

Treasury Management Policy Statement

1 Introduction

- 1.1 The following document sets out the Treasury Management Policy Statement (TMPS) for the Authority, which fully complies with the requirements of the CIPFA Prudential Code and Code of Practice.

2 Background

- 2.1 CIPFA first published its Code of Practice on Treasury Management in May 1992. There have been subsequent revisions over the years culminating in the latest version of the code, the fully revised Third Edition 2011, which recommends that all public service organisations adopt, as part of their standing orders and financial procedures, the following four clauses.
- a) This Authority adopts the key recommendations of CIPFA's *Treasury Management in the Public Services: Code of Practice* (the Code), as described in Section 4 of that Code.
 - b) Accordingly, this Authority will create and maintain, as the cornerstones of effective treasury management:
 - A TMPS (Treasury Management Policy Statement), stating the policies and approach to risk management of its treasury management activities
 - Suitable Treasury Management Practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities. A full set of TMP's are maintained on the Treasury Section
 - c) The Executive Board will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a half year update and an annual report after its close, in the form prescribed in its TMP's.
 - d) This organisation delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive Board, and for the execution and administration of treasury management decisions to the Deputy Chief Executive, who will act in accordance with the organisation's TMPS and Treasury Management Practices and, if he/she is a CIPFA member, CIPFA's *Standard of Professional Practice on Treasury Management*.
 - e) This organisation nominates the Corporate Governance and Audit committee to be responsible for ensuring the effective scrutiny of the treasury management strategy and Policies
- 2.2 CIPFA recommends that an organisation's TMPS adopts the following forms of words to define the policies and objectives of its treasury management activities:
- 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 and any financial instruments entered into to manage these risks..

- 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 for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

- 2.3 These key recommendations and form of words as specified above were adopted by the Executive Board on the 12th March 2003.
- 2.4 The operation of the Treasury Management function is governed by provisions set out under part 1 of the Local Government Act 2003 whereby the Council is required to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities.
- 2.5 The Prudential Code requires that full Council set certain limits on the level and type of borrowing before the start of the financial year together with a number of Prudential indicators. Any in year revision of these limits must similarly be set by Council.

3 Objectives of Treasury Management

- 3.1 The primary objective is to reduce the cost of debt management with which the other objectives are deemed to be consistent. Varying degrees of emphasis will be placed upon the "secondary objectives" at different times contingent upon prevailing market conditions.
- 3.2 The objectives are identified as follows:
- a) To reduce the cost of debt management;
 - b) To ensure that the management of the HRA and general fund is treated equally and new accounting principles are examined to provide benefits where possible;
 - c) To effect funding at the lowest point of the interest rate cycle;
 - d) To maintain a flexible approach regarding any financial matters that may effect the Authority;
 - e) To keep under constant review advice on investment/repayment of debt policy;
 - f) To maintain a prudent level of volatility dependent upon interest rates;
 - g) To set upper and lower limits for the maturity structure of its borrowings and to maintain a reasonable debt maturity profile;
 - h) To specifically ensure that Leeds City Council does not breach Prudential Limits passed by the Council;
 - i) To ensure that the TMPS is fully adhered to in every aspect.

4 Approved Activities of the Treasury Management Operation

- 4.1 The approved activities of the Treasury Management operation cover:
- a. borrowing;
 - b. lending;

- c. debt repayment and rescheduling;
 - d. financial instruments new to the authority (including financial derivatives);
 - e. risk exposure; and
 - f. cash flow.
- 4.2 It is the Council's responsibility to approve the TMPS. The Executive Board will receive and consider as a minimum:
- a) an annual treasury management strategy before the commencement of the new financial year (which sets out the likely operations for the forthcoming year);
 - b) a mid-year update on treasury strategy;
 - c) an annual report on the treasury management activity after the end of the year to which it relates.
- 4.3 The Deputy Chief Executive will:
- a) implement and monitor the TMPS, revising and resubmitting it for consideration to the Executive Board and the Council, periodically if changes are required;
 - b) draft and submit a Treasury Management Strategy to the Executive Board, in advance of each financial year;
 - c) draft and submit an update report on treasury management activity to the Executive Board
 - d) draft and submit an annual report on treasury management activity to the Executive Board; and
 - e) implement and monitor the Strategy, reporting to the Executive Board any material divergence or necessary revisions as and when required;

5 Formulation of Treasury Management Strategy

- 5.1 Whilst this TMPS outlines the procedures and considerations for the treasury function as a whole, requiring revision occasionally, the Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This Strategy will be submitted to the Executive Board for approval before the commencement of each financial year.
- 5.2 The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter term variable interest rates (for instance, the Council may postpone borrowing if fixed interest rates are falling).
- 5.3 The Treasury Management Strategy is also concerned with the following elements:
- a) the prospects for interest rates;
 - b) the limits placed by Council on treasury activities (per this TMPS);
 - c) the expected borrowing strategy;

d) the temporary investment strategy;

e) the expectations for debt rescheduling.

- 5.4 The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using published forecasts where applicable), and highlight sensitivities to different scenarios.

6 Approved Methods and Sources of Raising Capital Finance

- 6.1 Under the Local Government Act 2003 a local authority may borrow money for:

- a) for any purpose relevant to its functions under any enactment, or
b) for the purposes of the prudent management of its financial affairs.

A local authority may not, without the consent of the Treasury, borrow otherwise than in sterling.

- 6.2 Local authorities have in the past only been able to raise finance in accordance with the Local Government and Housing Act 1989, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

		Fixed	Variable
	Public Works Loans Board (PWLB)	•	•
	European Investment Bank (EIB)	•	•
*	Stock Issues	•	•
	Market Long-Term	•	•
	Market Temporary	•	•
	Local Temporary	•	•
*	Local Bonds	•	
	Overdraft		•
*	Negotiable Bonds	•	•
	Internal (capital receipts & revenue balances)	•	•
*	Commercial Paper	•	
*	Medium Term Notes	•	
	Finance Leases	•	•

* (Not used at present by this Council)

- 6.3 The revised treasury management code of practice (2011), through the Localism Act 2011, gave local authorities the power to use derivatives for interest rate risk Management. These instruments will only be used after a review of their appropriateness for interest rate risk management is undertaken.

7 Approved Instruments and Organisations for Investments

- 7.1 With effect from the 1st April 2004, to coincide with the introduction of the prudential code, new legislation has been issued to deal with the issue of Local Government Investments. This legislation lifts the restrictions on Councils with external debt to not hold investments for more than 364 days. Further freedoms are also provided which will give Councils greater flexibility and hence access to

higher returns, provided that any investment strategy is consistent with the new prudential framework.

- 7.2 The Council will have regard to the CLG Guidance on Local Government Investments (second Edition) issued in March 2010 and CIPFAs Treasury Management in Public Services Code of Practice and Cross Sectoral Guide. The Council's investment priorities are:
- a) The security of capital
 - b) The liquidity of investments
 - c) and finally, the yield of the investment
- 7.3 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The Council does not have the authority to undertake borrowing purely to invest or lend and make a return as this is unlawful and will not engage in such activity.
- 7.4 The Deputy Chief Executive will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising time, type and specific counterparty limits. This criterion is outlined below. Should any revisions occur to the criteria, they will be submitted to the Executive Board for approval. Where individual counterparties newly obtain the required criteria, they will be added to the list. Similarly, those ceasing to meet the criteria will be immediately deleted. The criteria uses ratings from the three rating agencies and those relating to Fitch are explained in Annexe A.
- 7.5 The Council's approved Treasury Policy is to use the recommended lending list provided by the Council's treasury advisers. This list is compiled on a matrix approach using data from recognised international credit rating agencies as well as information on individual counterparties drawn from Credit Default Swap (CDS) levels, which provide ratings of institutions across four categories. The rankings of institutions regarded as excellent is split into five colours (red, orange, blue, purple and yellow) to reflect the length of time over six months that amounts can be placed with them and to reflect the explicit support level given to UK part nationalised banks (Blue), and the special category for investment in UK gilts, supranational's and collateralised deposits (Yellow). Regular updates are made to this list, as institutions' credit ratings change. The use of the list was introduced and reported to Executive Board in the Treasury Strategy and Policy report of February 2002.

The following investment limits are applied by the Council's Treasury policy:

Advisor Ranking	Meaning	Limit on Amount Lent	Current Limits on Duration
General Bank			
Green	Good	£5m	3 Months
Red	Excellent	£15m	6 Months
Orange	Excellent	£15m	1 Year
Purple	Excellent	£15m	2 Years
Other			
Blue	Excellent	£15m	1 Year
Yellow	Excellent	£15m	5 Years

The CDS subjective overlay is then applied to the General banks and further reduces the suggested limits of duration as shown in the following table:

Initial Duration (Months)	Suggested Duration (watch/outlook)	CDS Status	Suggested Adjusted Colour	Adjusted Duration (Months)
0	N/C	In Range	N/C	0
0	N/C	Monitoring	N/C	0
0	N/C	Out of Range	N/C	0
3	G	In Range	G	3
3	G	Monitoring	N/C	0
3	G	Out of Range	N/C	0
6	R	In Range	R	6
6	R	Monitoring	G	3
6	R	Out of Range	N/C	0
12	O	In Range	O	12
12	O	Monitoring	R	6
12	O	Out of Range	N/C	0
24	P	In Range	P	24
24	P	Monitoring	O	12
24	P	Out of Range	N/C	0

- 7.6 The Council will lend up to £15 million to an institution ranked as 'excellent' and up to £5 million for up to 3 months to an institution ranked as 'good'. A number of these institutions exist within the same group of companies as parents or subsidiaries. A limit to the risk exposure of the Council for groups of banks borrowing limit has also been set of £30m. These limits do not apply to the Councils' Banker where we have an unlimited deposit facility as part of our banking arrangements. The Council's banking arrangements are the subject of a separate contract, and as such volumes and levels of transactions are not subject to the counterparty ratings and limits that are in place on external investments. Other local authorities are classified with an excellent rating and as such attract a £15m investment limit for a maximum of 5 years (Yellow classification).
- 7.7 Within the investment limits outlined above the Council has access to a number of investment instruments. These are listed below as specified and non-specified

investment categories. Specified investments are defined as “minimal procedural formalities” under the March 2004 ODPM guidance revised 2010 under DCLG.

a) **Specified Investments**

(All such investments will be sterling denominated, with maturities of any period meeting the minimum ‘high’ rating criteria where applicable)

Fixed Term Deposits with fixed rates	Use
Debt Management Agency Deposit Facility	In-house
Term deposits – local authorities	In-house
Term deposits – banks and building societies	In-house and fund managers

In the following table the determination as to whether the following are specified or non-specified is at the discretion of the Authority depending on the element of the return that is fixed, **provided that the maturity of the investment falls within 1 year.**

Fixed term deposits with variable rate and variable maturities: -	
1. Callable deposits	In-house and fund managers
2. Range trade	In-house and fund managers
3. Snowballs	In-house and fund managers
Certificates of deposits issued by banks and building societies	In-house buy and hold and fund managers
UK Government Gilts	In-house buy and hold and Fund Managers
Bonds issued by multilateral development banks	In-house on a ‘buy-and-hold’ basis. Also for use by fund managers
Bonds issued by a financial institution which is guaranteed by the UK government	In-house on a ‘buy-and-hold’ basis. Also for use by fund managers
Sovereign bond issues (i.e. other than the UK government)	In house on a ‘buy and hold basis’ and Fund Managers
Treasury Bills	Fund Managers
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):	
1. Money Market Funds	In-house and fund managers
2. Enhanced cash funds	In-house and fund managers
3. Short term funds	In-house and fund managers
4. Bond Funds	In-house and Fund Managers
5. Gilt Funds	In-house and Fund Managers

Note: If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

b) **Non-Specified Investments:**

Non-specified investments are those where the return is uncertain.

Maturities of ANY period.

	Use
Corporate Bonds : <i>the use of these investments would constitute capital expenditure</i>	In house on a 'buy and hold basis' and Fund Managers
Floating Rate Notes : <i>the use of these investments would constitute capital expenditure unless they are issued by a multi lateral development bank</i>	Fund managers

All the investments in the following table are non-specified as returns could be uncertain and the maturity of the investment is greater than 1 year.

Fixed term deposits with variable rate and variable maturities	
1. Callable deposits	In-house and fund managers
2. Range trade	In-house and fund managers
3. Snowballs	In-house and fund managers
Certificates of deposits issued by banks and building societies	In house on a 'buy and hold basis' and Fund managers
UK Government Gilts	In house on a 'buy and hold basis' and Fund Managers
Bonds issued by multilateral development banks	In-house on a 'buy-and-hold' basis. Also for use by fund managers
Bonds issued by a financial institution which is guaranteed by the UK government	In-house on a 'buy-and-hold' basis. Also for use by fund managers
Sovereign bond issues (i.e. other than the UK govt)	In house on a 'buy and hold basis' and Fund Managers
Collateralised deposits	In house and fund managers
Property fund: <i>the use of these investments would constitute capital expenditure</i>	Fund manager
1. Bond Funds	In-house and Fund Managers
2. Gilt Funds	In-house and Fund Managers
Collective Investment Schemes structured as Open Ended Investment Schemes	
Bond Funds	In-house and Fund Managers
Gilt Funds	In-house and Fund Managers

7.8 The Deputy Chief Executive will continue to monitor the range of investment instruments available and make changes to the list as appropriate.

8 Investments on Behalf of Council Managed Charities and Trusts

8.1 The Council currently invests surplus balances on behalf of trust funds and Charities in the name of the Council and investments are within the overall counterparty limits identified in 7.6 above.

8.2 To provide the Council and Charities/Trusts with a greater degree of flexibility the Council will have the option to invest monies on behalf of charities and trusts over and above the Council's own investment limits. This additional investment will be subject to individual Charity/Trust fund Board approval.

8.3 The Council only invests in those counterparties that are on the approved list as per the investment criteria outline in 7.5 above. Investments made on behalf of

Charities/Trust funds are subject to the same criteria unless there is specific Charity/Trust fund approval in place to invest in other counterparties.

9 Policy on Interest Rate Exposure

- 9.1 As required by the Prudential Code, the Council must approve before the beginning of each financial year the following treasury limits:
- a) the overall borrowing limit;
 - b) the amount of the overall borrowing limit which may be outstanding by way of short term borrowing;
 - c) the maximum proportion of interest on borrowing which is subject to variable rate interest.
- 9.2 The Deputy Chief Executive is responsible for incorporating these limits into the Annual Treasury Management Strategy, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Deputy Chief Executive shall submit the changes for approval to the Executive Board before submission to the full Council for approval.

10 Policy on External Managers

- 10.1 The Council has taken the view that the appointment of external fund managers would not provide an enhanced return over what could be achieved by managing investment in house.
- 10.2 However, the fact that a fund manager's expertise allows for a wider investment portfolio than would be operated by Council officers may give opportunities for capital gains to supplement interest earned on investment of revenue balances.
- 10.3 It is felt appropriate therefore that the Policy allows for the use of external fund managers and although none are being used at present, this situation will be kept under review. Appointment of a fund manager would take place following a tender exercise and submissions on target performance.

11 Policy on Delegation and Review Requirements and Reporting Arrangements

- 11.1 The Council is responsible for determining the borrowing limits detailed in section 8 above. Other responsibilities and duties are delegated as follows.
- 11.2 The Executive Board has responsibility for determining and reviewing treasury strategy and performance. (See section 5 above).
- 11.3 The Deputy Chief Executive and through him/her to his/her staff has delegated powers for all borrowing and lending decisions. This delegation is required in order that the authority can react immediately to market interest rate movements and therefore achieve the best possible terms. The Deputy Chief Executive and staff will operate in accordance with the Code of Practice for Treasury Management in Local Authorities.
- 11.4 The treasury management governance framework and the delegations within the Strategy and Resources Directorate operates on the following basis and is summarised in Annexe B:

- a) The practical organisation within the Strategy and Resources Directorate is that all aspects of borrowing/lending strategy over the year are determined or reported to regular monthly meetings of the Finance Performance Group attended by the Chief Officer (Audit and Investments), Chief Officer (Financial Services) and Heads of Finance. Quarterly, treasury strategy review meetings take place with the Deputy Chief Executive, Chief Officer (Audit and Investments), Chief Officer (Financial Services) Principal Finance Manager and the Treasury Manager.
- b) Implementation of decisions at such meetings and the day to day management of the Treasury Operations are delegated without limit to the Chief Officer (Audit and Investments) and through him/her, or in his/her absence, to either the Principal Finance Manager or the Treasury Manager and on occasions the Assistant Finance Manager.
- c) Consultations will be made by the Deputy Chief Executive on Treasury Management matters with:
- The Chief Executive: so that he/she can ensure proper Treasury systems are in place and are properly resourced.
 - External Treasury Advisers : so that they can advise and monitor the process of fixing strategy and policy on Treasury Matters and advise on the economic outlook, prospects for interest rates and credit worthiness

FITCH CREDIT RATING DEFINITIONS

Source: Fitch Ratings

International Short-Term Credit Ratings

A short-term rating has a time horizon of less than 12 months for most obligations, or up to three years for US public finance securities, and thus places greater emphasis on the liquidity necessary to meet financial commitments in a timely manner.

F1 Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F2 Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.

F3 Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near-term adverse changes could result in a reduction to non-investment grade.

B Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near-term adverse changes in financial and economic conditions.

C High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favourable business and economic environment.

D Default. Denotes actual or imminent payment default. "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' long-term rating category, to categories below 'CCC', or to short-term ratings other than 'FI'.

International Long-Term Credit Ratings Investment Grade

AAA Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA Very high credit quality. 'AA' ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A High credit quality. 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

BBB Good credit quality. 'BBB' ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest investment-grade category.

Speculative Grade

BB Speculative. 'BB' ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or

financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

B Highly speculative. 'B' ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favourable business and economic environment.

CCC, CC High default risk. Default is a real possibility. Capacity for meeting and C financial commitments is solely reliant upon sustained, favourable business or economic developments. A 'CC' rating indicates that default of some kind appears probable. 'C' ratings signal imminent default.

DDD, DD Default. The ratings of obligations in this category are based on and D their prospects for achieving partial or full recovery in a reorganisation or liquidation of the obligor. 'DDD' designates the highest potential for recovery of amounts outstanding on any securities involved. 'DD' indicates expected recovery of 50% - 90% of such out standings, and 'D' the lowest recovery potential, i.e. below 50%.

Individual Ratings

Fitch's Individual Ratings attempt to assess how a bank would be viewed if it were entirely independent and could not rely on external support. These ratings are designed to assess a bank's exposure to, appetite for, and management of risk and thus represents Fitch's view on the likelihood that it would run into significant difficulties such that it would require support.

A A very strong bank. Characteristics may include outstanding profitability and balance sheet integrity, franchise, management, operating environment, or prospects.

B A strong bank. There are no major concerns regarding the bank. Characteristics may include strong profitability and balance sheet integrity, franchise, management, operating environment or prospects.

C An adequate bank which, however, possesses one or more troublesome aspects. There may be some concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects.

D A bank which has weaknesses of internal and/or external origin. There are concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects .

E A bank with very serious problems which either requires or is likely to require external support.

Note: In addition, FITCH uses gradations among these five ratings, i.e AIB, BIC, CID, and DIE.

Support Ratings

Support/Legal Ratings do not assess the quality of a bank. Rather, they are Fitch's assessment of whether it would receive support in the event of difficulties. Fitch emphasises that these ratings constitute their opinions alone - although they may discuss the principles underlying them with the supervisory authorities, the ratings given to banks are Fitch's own and are not submitted to the authorities for their comment or endorsement.

1 A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to

support the bank in question. This probability of support indicates a minimum Long-term rating floor of 'A-'.

2 A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-term rating floor of 'BBB-'.

3 A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-term rating floor of 'BB-'.

4 A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-term rating floor of 'B'.

5 A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-term rating floor no higher than 'B-' and in many cases no floor at all.

It must be emphasised that in the Support rating Fitch is not analysing how "good" or "bad" a bank is, but merely whether in Fitch's opinion it would receive support if it ran into difficulties.

Treasury Management Governance and Delegations Framework

FULL COUNCIL	EXECUTIVE BOARD	CORPORATE GOVERNANCE & AUDIT COMMITTEE	RESOURCES AND COUNCIL SERVICES SCRUTINY BOARD
Setting Borrowing limits	Treasury Management Strategy	Adequacy of Treasury Management policies and practices	Review / scrutinise any aspects of the Treasury management function
Changes to borrowing limits	Monitoring reports in year	Compliance with statutory guidance	
Treasury Management Policy	Performance of the treasury function		

↓ DELEGATIONS TO OFFICERS

DELEGATION SCHEME	TO WHOM	FUNCTION DELEGATED
Officer delegation scheme (Executive Functions)	Deputy Chief Executive	Making arrangements for the proper administration of the authority's financial affairs
Sub delegation scheme of Deputy Chief Executive (a) S151 responsibilities Page 12	Discharged through Chief Officers	Making arrangements for the proper administration of the authority's financial affairs
Sub delegation scheme of Deputy Chief Executive (b) treasury management Page 12	To Chief Officers in relation to areas within their remit	The provision of financial services specifically Treasury Management (including the making payment and borrowing of loans)
Sub delegation scheme of Deputy Chief Executive - Financial Regulations Page 16	Function discharged by Chief Officer (Financial Services)	The Deputy Chief Executive must be consulted on all investment decisions taken

↓ OPERATIONAL AUTHORITY OF OFFICERS/CONTROL FRAMEWORK

POLICY DOCUMENT	TO WHOM	OPERATIONAL AUTHORITY
Treasury Management Policy (section 10) – execution of treasury strategy	Chief Off. Audit & Investment Principal Financial Manager	Implementation of decisions taken at Treasury strategy review meetings and day to day management of

	Treasury Manager Assistant Finance Manager	treasury operations
CIPFA: Code of Practice Prudential Code Guidance Notes	Principal Financial Manager Treasury Manager	Ensure compliance and that any changes are reflected in the operating framework.