



# North Horsham Parish Council

## TREASURY MANAGEMENT POLICY

### 1. INTRODUCTION

- 1.1. This policy sets out the treasury management policy for the monitoring of the cash flow and banking arrangements of North Horsham Parish Council. The policy works with the Council's Financial Regulations.
- 1.2 The Local Government Act 2003 Section 12 provides the power to invest:
  - a) for any purpose relevant to its function under any enactment or
  - b) for the purpose of the prudent management of its financial affairs.

Section 15 (1) of the Act requires a local authority to have regard:

  - a) to such guidance as the Secretary of State may issue, and
  - b) to such other guidance as the Secretary of State may by regulations specify for the purposes of this provision.
- 1.3 The Council acknowledges its duty of care to the community and the prudent investment of funds.
- 1.4 The Parish Council currently (i.e. as at 12<sup>th</sup> June 2025) has substantially all of its surplus funds on deposit with CCLA in the Public Sector Deposit Fund. This has had a significant positive impact on the council's interest income when compared to previous deposits with high street banks and building societies.

### 2. SUGGESTED STRATEGY

The current Strategy is serving the Council well and, unless or until meaningful interest returns are achievable on the previously used investment vehicle of Fixed Term Deposits, there is no need to consider alternative arrangements. The Investment qualifies as a Revenue Investment for Annual Return purposes and deposits/withdrawals do not fall for classification as Expenditure/Income in the Annual Return. Equally, the end of year balance is included within Bank and Cash balances (as a Short- Term Investment) in the Annual Return. The rates would appear to be competitive in today's low-interest environment. Whilst marginally better returns **might** be achievable elsewhere, the simplicity of dealing with, and the immediacy of accessibility of PSDF funds almost certainly outweighs any marginal improvements in returns.

### **3. APPROVAL AND MECHANISM**

As the transactions do not represent expenditure/payment by Council for accounting purposes, instructions to Lloyds Bank for transfers (specifically and solely) to CCLA may be made by the Clerk/RFO online by Faster Payment. Transfer of funds from CCLA is specifically restricted to deposit into the Parish Council's Lloyds account only and is instructed by the Clerk/RFO via email. The Clerk/RFO remains responsible for ensuring funds with Lloyds Bank are kept to such a balance so as to maximise the funds held with CCLA and therefore the interest earned, whilst ensuring sufficient funds are held with Lloyds Bank to meet all expenditure.

### **4. REVIEW**

This Policy will be reviewed annually, unless circumstances require sooner consideration, with the next review due in June 2026.