its capital plans and investment plans are affordable, proportionate to the Authority's overall financial capacity, and are within prudent and sustainable levels. This evaluation will be carried out in detail for three budget years ahead.
- Less detailed evaluation will also be carried out over a longer period of up to 60 years to ensure that plans continue to be affordable, proportionate, prudent and sustainable in the longer term. *(CIPFA has not defined what longer term means)*
- not borrow to invest primarily for financial return.
- not borrow earlier than required to meet cash flow needs unless there is a clear business case for doing so.
- not borrow unless it is to finance the current capital programme or to fund future debt maturities, or to ensure an adequate level of short-term investments to provide liquidity for the Authority.
- increase its CFR and borrowing solely for purposes directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.
- undertake an annual review of any investments in commercial (debt for yield) schemes with a view to identify whether such assets should be sold to provide resources to finance capital expenditure plans or refinance maturing debt. Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow.
- Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing, and private partnerships.
- Consider the use of internal resources and/or the most appropriate periods to fund and repayment profiles to use.
- Where applicable, monitor regularly the benefits of internal borrowing against the potential for incurring additional costs by deferring borrowing into future years.
- Ensure that treasury management decisions are made in accordance with good professional practice.

3.6 In respect of investment decisions, the S73 Officer will:

- Determine that the investment is within the Authority's strategy and pre-determined instruments and criteria.

- Consider the optimum period, in the light of cash flow availability and prevailing market conditions.
- Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Authority to changes in the value of its capital.
- Evaluate the credit risk associated with unsecured investments with banks and building societies.
- Determine appropriate credit policy limits and criteria to minimise the Authorities exposure to credit worthiness and other investment risks.



## Schedule 4 - TMP4 Approved instruments, methods and techniques

4.1 Approved activities of the Treasury Management operation are as follows

- Borrowing
- Investing
- Capital Financing
- Debt Repayment and rescheduling
- Consideration, approval and use of new financial instruments and treasury management techniques
- Managing the underlying financial risk associated with the Authority's capital financing and surplus funds activities.
- Managing Cash Flow
- Managing any underlying exchange rate risk associated with the Authority's business activities.

4.2 The above list is not finite, and the Authority would, from time to time, consider and determine new financial instruments and treasury management techniques; however, the Section 73 will consider carefully whether officers have the skills and experience to identify and manage the advantages and risks associated with using the instruments/techniques before undertaking them, more so as some risks may not be wholly or immediately transparent.

4.3 Investments will be with those bodies identified by the Authority for use through the Treasury Management Strategy and may include using the following instruments:

- Deposits with the UK government, the Debt Management Agency Deposit Facility (DMADF), and UK local authorities, Term deposits, callable deposits, and forward deals with high rated banks and building societies.
- Treasury Bills, Gilts and other Government issued securities.
- Certificates of deposit with high rated banks and building societies.
- AAA-rated Money Market Funds.
- Highly rated corporate bonds
- Covered bonds (i.e., those with underlying collateral)
- Unsecured corporate bonds
- Reverse Repurchase Agreements ('reverse repos')
- Floating Rate Notes
- Pooled funds i.e., Collective Investment schemes meeting the criteria in SI 2004 No 534 and subsequent amendments.
- Pooled funds i.e., Collective Investment Schemes which do not meet the definition of Collective Investment Schemes in SI 2004 No 534 and subsequent amendments – these will be capital expenditure investments.

4.4 From 3 January 2018, UK public sector bodies were defaulted to "retail" status under the requirements of MiFID II. However, for each counterparty it is looking to transact with, (e.g., financial institution, fund management operator, broker), there remains the option to opt up to "professional" status, subject to meeting certain requirements specified by MiFID II and that it has the appropriate level of knowledge and

experience and decision-making processes in place in order to use regulated investment products.

- 4.5 MIFID II does not cover term deposits so local authorities should not be required to opt up to professional status. However, some non-UK banks do not have the necessary regulatory permissions to deal with retail clients, so opting up to professional status would be required.
- 4.6 For investing in negotiable investment instruments, (e.g., certificates of deposit, gilts, corporate bonds), money market funds and other types of investment funds, which are covered by MIFID II, a schedule is maintained of all counterparties that the treasury management team are authorised to place investments with. This specifies for each investment instrument and for each counterparty, whether the authority has been opted up to professional status. (N.B. some money markets funds will deal with both retail and professional clients.)
- 4.7 A list is maintained for all permissions applied for and received for opt ups to professional status specifying name of the institution (please see below).

## **SCHEDULE FOR OPT UPS TO PROFESSIONAL STATUS**

**Banks** - None

**Money Market Funds** Blackrock, Goldman Sachs, Insight, Northern Trust

**Bond Funds** - None

**Others** - Link Asset Services, King and Shaxson, Tradition UK, BGC Partners, Tullett Prebon, Munix Limited

## **SCHEDULE FOR EXEMPTIONS**

- 4.8 Approved Techniques include.

Forward dealing up to 3 years in advance. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Section 73 Officer has delegated powers in accordance with Financial Regulations, Standing Orders, and the Scheme of Delegation and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

- 4.9 Approved Methods and Sources of Raising Capital Finance

Finance will only be raised in accordance with the Local Government Act 2003 and within this limit the Authority has several approved methods and sources of raising capital finance be it for long, short or temporary term. These include:

- Public Works Loan Board (PWLB)
- Any institution approved for investments inc Multi-lateral Agencies.
- Any other bank or building society authorised to operate in the UK.
- UK public and private pension funds (except East Riding Pension Fund)
- Negotiable Bonds

- Municipal Bonds Agency and other special purpose vehicles created to enable local authority bond issues.
- Other local authorities
- Overdraft
- Internal (Capital Receipts, Revenue Balances & use of reserves)
- Private Finance Initiative
- Operating and Finance leases
- Deferred purchase
- Hire Purchase
- Sale and leaseback

Other Methods of Financing include:

- Government and EC capital Grants
- Contributions from other bodies

4.10 Use of Derivatives - The Authority will not use standalone derivatives.

4.11 The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

4.12 Borrowing limits are detailed within the Treasury Management Strategy Statement and Prudential and Treasury Indicators.

## **Schedule 5 - TMP5 Organisation, clarity and segregation of responsibilities and dealing arrangements.**

### **5.1 Limits to Responsibilities / Discretion at Authority Level**

#### **5.1.1. Authority**

- Formal Approval of the Constitution.
- Budget consideration and approval.
- Set the Prudential Indicators and revise them as and when necessary.
- Formal Approval of The Treasury Management Strategy Statement, Annual Investment Strategy, Capital Strategy and Prudential Code indicators.
- Receive reports on treasury management arrangements and activities and the approval of decisions.
- Receive the annual report and mid-year review on treasury management

#### **5.1.2 Audit Committee**

- Scrutiny and overview of treasury management arrangements and Treasury Management Activity,
- Recommend the Annual Report and mid-year review to CCA (as per TMP6).
- Recommend the Treasury Management Strategy (TMSS) and Practices (TMPs) and Schedules to CCA
- Receiving and reviewing internal and external audit reports and reviewing progress on the implementation of recommendations.

#### **5.1.3 Portfolio Holder**

- Scrutiny and overview of treasury management activities on a monthly basis in conjunction with the Section 73 Officer.

### **5.2 Principles and Practices concerning Segregation of Duties.**

The following duties must be undertaken by separate officers: -

- Dealing
- Authorisation of deal
- Release payment from online banking system.
- Administration of user profiles on cash management and banking systems

### **5.3 Treasury Management Organisation Chart**

#### **5.3.1 Section 73 Officer**

#### **5.3.2 Treasury Management service provided through SLA with NELC**

### **5.4 Statement of Duties / Responsibilities for Each Treasury Post**

#### **5.4.1 Section 73 Officer**

- Ensure that at all times those engaged in Treasury Management follow the policies and procedures set out.
- Recommend to the Authority for adoption, Treasury Management Policy Statement, reviewing the same and monitoring compliance.
- Submit Treasury Management reports as prescribed in TMP6, Reporting Requirements and Management Information Arrangements.
- Set income budget for return on investments.
- Submit budgets, budget variations and prudential indicators.
- Receive and review management information reports.
- Ensure the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function.
- Ensure the adequacy of internal audit, and liaison with external audit.
- Approve the appointment of external service providers.
- Recommend to The Authority the approval of the Treasury Management Strategy Statement and Prudential Code indicators.
- To take the most appropriate form of borrowing from the approved sources and to make the most appropriate form of investments in approved instruments.
- Delegate formally and document his/her power to borrow and invest
- To ensure that the scheme of Treasury Management responsibilities as set out in this schedule are adhered to.
- Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Section 73 Officer to be satisfied, by reference to the Monitoring Officer, the Authority's legal advisors and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Authority's Constitution and Financial Regulations.
- In the role of Money Laundering Reporting Officer ensure compliance with appropriate Money Laundering Regulations.
- It is also the responsibility of the responsible officer to ensure that the Authority complies with the requirements of The UK Money Markets Code (formerly known as the Non-Investment Products Code) for principals and broking firms in the wholesale markets.

#### **5.4.2 Deputy arrangements**

To deputise for the Section 73 Officer as required.

#### **5.4.3 Strategic Lead**

- To lead Treasury Management Operational Group
- Provide oversight of the day-to-day treasury management operations,
- To undertake the day-to-day treasury management duties of the Section 73 Officer,
- To ensure that adequate resources are available,
- Ensure Training is up to date for all roles,
- Submitting management information reports to the Section 73 officer / Head of Paid Service.

- Review compliance with Assurance Targets and report and exceptions to Treasury Management Strategy Group
- Agree reconciliation of Treasury Transactions to the ledger

#### **5.4.4 Provider (via SLA)**

- Oversee the execution of Transactions and ensure adequate recording takes place.
- Adherence to agreed policies and practices on a day-by-day basis.
- Maintaining relationships with banking and treasury related third parties and external service Providers.
- Monitoring performance on a day-to-day basis.
- Identifying and recommending opportunities for improved practices.
- Ensure Dealers and Reserve Dealers are kept up to date with market developments.
- Horizon scanning for macro-economic factors

#### **5.4.5 Monitoring Officer**

- Ensuring compliance by the Section 73 Officer with the treasury management policy statement and treasury management practices and that they comply with the law.
- Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- Giving advice to the Section 73 Officer when advice is sought.

#### **5.4.6 Internal audit**

- To provide management with assurance about the effectiveness of key controls that are operated by the Authority and the exposure to risk any control issue may cause.

#### **5.5 Dealing limits:**

All long-term funding and investment decisions (+364 days) shall be authorised by the Section 73 Officer either within the minuted forum of Treasury Management Strategy Group or by separate discussion and appropriate (email/Decision notice) confirmation.

In respect of the daily surplus or loan decision required the following limits shall apply to the approval of short-term funding and investment decisions.

Over £5 million and longer than 31 days - approval required from provider Credit and Investment Manager or above.

#### **5.6 Direct Dealing Practices**

Direct dealing is carried out with institutions and with external pooled funds identified on the counterparty list and subject to maturity limits and dealing limits.

Deal Transactions

By telephone, e mail or via online dealing portal

## 5.7 Settlement Transmission Procedures

The transfer of funds for deals arranged shall normally be made via the Authority's online banking platform.

All CHAPS payments relating to settlement transactions require authorisation by at least one bank signatory.

All Single CHAPS payments over £3m relating to settlement transactions require authorisation by 2 bank signatories.

## 5.8 Documentation Requirements:

For each deal undertaken the following will be prepared:

### Investments

- Investment Deal ticket authorising the investment.
- Confirmation from the broker
- Contract notes for purchase and sale of shares/units in pooled funds from the fund's manager/administrator

### Loans

- Borrowing Deal ticket with signature to agree loan.
- Confirmation from the broker OR
- Confirmation from PWLB/market counterparty

## 5.9 Arrangements concerning the management of counterparty risk

- The provider Credit and Investment Manager has responsibility for updating the Authority's records with any credit developments.
- The Strategic Lead is tasked with the responsibility for checking that records have been correctly updated to reflect any credit developments.

## **Schedule 6 - TMP6 Reporting requirements and management information arrangements.**

### **6.1 Annual programme of reporting**

Annual reporting requirements before the start of the year

- Review of the organisation's approved clauses, treasury management policy statement and practices
- Treasury management strategy report on proposed treasury management activities for the year comprising of the Treasury management strategy statement, Annual Investment Strategy (see 6.3) and Minimum Revenue Provision Policy Statement
- Capital strategy to cover the following:
- Give a long-term view of the capital programme and treasury management implications thereof beyond the three-year time horizon for detailed planning.
- An overview of treasury and non-treasury investments to highlight the risks and returns involved in each and the balance, (proportionality), between both types of investments.
- The authorities risk appetite and specific policies and arrangements for non-treasury investments
- Schedule of non-treasury investments

### **6.2 Treasury Management Strategy Statement**

The Treasury Management Strategy Statement (TMSS) sets out the specific expected treasury activities for the forthcoming financial year. This Strategy will be submitted by the Section 73 Officer to the Authority for approval before the commencement of each financial year.

The Treasury Management Strategy is concerned with the following elements:

- The current treasury portfolio position
- The prospects for interest rates
- The expected borrowing strategy
- The expectations for debt rescheduling
- The Annual Investment Strategy (see below) The Prudential Limits placed by the Authority on treasury management activities (currently included in the Prudential Indicators report).

### **6.3 Annual Investment Strategy**

As part of its annual TMSS for the following year, the Section 73 Officer will prepare an Annual Investment Strategy covering the identification and approval of the following:

- The strategy guidelines for decision making on investments.
- The maximum periods for which funds can be committed.



- Specified investments the Authority will use. These are high security (defined by the Authority), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

#### **6.4 Prudential Indicators**

Under the prudential system, the Authority must determine the level of their affordable borrowing, having regard to the CIPFA Prudential Code.

The prudential indicators for the forthcoming and following years must be set before the beginning of the forthcoming year.

The Section 73 Officer is responsible for ensuring compliance with these limits. Should it prove necessary to amend these limits, the Section 73 Officer shall submit the changes for approval to the Authority.

#### **6.5 Annual reporting requirements after the year end**

An annual report will be presented to the Authority at the earliest practical meeting after the end of the financial year.

The report will include.

- A comprehensive picture for the financial year of all treasury policies, plans, activities and results.
- Report on risk implications of decisions taken and transactions executed.
- Compliance report on approved policy, practices and statutory/regulatory requirements.
- Measurements of performance.
- Report on compliance with CIPFA code recommendations.

#### **6.6 Quarterly and Mid-year reviews**

The Authority will review its treasury management activities and strategy on a quarterly and six monthly (*or other*) basis. The mid-year review will go to the Authority. This review will consider the following: -

- a) activities undertaken.
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management and prudential indicators

The quarterly review will monitor the treasury management and prudential indicators as part of the authority's general revenue and capital monitoring and be reported to CCA.

## 6.7 Management information requirements

The Treasury provider will provide to the Strategic Lead in accordance with agreed timetable:

- Monitoring and forecast information in respect of revenue budgets
- Loan and investment balances
- Information demonstrating compliance with prudential indicators.
- Extent of compliance with Treasury Strategy and reasons for variance (if any)

The Treasury provider will produce for each meeting of the Treasury Management Strategy Group (TMSG) and the Treasury Management Operational Group (TMOG):

- Borrowing and lending balances
- Cash flow report
- Market Intelligence

TMOG will bring any major issues to the attention of the Section 73 Officer.

## Schedule 7 – TMP7 Budgeting, accounting and audit Arrangements

- 7.1 The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices. The Authority has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services – Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Authority's treasury management activities.
- 7.2 Revenue estimates for treasury management activity and function for the forthcoming year and following two years will be prepared. This will bring together all the costs involved in running the function, together with associated income, i.e.:
- Interest payable
  - Interest receivable
  - Debt management expenses (including bank charges, external advisors etc)
- 7.3 A report on these estimates throughout the year will be prepared in accordance with the Authority's budget monitoring arrangements.
- 7.4 List of information requirements of External Auditors
- Calculation of the Minimum Revenue Provision
  - Copy of report to Members where Authority determined Prudential Indicators
  - Analysis of cash and bank balances on 31 March
  - Year-end bank reconciliations
  - Schedule of outstanding borrowing at year end including confirmation from lenders
  - Demonstrate compliance with FRS25, FRS 26 & FRS29
  - Reconciliation of loan interest, discounts received, and premiums paid to the financial ledger by loan type.
  - Maturity analysis of loans outstanding
  - Reconciliation of loans outstanding in the financial ledger to Treasury Live
  - Calculation of loan interest and debt management expenses
  - Schedule of all investments
  - Copy of approved lending list
  - Details of interest applied to internal investments.
  - Interest accrual calculation
  - Treasury Management Strategy
  - Annual Investment Strategy
  - Annual treasury report
  - Reports from Treasury Live system

## **Schedule 8 – TMP8 Cash and cash flow management**

- 8.1 Up to date 3 year annual, and daily rolling cash flow projections will be maintained.
- 8.2 The projections are prepared from the annual Medium Term Financial Forecast and accumulated knowledge on individual cash flow items, adjusted for known changes in levels of income and expenditure (revenue and capital) and changes in payments and receipts dates.
- 8.3 Daily Cash flow records are maintained on the Treasury Live system.
- 8.4 Analysis of the accuracy of forecasts is monitored by comparing rolling actuals to original projections on a monthly basis and reported on.
- 8.5 A debt liability benchmark will be created and monitored on a quarterly basis to inform a long-term view of liquidity requirements.
- 8.6 Bank reconciliation procedure. Bank reconciliations are a key financial control aimed at ensuring:
  - All financial transactions through the Authority's bank accounts are reflected in the financial ledger.
  - All income and expenditure are properly and promptly banked and reflected in the appropriate bank account.
  - All queries are promptly resolved and a record of items that need further investigation.
  - Evidencing that the reconciliations are undertaken regularly throughout the year and are subject to monitoring and review.

## Schedule 9 - TMP 9 Money Laundering

- 9.1 Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:
- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
  - being concerned in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use or control of criminal property.
  - Acquiring, using or possessing criminal property.
- 9.2 These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:
- failure to disclose money-laundering offences.
  - tipping off a suspect, either directly or indirectly
  - Doing something that might prejudice an investigation – for example, falsifying a document.
- 9.3 The Terrorism Act 2000 - This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.
- 9.4 **The Money Laundering Regulations, 2012, 2015 and 2017.** Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to do the following: -
- identify and assess the risks of money laundering and terrorist financing.
  - have policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified through the risk assessments.
  - appoint a nominated officer.
  - implement internal reporting procedures.
  - train relevant staff in the subject
  - obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken.
  - report their suspicions.
- 9.5 Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the POCA but are not legally obliged to apply the provisions of the Money Laundering Regulations, 2012, 2015 and 2017. However, as responsible public bodies, they

should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly, this Authority will do the following:

- evaluate the prospect of laundered monies being handled by them.
- determine the appropriate safeguards to be put in place.
- require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness.
- make all its staff aware of their responsibilities under POCA.
- Appoint a member of staff to whom they can report any suspicions.
- in order to ensure compliance is appropriately managed, this Authority will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is the S73 Officer and it shall be a requirement that all services and departments implement this corporate policy and procedures.

#### 9.6 Procedures for establishing Identity of Lenders/Borrowers

The Authority does not accept loans from individuals.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA website on [www.fca.gov.uk](http://www.fca.gov.uk).

The Authority will only borrow from permitted sources identified in TMP4. All banking transactions will only be undertaken by the personnel authorised to operate the Authority's bank accounts.

When receiving requests for change of payment details due care is exercised to ascertain the bona fide of the request and avoid potential fraud. Checks will be made through pre-existing contact details for the payee before altering payment details.

#### 9.7 Methodologies for identifying deposit takers.

In the course of its treasury activities the Authority will only lend money to or invest with those counterparties that are on its approved lending list.

## **Schedule 10 – TMP10 Training and Qualifications**

- 10.1 This Authority recognises the importance of ensuring that all persons 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 responsible officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.
- 10.2 The responsible officer will ensure that Authority members tasked with treasury management responsibilities have access to training relevant to their needs and those responsibilities.
- 10.3 Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.
- 10.4 The Section 73 Officer is committed to professional responsibilities through both personal compliance and by ensuring that relevant individuals are appropriately trained. Other individuals involved in Treasury Management activities who are members of CIPFA must also comply with the SOPP (Statement of Professional Practice).
- 10.5 Details of individual training needs will be identified, as part of the training needs analysis undertaken as part of the Authority's Performance Management Framework. The present arrangements, including a knowledge and skills schedule, are detailed in the schedule to this document.
- 10.6 In addition, individuals undertaking treasury management duties will receive appropriate training relevant to the requirements and duties of their role prior to undertaking those duties.
- 19.7 Training updates will be provided as required. Regular meetings will be held to ensure individuals are up to date with developments on Treasury issues.
- 10.8 Treasury management seminars will be attended as appropriate and will be open to all relevant individuals.
- 10.9 Schedule of Knowledge and Skills Requirements for Treasury Roles

The S73 Officer has determined the following minimum competencies for each of the key Treasury Roles.

Role	Min.	Currently Met
Treasury lead / provider	<ul style="list-style-type: none"> <li>• Qualification or extensive experience financial risk management sufficient to meet MiFID II requirements.</li> <li>• Detailed knowledge of developing investment and treasury management strategies and investment processes.</li> <li>• Detailed knowledge of the key risks that the authority is exposed to and how a local authorities' investment/treasury management strategy should be considered in conjunction with these risks.</li> <li>• Detailed knowledge of the risk and return characteristics of the main asset classes (deposits, pooled funds, bonds, property), and the need to balance risk versus reward when determining the investment strategy.</li> <li>• Detailed knowledge of the local authorities' cashflow requirements and how these impacts on the types on investments considered. pg. 14 Financial markets</li> <li>• A strong understanding of the primary importance of the investment strategy decisions.</li> <li>• A strong understanding of the workings of the financial markets and of the investment vehicles available to the local authority and the nature of the associated risks.</li> <li>• A strong understanding knowledge of the restrictions placed by regulation or case law, on the investment activities of local authorities. Statutory and legislative frameworks</li> <li>• A strong understanding of MIFID II requirements.</li> <li>• A strong understanding of MHCLG Statutory Guidance on Local Government Investments (and the equivalent guidance in Wales).</li> </ul>	Yes



	<ul style="list-style-type: none"> <li>• A strong understanding of Statutory Guidance on Minimum Revenue Provision (note that this would need to be relevant to the jurisdiction in which a treasury manager operates).</li> <li>• A strong understanding of CIPFA's Treasury Management In the Public Services Code Of Practice And Cross-Sectoral Guidance Notes (CIPFA 2017) and the Treasury Management Code of Practice and Treasury Management in the Public Services Guidance Notes for Local Authorities Including Police Forces and Fire and Rescue Authorities 2018 Edition.</li> <li>• A strong understanding of the Prudential Code for Capital Finance in Local Authorities, 2017 Edition and The Prudential Code for Capital Finance in Local Authorities, Guidance Notes for Practitioners, 2018 Edition.</li> </ul>	
S73 Officer	<ul style="list-style-type: none"> <li>• Detailed knowledge of Treasury and subject matter.</li> </ul>	Yes
Audit Committee Member	<ul style="list-style-type: none"> <li>• A general understanding of Treasury Management principles</li> </ul>	Yes
Authority Member	<ul style="list-style-type: none"> <li>• An awareness of Treasury Management principles.</li> </ul>	TBC

## **Schedule 11 - TMP11 Use of external service providers**

- 11.1 Responsibility for Treasury management decisions remains with the Authority at all times.
- 11.2 This Authority will employ (directly or indirectly) the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.
- 11.3 It will also ensure that the skills of the treasury management function are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.
- 11.4 Treasury management function will therefore be required to allocate appropriate levels of time to using key various sources of information available to them so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.
- 11.5 **Banking Services (TBC)**  
Barclays Bank PLC  
PO Box No 3333  
1 Snow Hill  
Snow Hill Queensway  
Birmingham  
B3 2WN
- 11.6 **Money Broking Services**  
Tullet Prebon Ltd  
155 Bishopgate  
London  
EC2N 3DA
- King & Shaxson Ltd  
1st Floor  
Cutlers Court  
115 Houndsditch London  
EC3A 7BR
- Martin Brokers (UK) plc  
25 Dowgate Hill  
London  
EC4R 2BB
- Tradition UK  
15 St. Botolph St.  
London  
EC3A 7QX

BGC Partners  
One Churchill Place, 18th Floor.  
Canary Wharf  
London  
E14 5RD

Munix Limited  
9 Ainslie Place  
Edinburgh  
EH3 6AT

#### 11.7 Treasury Advisers

Link Asset Services  
6<sup>th</sup> Floor  
65 Gresham Street  
LONDON  
EC2V 7NQ

#### 11.8 Deals Recording

Public Sector Live  
31 Southampton Row  
London  
WC1B 5HJ30 day

Rolling 30 day contract

#### 11.9 Bank Balances

Barclays.net

#### **11.10 Money Market Funds Dealing**

Mosaic  
Goldman Sachs Asset Management  
Plumtree Court  
25 Shoe Lane  
London  
EC4A 4AU

The Authority is mindful of the requirements of the Bribery Act 2011 in its dealings with external providers.

## **Schedule 12 – TMP12 Corporate Governance**

- 12.1 List of Documents to be made available for public inspection.
- a) Medium Term Financial Forecast
  - b) Approved Capital Programme
  - c) Prudential Indicators
  - d) Treasury Management Strategy Statement
  - e) Annual Treasury Report
  - f) Treasury Management Policy Statement (TMPS)
  - g) Access to Authority/Committee minutes on Authority's website
  - h) Annual Accounts
- 12.2 In order to maintain commercial confidentiality, requests for more detailed information should be referred to the Authority's Freedom of Information Officer.

### **Schedule 13 – Management practices for non-treasury investments**

- 13.1 This Authority recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, would require careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.
- 13.2 This Authority will ensure that all the organisation's investments are covered in the capital strategy, investment strategy or equivalent, and will set out, where relevant, the Authority's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.
- 13.3 The organisation will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure.
- 13.4 In the absence of specific Investment Management Principles for non-treasury investments, the Authority intends that TMP 1-12 are replicated/applicable as far as this is relevant and practicable to its non-financial investment activity.