

LEICESTERSHIRE POLICE AUTHORITY

Treasury Management Policy Statement

1. Scope

This statement covers the following activities which comprise the Treasury Management functions:-

- short term lending and borrowing;
- long term borrowing;
- capital financing other than borrowing, e.g. leasing;
- overall cash resource management.

2. Treasury Management Policy and Objectives

- This organisation defines its treasury management activities as:
"The management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

3. Roles in Relation to Treasury Management

The Police Authority will agree the overall Treasury Management policy and the annual strategy. The Treasurer will implement the strategy in accordance with the policy except in exceptional circumstances which will be reported to the Police Authority.

4. Approved Sources and Methods of Borrowing/Financing

These are:-

- Public Works Loans Board (PWLB);
- all banking institutions on the Bank of England's official list using loan instruments and other credit arrangements;

- all leasing companies (subject to lease rentals being normally payable in arrears and subject to credit checks where facilities in excess of £50,000 are being sought).

5. Approved Organisations for Lending

These are:-

<u>Institution</u>	<u>Maximum Loan</u> £m	<u>Maximum Period of Loan</u>
Clearing Banks	*	364 days
Irish Banks	*	364 days
Foreign Banks	0.0	
Northern Rock	**	6 months
Building Societies: Nationwide	**	6 months

* Although the maximum is suspended, staff will work to a limit of £7 million as far as possible.

** Although the maximum is suspended, staff will work to a limit of £6 million as far as possible.

6. Policy on Delegation

Under the current scheme of delegation the implementation of all Treasury Management is delegated to the Treasurer. However, as the Treasurer's post is part time, the daily management of loans and investment work is undertaken by the Force Finance Director on behalf of the Chief Constable (in accordance with Financial Regulation 3.7.4). The policies in this statement will be observed. However, if in exceptional circumstances, an urgent variation to the policy is required, it will be approved by the Treasurer and reported retrospectively to the Police Authority.

7. Reporting Arrangements

A review of the Treasury Management policy will be undertaken annually and a proposed strategy reported to the Police Authority for approval at the commencement of each financial year.

In addition there will be an annual report to the Police Authority covering transactions in the previous financial year.

8. Policy on External Managers

The current policy will be not to employ external managers but to utilise the service of an external advisor if required.