

**AGENDA ITEM**

**REPORT TO CABINET**

**17 July 2025**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET/COUNCIL DECISION**

**Resources and Transport- Lead Cabinet Member – Councillor Paul Rowling**

**Treasury Management Practices Update**

**SUMMARY**

This report provides an update to the delegations for treasury management activities included within the Treasury Management Practices.

**REASONS FOR RECOMMENDATION(S)/DECISION(S)**

Following the recent retirement of the Council's Section 151 Officer, the delegations for treasury management activities require updating.

**RECOMMENDATIONS**

1. Cabinet recommend to Council to approve the updated TMP5 included at Appendix A, including the updated officer delegations relating to treasury management activities.

**DETAIL**

1. In accordance with CIPFA's Code of Practice for Treasury Management in the Public Services the Council has regard to the key recommendations when determining the current Treasury Management Strategy.
2. Accordingly, the Council creates and maintains, as the cornerstones for effective treasury management:-
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
  - Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
3. The Council (i.e. full Council) 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.
4. The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Audit and Governance Committee and for the

execution and administration of treasury management decisions to the nominated Section 151 Officer (the officer with Responsibilities under Section 151 of the Local Government Act 1972) will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

5. The Council's Treasury Management Strategy was last approved by Council in February 2025 as part of the Medium Term Financial Plan Update and Strategy Report.
6. The Treasury Management Practices were last approved by Council as part of the Medium Term Financial Plan Update and Strategy Report in February 2023 and cover the following topics

TMP 1 Risk management

TMP 2 Performance measurement

TMP 3 Decision-making and analysis

TMP 4 Approved instruments, methods and techniques

TMP 5 Authority, clarity and segregation of responsibilities and dealing arrangements

TMP 6 Reporting requirements and management information arrangements

TMP 7 Budgeting, accounting and audit arrangements

TMP 8 Cash and cash flow management

TMP 9 Anti Money laundering

TMP 10 Staff training and qualifications

TMP 11 Use of external service providers

TMP 12 Corporate governance

7. TMP 5; Authority, clarity and segregation of responsibilities and dealing arrangements, delegates responsibility for day to day treasury management activities to nominated officers within the finance service. Following the retirement of the Council's existing Section 151 Officer (the officer with responsibilities under Section 151 of the Local Government Act 1972), the delegations have been updated. The updated TMP5 is attached to this report at appendix A.

## **COMMUNITY IMPACT IMPLICATIONS**

8. As part of the process of making changes to policy or delivery of services, we consider the impact on our communities. No changes to policy or service delivery are proposed as part of this report.

## **CORPORATE PARENTING IMPLICATIONS**

9. None

## **FINANCIAL IMPLICATIONS**

10. The report is in line with the Council's approved Treasury Management Strategy

## **LEGAL IMPLICATIONS**

## **RISK ASSESSMENT**

The Treasury Management Strategy and Treasury Management Practices form part of the Council's Medium Term Financial Plan.

## **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

## **BACKGROUND PAPERS**

1. Medium Term Financial Plan Update and Strategy report to Council 22<sup>nd</sup> February 2023
2. Medium Term Financial Plan Update and Strategy report to Council 19<sup>th</sup> February 2025

**Name of Contact Officer: Clare Harper**

**Post Title: Assistant Director, Finance**

**Telephone No. 01642 528377**

**Email Address: Clare.Harper@Stockton.Gov.UK**

## **TMP5 AUTHORITY, CLARITY AND SEGREGATION OF RESPONSIBILITIES AND DEALING ARRANGEMENTS**

### **INDEX OF SCHEDULES**

- 5.1 Limits to responsibilities/discretion at committee/executive levels**
- 5.2 Principles and practices concerning segregation of duties**
- 5.3 Treasury Management Authority chart**
- 5.4 Statement of duties/responsibilities of each treasury post**
- 5.5 Absence cover arrangements**
- 5.6 Dealing limits**
- 5.7 List of approved brokers**
- 5.8 Policy on brokers' services**
- 5.9 Policy on taping of conversations**
- 5.10 Direct dealing practices**
- 5.11 Settlement transmission procedures**
- 5.12 Documentation requirements**
- 5.13 Arrangements concerning the management of third-party funds**

## **5.1 LIMITS TO RESPONSIBILITIES**

### **5.1.1 Full Council**

- Receiving and reviewing reports on treasury management policies, practices and activities.
- Approval of the Annual Treasury Management Strategy, Capital Strategy and Investment Strategy

### **5.1.2 Audit and Governance Committee**

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices.
- Budget consideration and approval
- Receiving and reviewing regular monitoring reports and acting on recommendations
- Receiving and reviewing material borrowing and investment decisions.

## **5.2 PRINCIPLES AND PRACTICES CONCERNING SEGREGATION OF DUTIES**

The officer with responsibilities under Section 151 of the Local Government Act 1972 and the Deputy officer with responsibilities under Section 151 of the Local Government Act 1972 will ensure there is always adequate segregation of duties in all transactions, with specific separation of duties between organising the deal and releasing funds for the deal.

## **5.3 TREASURY MANAGEMENT AUTHORITY CHART**

The officer with responsibilities under Section 151 of the Local Government Act 1972 The deputy officer with responsibilities under Section 151 of the Local Government Act 1972

Strategic Finance Managers

Chief Accountant / Finance Manager - Corporate (Deputy)

Senior Finance Technicians

## **5.4 STATEMENT OF DUTIES/RESPONSIBILITIES OF EACH TREASURY POST**

The officer with responsibilities under Section 151 of the Local Government Act 1972 / The deputy officer with responsibilities under Section 151 of the Local Government Act 1972

1. The officer with responsibilities under Section 151 of the Local Government Act 1972/ The deputy officer with responsibilities under Section 151 of the Local Government Act 1972 will:
  - a) Recommend clauses, treasury management policy/practices for approval, reviewing the same regularly and monitor compliance
  - b) Submit reports as and when required by Council
  - c) Authorise and maintain TMPs and Schedules
  - d) Set submit and monitor budgets
  - e) Review the performance of the treasury management function.
  - f) Ensure the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function

- g) Ensure the adequacy of internal audit and liaise with external audit
  - h) Recommend the appointment of external service providers where appropriate.
  - i) Approve and authorise investment and borrowing deals (within dealing limits – see 5.6)
2. The officer with responsibilities under Section 151 of the Local Government Act 1972 and the deputy officer with responsibilities under Section 151 of the Local Government Act 1972 have delegated powers to take the most appropriate form of borrowing from the approved sources and to take the most appropriate form of investments in approved instruments.
3. Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the officer with responsibilities under Section 151 of the Local Government Act 1972 or the deputy officer with responsibilities under Section 151 of the Local Government Act 1972 to be satisfied, by reference to legal and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.
4. The officer with responsibilities under Section 151 of the Local Government Act 1972 and the deputy officer with responsibilities under Section 151 of the Local Government Act 1972 may delegate power to borrow and invest to members of staff to conduct all dealing transactions (within limits set at section 5.6). All transactions must be authorised by at least two specified named officers and the Chaps payment released by a third as per the responsibilities set out in 5.4.2 to 5.4.4. Alternatively staff can be authorised to act as temporary cover for leave/sickness.

#### **5.4.1 The Deputy Officer with responsibilities under Section 151 of the Local Government Act 1972 / Strategic Finance Managers.**

1. Approve and authorise investment deals (within dealing limits – see 5.6)
2. Release Chaps payments
3. Determine and approve short term borrowing (within borrowing limits – see 5.6).

#### **5.4.2 Chief Accountant / Finance Manager - Corporate (Deputy)**

The treasury responsibilities of this post will be:-

- To assist the officer with responsibilities under Section 151 of the Local Government Act 1972 and deputy officer with responsibilities under Section 151 of the Local Government Act 1972 in the formation of the Treasury Strategy.
- Identify and recommend opportunities for improved practices
- Maintaining relationships with counterparties and external service providers.
- Supervise Treasury Management staff
- Monitor performance
- Review the performance of treasury management functions
- Implement Treasury Management Strategy
- Approve and authorise investment deals (within dealing limits – see 5.6)
- Release Chaps payments
- Check interest calculations
- Arrange rescheduling or premature repayment of existing borrowings.

#### **5.4.3 Senior Finance Technician**

Responsibilities:-

- Calculate daily cash balances
- Enter transmission of monies via Nat West Web Banking system
- Select Brokers from approved list
- Adhere to agreed policies and practices on a day to day basis
- Submit management information reports
- Maintain cash flow projections
- Third party loan confirmation
- Ensure counter party limits are not exceeded
- Ensure there is a clear segregation between officers for negotiating / approving and closing deals.

## 5.5 **ABSENCE COVER ARRANGEMENTS**

The authority will ensure that there is adequate cover for all absences.

## 5.6 **DEALING LIMITS**

Dealings can be carried out providing that transactions are within limits determined by the council and the officer with responsibilities under Section 151 of the Local Government Act 1972 / The deputy officer with responsibilities under Section 151 of the Local Government Act 1972 as detailed in the table below;

<b>Investment Dealing Limits</b>	
The officer with responsibilities under Section 151 of the Local Government Act 1972	As per limits set within the treasury management strategy
The deputy officer with responsibilities under Section 151 of the Local Government Act 1972/ Strategic Finance Managers	Monetary Limits set within TMS / 365 days and under investment horizon
Chief Accountant / Finance Manager - Corporate (Deputy)	Up to £5m / 6 months and under investment horizon.

<b>Borrowing Dealing Limits</b>	
The officer with responsibilities under Section 151 of the Local Government Act 1972	As per limits set within the treasury management strategy
The deputy officer with responsibilities under Section 151 of the Local Government Act 1972/ Strategic Finance Managers	Short term Borrowing up to £5m per transactions and 365 days and under borrowing horizon

## 5.7 **LIST OF APPROVED BROKERS/ONLINE BROKER**

Tullet Prebon Brokers (UK) plc  
 BGC International Brokers Ltd  
 ICAP Brokers Ltd  
 Tradition Brokers  
 Martin Brokers  
 I Deal Trade (Arlingclose Trading Platform)  
 Munix

**5.8 POLICY ON BROKERS' SERVICES**

The authority will use brokers for its temp transactions. The Chief Accountant will evaluate the services provided by Brokers.

**5.9 POLICY ON TAPING OF CONVERSATIONS**

The authority will not tape telephone conversations

**5.10 DIRECT DEALING PRACTICES**

All deals are carried out with brokers with the exception of Bank of England, Money Market Funds, Nat West overnight deposit account or direct with a local authority.

**5.11 SETTLEMENT TRANSMISSION PROCEDURES**

All payments and repayments resulting from the treasury management function will be made via the authority's bank account using the electronic payment facility (with Nat West Web Banking system). Only authorised officers can transmit, approve or release payments, protected by appropriate passwords and card operated pin number. A manual back up facility will be in place to cover system failure.

**5.12 DOCUMENTATION REQUIREMENTS**

Cash dealing sheet  
Cash flow summary  
Loan Record  
Dealing sheet  
Brokers confirmation  
Counter party confirmation  
Invoice signed/coded to budget  
Nat West Bankline confirmation sheet  
Email approvals covering all of the above if processed electronically

**5.13 ARRANGEMENTS CONCERNING THE MANAGEMENT OF THIRD-PARTY FUNDS**

The authority manages funds under delegated powers for Tees Valley Combined Authority.