

TREASURY MANAGEMENT POLICY STATEMENT

1. Background

Treasury Management activities are defined by CIPFA as:

The management of the Council's investments, borrowing and cashflows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimal performance consistent with those risks.

2. Policies and Objectives of Treasury Management Activities

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury activities will be measured. Therefore, any reporting of treasury management activities will focus on the risk to the Council and the management of such risks.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. Therefore, it is committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques within the context of effective risk management.

The Council's borrowing will be affordable, ensuring appropriate provision is made within the revenue budget to repay debt. It should also be sustainable and prudent, consideration being given to the management of interest rate risk and risks associated with refinancing. Also, the Council's borrowing activities will be transparent as will its control of its debt.

With regards to the Council's Investment strategy the key focus will be the security of capital. The liquidity and accessibility of funds will be the next consideration and finally the yield which should be commensurate with the risks to be managed.