



Treasury Management & Investment Policy

Date Approved by Board – 25 June 2018 (for implementation from 1 September 2018)

Next Review Date – September 2019

Responsible Officer – Chief Operating Officer

Introduction

Treasury Management is defined as: -

- the management of the Trust's cash flows, banking and investment transactions,
- the management of the risks associated with these activities
- the pursuit of optimal returns within the risk framework set out in this policy

The objectives of this policy are to ensure that the Trust: -

- maintains sufficient cash balances in its current account to meet its day to day commitments
- invests surplus cash to earn an acceptable rate of return without undue risk
- considers spreading risk between differing types of investment and institutions to reduce credit and counterparty risk

Responsibility

The Trust's Board have overall responsibility for the security and management of funds. The day to day management of the treasury function is delegated to the Chief Operating Officer (COO). The COO will liaise with the Accounting Officer in relation to all investment decisions.

Cash Flow Forecasts

The COO will prepare and present to each meeting of the Trust's Finance & Resources Committee a 12 month rolling cash flow forecast to identify expected cash balances throughout the year for investment opportunities and to provide an early warning of any low cash balances.

Borrowing

The Trust is not permitted borrow without prior permission of the Secretary of State. This includes use of bank overdraft facilities, credit cards and entering into finance leases. Any option to participate in ESFA pilot loan schemes for capital investment purposes would only be done with the prior approval of the Trust's Board.

Investments

The Trust will operate an interest bearing current account with its banker and

maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in term deposits with the current banker or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority and with a credit rating of at least equal to the Trust's banker.

For the financial year 2018/19 no deposits will be placed with counterparties for a period exceeding 12 months.

Limits and Authority

The Board reserve the powers to:

- Give prior approval to the opening of new bank current accounts
- Amend the approved institutions with whom the Trust will invest
- Give prior approval to any bank deposit with a maturity date exceeding twelve months

The Trust delegates authority to the COO to place deposits in the Trust's name, at approved institutions, subject to the agreed limits within this policy below. No deposits will be placed without prior agreement with the Accounting Officer or other signatory subject to the relevant limits.

Register of Deposits

The COO will maintain a register of all deposits/investments held which will record

- Institution with which deposit placed
- Date deposit placed
- Amount deposited
- Date of maturity
- Amount returned
- Interest earned
- Rate of Interest

Agreed Single Deposit Limits (where placed in line with agreed strategy only)

Amount	Authority
Up to £1m	AO and COO
>£1m	AO, COO and Chair of Trust's Finance & Resources

Committee

Monitoring, evaluation and review

The COO will present the Register of Deposits to the Trust's Finance & Resources Committee on an annual basis.

Periodically (at least annually) the COO will review interest rates and compare these with investment opportunities through other institutions.

Proposed Strategy for 2018/19

The proposed strategy will be presented in more detail at the meeting of the Trust's first Finance & Resources Committee but will be based on the following approach:

- Lowest level of surplus balance for the next 12 months identified and agreed
- This will be divided into 4 single deposits
- The initial deposits will be for 3, 6, 9 and 12 month periods
- Deposits will then be reinvested for 12 month terms at their respective maturity dates and subject to the updating of the Trust's cash flow forecast to confirm investment amounts