

TRUST BOARD
26th June 2014

TITLE	Treasury Management Policy
EXECUTIVE SUMMARY	<p>The Finance Committee reviewed the Trust's Treasury Management Policy at its meeting in April 2014.</p> <p>The attached paper sets out the changes that were agreed to the Policy – the full policy is not attached but can be circulated if required.</p> <p>As the approval of the Treasury Management Policy is a decision reserved to the Trust Board this paper requests such approval.</p>
BOARD ASSURANCE (Risk) / IMPLICATIONS	The Finance Committee provides essential assurance to the Trust Board that there are robust and integrated mechanisms in place to ensure detailed consideration and oversight of the Trusts financial position, of which this policy is part.
LINK TO STRATEGIC OBJECTIVE / BAF	SO4 Top Productivity
STAKEHOLDER / PATIENT IMPACT AND VIEWS	None identified.
EQUALITY AND DIVERSITY ISSUES	None identified.
LEGAL ISSUES	As set out in the full policy.
The Trust Board is asked to:	Approve the changes to the Treasury Management Policy.
Submitted by:	Simon Marshall, Director of Finance and Information
Date:	19 th June 2014
Decision:	For Approval

Treasury Management Policy

Introduction

The Trust is required to have a Treasury Management Policy in place and has done so for a number of years.

The Finance Committee, on behalf of the Trust Board, reviewed the Policy at its meeting in April 2014 and this paper sets out the changes that were agreed.

Changes

Apart from minor presentational adjustments which are not listed the following changes were made.

Section	Change
3. Objectives	Replacement of objective 'ensuring compliance with all banking covenant' with 'keeping within all banking requirements.
7. Investments	<p>Addition of a paragraph to explain that it is now more advantageous to hold cash within GBS accounts as this cash is excluded from the calculation of the 3.5% PDC Dividend. Hence any interest earned would need to exceed 3.5% if held outside of GBS.</p> <p>Reference to the Financial Services Authority has been changed to the Prudential Regulatory Authority, the lead regulator for UK banks.</p> <p>Clarity that deposit limits should be agreed by the Finance Committee and not the Audit Committee.</p> <p>Clarification that cash held with the National Loans Fund counts as GBS cash for the calculation of the PDC Dividend.</p>
8. Borrowing	<p>Deleted reference to Prudential Borrowing Limit (now abolished).</p> <p>Updated references to Working Capital Facility (no longer held, but section updated to state what is needed should we require one in the future).</p> <p>Narrative added to say that the effect on the Trust's Debt Service Cover needs to be calculated when loans or finance leases are being considered.</p>
11. Reporting	Replaced reference to 'compliance with Prudential Borrowing Code/Limit' to be 'performance against the Continuity of Services Risk Rating'.