



Treasury Management Policy

Approved by the Finance Committee March 2024

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1. Introduction

This policy is intended to cover the Treasury Management activities of the Trust and any wholly owned subsidiary companies.

2. Approved Activities of the Treasury Function

The Trust defines treasury management activities as follows:

‘The management of the Trust’s Cashflows, its banking and money market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with these risks’.

The Finance Committee approves the Trust investment strategy and the Chief Financial Officer is responsible for the investment of cash balances within the parameters set out by this policy.

3. Formulation of Treasury Management Strategy

The Trust seeks to adhere to the four principal conditions of policy:

- Compliance with statute, regulation and best practice;
- Security of financial assets;
- Provision of adequate liquidity to meet financial obligations;
- Effectiveness and efficiency in the use of financial resources.

The combination of these principles is weighted towards minimising risk, preserving asset values and liquidity levels while minimising costs within these parameters.

4. Capital Finance

As an academy Trust, current rules prevent the Trust from raising loan finance or indeed instruments that provide credit. Capital investment will therefore have to be secured through a combination of cash reserves and grant funding.

5. Deposits with Approved Financial Counterparties

Capital expenditure requirements will generally mean that the level of surplus cash will fluctuate particularly during the summer period (when accommodation remodelling and IT and other equipment procurement is usually undertaken).

Deposits will usually be placed with the Trust's bank on a basis appropriate to the Trust's expected cash flow requirements. Due to the lower level of anticipated cash reserves held by the Trust and the importance of ensuring cash reserves are not excessive, deposits will only be placed with the Trust's banks rather than third party institutions.

The Trust will have regard to the principles stated in the report by the Treasury and Civil Service Committee of the House of Commons on the BCCI closure, wherein it was stated that: 'In balancing risk against return, public sector organisations should be more concerned to avoid risks than to maximise returns'.

6. Use of External Intermediaries

The Trust will not use brokers or fund managers since the majority of its cash deposits are relatively small and short term.

7. Internal Delegation of Authority

<i>Activity</i>	<i>Endorsement/Approval</i>
Trust Treasury Policy	Finance Committee
Use of overdraft facility	Finance Committee

8. Liquidity Policy

The Trust will ensure it has adequate though not excessive cash reserves to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives. Adequate cash resource is defined as cash or short term investments available to meet foreseeable needs in any period of 30 consecutive days.

Surplus cash balances will be invested on the money market to maximise income for the Trust.

The Chief Financial Officer will be responsible for the regular reporting of debtors and creditors to the Finance Committee.

A debt collection agency may be used for individual debtors in accordance with procedures agreed by the Chief Financial Officer.

Creditors will be settled in accordance with Trust payment terms, except where the amounts are in dispute or individual payment terms have been agreed between the Trust and the creditor.

9. Risk Management

The Treasury Management Policy will be consistent with the Trust Risk Management Policy and Strategy and Risk Appetite Statement.

10. Key Performance Indicators

The Trust will seek to maximise its income from surplus funds subject to the other constraints imposed by this policy. The Trust will budget annually for interest on surplus funds.

11. Policy Review and Reporting

The Treasury Management Policy will be reviewed annually, usually at the same time as the Financial Regulations.

In addition, the following Treasury activities will be reported to the Finance Committee, including:

- Rolling cash flow report – monthly as part of the KPI report
- Debt Summary – monthly as part of the balance sheet
- Performance against budget for interest on surplus funds – included monthly in the monthly Finance report.

12. Banking Services

The Trust currently makes use of the banking facilities provided by Lloyds Bank Plc. The Trust will carry out a 'Best Value' review of banking services at least every ten years. Criteria for selection and qualification of banking services will be determined by the Finance Committee.