

WYMONDHAM TOWN COUNCIL

TREASURY MANAGEMENT POLICY

Reviewed February 2024

Adopted May 2025

1 INTRODUCTION

Treasury management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services as the management of the Council's cash flows, banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The objectives of treasury management are:

- a) to provide a means by which the Council can meet its commitments.
- b) to ensure that sufficient sums are available at short or no notice to meet foreseeable requirements.
- c) to earn an acceptable rate of return on surplus funds without undue risk.
- d) to spread risk between differing types of investment and institutions.

2 RESPONSIBILITY

The Town Council have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the Town Clerk.

The Town Clerk will liaise with the Chairman of the Finance & General Purposes Committee in relation to strategy and market conditions.

3 INVESTMENTS OF FUNDS

A return on working capital should be optimised whilst allowing easy access of the funds. **In balancing risk against return the Council policy is clearly geared towards avoiding risk than to maximising return.**

The Council will operate a current account with a bank approved by Council and maintain a balance in that account that is sufficient to cover immediate and forthcoming financial commitments and sufficient contingency (cash buffer) for unexpected payments.

Monies surplus to the working requirements shall be invested in an account in the name of the Council with the approved institutions authorised by the Council. This may be a higher interest-bearing account operated by the same bank that the Council operates its current account with, or an alternative approved institution.

4 CREDIT RISK

Credit risk will be minimised by ensuring that funds are spread across a range of institutions as appropriate. The limits of funds invested with approved institutions will be approved at least annually by the Council and more frequently subject to market conditions. The current approved limit per institution is set out in Appendix A

5 APPROVED INSTITUTIONS FOR INVESTMENT

Security of investment is paramount. Appendix A attached provides a list of approved banks which are recognised as high quality investment counterparties at the date of approval of this policy. The Town Clerk will take external treasury management professional advice as needed to ensure timely amendments are brought to the Council should the assessed strength of these institutions be downgraded or should it be felt appropriate to incorporate new institutions.

8 LIMITS AND AUTHORITY

The Council reserve the powers to:

- Give prior approval to the opening of new bank current accounts.
- Amend the list of approved institutions.
- Give prior approval to any bank deposit with a maturity date greater than eighteen months.

The Council delegates authority to the Town Clerk to place deposits in the Councils name, at approved institutions, subject to the agreed limit in Appendix A. No deposits will be placed by the Town Clerk without prior consultation with the Chairman of the Finance and General Purposes Committee. Deposits will be confirmed in writing after the event by the bank.

Authorised cheque / bank transfer signatories of the Council are set out in the Council's financial regulations. Any changes in the authorised signatories must be approved by the Council.

9 REGISTERS OF DEPOSITS / INVESTMENTS

The Town Clerk will maintain a register of all deposits/investments held which will record:

- Institution with which the deposit was made.
- Date deposit was placed.
- Amount deposited.
- Date of maturity.
- Amount returned.
- Interest earned.
- Rate of interest obtained.
- Authorisation for the transaction.

10 RECORDING AND MONITORING

Bank balances and all deposits/investments will be reconciled and balanced to the Council's accounting records every month.

Monitoring, evaluation and review:

The Council will review this policy annually and assess its implementation and effectiveness.

APPENDIX A

LIST OF APPROVED INSTITUTIONS FOR INVESTMENT

The following banks are authorised for the short-term investment of Council funds:

- Lloyds TSB Bank
- HSBC Bank Plc
- Barclays Bank
- Royal Bank of Scotland (incl. NatWest as a part of RBS)
- Bank of Scotland Plc
- Nationwide BS

The limit of monies to be held with each of the above is £1,250,000.