

# RUNNYMEDE BOROUGH COUNCIL

## TREASURY MANAGEMENT POLICY STATEMENT

### **Introduction**

The Council's Treasury Management Policy Statement follows the recommendations set out in the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes* (2021 Edition).

Whilst Full Council receives reports on treasury and investment management policies, practices, and activities it has delegated responsibility for the implementation and regular monitoring of Council's treasury management policies and practices to Council's Corporate Management Committee.

The Assistant Chief Executive (and S151 Officer) is delegated with the execution and administration of treasury management decisions in accordance with this Policy Statement and the Council's Treasury Management Practices and Investment Management Practices.

The Council has nominated the Overview and Scrutiny Select Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

### **Treasury Management Activities**

The Council defines its treasury management activities as: the management of the Council's borrowing, investments and cash flows, including 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.

The prime objectives of Council's treasury management activities are the effective management and control of financial risks.

### **Statement of Policies**

#### **Risk management**

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 organisation, and any financial instruments entered into to manage these risks.

#### **Value for money**

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 comprehensive performance measurement techniques, within the context of effective risk management.

#### **Borrowing policy**

The Council greatly values revenue budget stability and will therefore borrow the majority of its long-term funding needs at long-term fixed rates of interest. Short-term and variable rate loans will only be borrowed to the extent that they either offset short-term and variable rate investments or can be shown to produce revenue savings.

The Council will set an affordable borrowing limit each year in compliance with the *Local Government Act 2003*, and will have regard to the *CIPFA Prudential Code for Capital Finance in Local Authorities*

when setting that limit. It will also set limits on its exposure to changes in interest rates and limits on the maturity structure of its borrowing in the treasury management strategy report each year.

#### Investment policy

The Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.

The Council will have regard to the Communities and Local Government Guidance on Local Government Investments and will approve an investment strategy each year as part of the treasury management strategy. The strategy will set criteria to determine suitable organisations with which cash may be invested, limits on the maximum duration of such investments and limits on the amount of cash that may be invested with any one organisation.

#### Policy on Environmental, Social and Governance issues

The Council is supportive of the Principles for Responsible Investment and will seek to bring ESG (Environmental, Social and Governance) factors into the decision-making process for investments where possible. Within this, the Council is also appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to enhance systematic and transparent consideration of ESG factors in the assessment of creditworthiness. The Council uses ratings from Fitch, Moody's and Standard & Poor's (who are signatories to [www.unpri.org](http://www.unpri.org) statement on ESG in Credit Risk and Ratings and include analysis of ESG factors when assigning ratings) to support its assessment of suitable counterparties.