Basingstoke and Deane Borough Council

TREASURY MANAGEMENT POLICY STATEMENT 2014/15

1. Introduction

1.1 The council has adopted the key recommendations from the CIPFA Treasury Management Code of Practice. Accordingly the council will create and maintain, as the cornerstone for effective treasury management, a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities.

1.2 The council will receive reports on its treasury management practices and activity including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.

1.3 The council delegates responsibility for the monitoring and scrutiny of treasury management practices and activity to the Audit Governance and Accounts Committee.

1.4 The council delegates responsibility for the execution and administration of the treasury management policy, strategy, practices and activity to the council’s Section 151 Officer – the Head of Resources. This officer should act in accordance with the council’s treasury management policy statement, strategy and Treasury Management Practices (TMP’s) and as a member of CIPFA with standards of professional practice on treasury management.

2. Treasury Management Policy Objectives

2.1 The council defines its treasury management activities as:

“The management of the council’s investments and 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.”

2.2 The council acknowledges that it is responsible for its treasury management decisions and activities.

2.3 The council 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 council.

2.4 The council 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 value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.
The primary policy objective of the Treasury Management Strategy is:

i) To invest prudently having regard to the security of investments.

The supplementary policy objectives of the Treasury Management Strategy (in order of importance) are:

i) To maintain liquidity (accessibility) in the investment portfolio to meet the council’s spending plans

ii) To aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity and predictability of returns

iii) To minimise the cost of any temporary borrowing (which may be required for day to day cash flow reasons)