

PERTH AND KINROSS COUNCIL

19 December 2012

**TREASURY ACTIVITY AND COMPLIANCE REPORT
- 2012/13 QUARTER 2**

Report by the Head of Finance

ABSTRACT:

The purpose of this report is to provide a summary of Loans Fund transactions for the quarter ending 30 September 2012 and to report on compliance with the Council's Treasury Management Policy Statement (TMPS), Treasury Management Practices (TMP's) and the Investment Strategy for the same period.

1. RECOMMENDATIONS

1.1 It is recommended that the Council:

1. Notes the content of this report, which is submitted in accordance with the Council's approved Treasury Management Practices.
2. Note the clarification of Counterparty limits and interest received within the Treasury Management Practices Approved Lending and Investment Policy as detailed in paragraph 5.1 below.
3. Approves the amendments to the Roles & Responsibilities and the Limitations to Authority as detailed in paragraph 5.2 below.
4. Notes that the Prudential Indicators have not been updated in this report as they are currently being reviewed under the separate Capital Budget Report at this meeting.
5. Approves the temporary reinstatement of the Co-operative Bank plc to the list of approved counterparties for investments to cover the Christmas Closedown of Perth & Kinross Council as detailed in paragraph 5.3 below.

2. BACKGROUND

- 2.1 Treasury Management Practice 6 (TMP6 - Reporting Requirements & Management Information Arrangements) requires that Loans Fund borrowing and lending activities are reported quarterly to the Council. This report covers the period from 1 July to 30 September 2012. TMP6 also requires that compliance with the approved TMPs, Treasury Policies and Investment Strategy are reported quarterly and this report also covers compliance for the period. The Prudential Indicators are also monitored throughout the year and reported as part of the quarterly Treasury Activity and Compliance report. However these indicators are subject to revision under a separate report to this meeting of the Council, and are therefore not covered in this report.

3. ECONOMIC BACKGROUND

- 3.1 The Bank of England Monetary Policy Committee (MPC) kept the Bank Rate at 0.5% throughout the quarter. The MPC also increased the quantitative easing (QE) gilt purchase programme (aimed at encouraging economic activity) in July 2012, by £50 billion, increasing the programme to a total of £375 billion. The minutes from the MPC meeting in October indicated that some members of the committee felt more QE would be required in the future. The Bank of England also announced the new “Funding for Lending” scheme, whereby UK banks and building societies have access to cheaper funds from the Bank of England on the condition that they lend this on to the real economy. This is designed to increase lending by the banks and so stimulate economic growth. It has also had the consequence of reducing the rates payable by banks for fixed deposits.
- 3.2 Economic activity over the quarter showed mixed results. In August the Bank of England substantially lowered its growth forecast as the UK Economy is heavily influenced by worldwide economic developments, particularly in the Eurozone. UK retail sales in the quarter rose by 1%. This was attributed to the purchase of school uniforms and winter clothes. The rate of inflation (Consumer Price Index) fell, reaching 2.2% in September, the lowest rate since November 2009. However by October it increased to 2.7%, contributing factors to this being University tuition fees and food prices. The labour market was more positive, as UK unemployment fell by 50,000 in the three months to August compared with the previous quarter. Pay growth continued to remain weak.
- 3.3 House prices fell slightly, however the number of mortgage approvals increased marginally. Gross Domestic Product (GDP) grew by 1% in the months of July to September bringing the UK economy out of recession. Much of this was attributed to the Olympic games in August.
- 3.4 Over the quarter the financial markets were again dominated by uncertainty associated with the economies of the Eurozone countries. The uncertainty created by the continuing Eurozone debt crisis has had the impact of undermining business and consumer confidence not only in Europe and the UK, but also in America and the Far East. The forthcoming “fiscal cliff” In America has added to these uncertainties.
- 3.5 The Public Works Loan Board’s (PWLb) fixed interest rates, which are based on market prices and yields on UK gilts, remained broadly the same over the quarter and remain low for all borrowing periods. Variable rates, which generally move in line with Bank Rate expectations, fell slightly. Interest rate movements are shown in the graph at Appendix I.

4. TREASURY ACTIVITY

- 4.1 A summary of the Council’s treasury position and transactions is shown at Appendix II. This shows that the main activity during the quarter was the

investment of short-term cashflow surpluses, mainly in notice deposit accounts. There were some fixed term investments for longer periods where the opportunity arose in line with cashflow forecasts. There were no new fixed rate PWLB loans borrowed in the quarter. There were no short term borrowing transactions undertaken during the quarter, whilst the level of funds held on temporary loan by local trusts decreased slightly over the quarter.

- 4.2 The total amount of investments decreased over the quarter, closing at £60M compared with £62.8M at the end of the last quarter. This is expected to fall further over the remainder of the year in line with the recommendations in the “Composite Capital Budget - Additional Capital Expenditure” report also being submitted to this meeting of the Council. The average rate of interest earned on investments outstanding at the end of the quarter increased from 1.69% to 1.79%. This can be attributed to lower balances in the Money Market Funds which have lower rates of return. The average lending period to Banks and Building Societies for fixed term deposits was 172 days, decreasing from the previous quarter’s average period of 206 days. This was as a result of investments being taken for shorter periods. Thus, the average lending rate on fixed deposits also decreased from 1.78% in the previous quarter to 1.32%. This also reflects decreased rates being offered by banks on fixed term deposits following the introduction of the Funding for Lending scheme.
- 4.3 There were also investment transactions in the quarter through the Council’s instant access and notice deposit accounts to meet daily cashflow requirements. All of the above investment activities reflect the Council’s current investment strategy and cashflow requirements.
- 4.4 There was no temporary borrowing undertaken during the quarter. Funds held from associated bodies and organisations decreased over the quarter, from £1,939,805 to £1,643,505. The average rate remained unchanged at 0.10%.

5. TREASURY MANAGEMENT UPDATE

- 5.1 The Approved Investment and Lending Policy includes counterparty limits for each authorised institution. However, it is proposed to clarify that these limits refer only to principal sums invested, and that interest received on any investment is not included in the lending limits. This issue has arisen as a result of one counterparty revising its practice and processing interest at the close of business. Therefore, the Council is not able to withdraw the funds until the following day, potentially leaving the counterparty “over the limit” by the amount of interest credited for that day. Whenever such interest is received by the Council, the Treasury Officers will withdraw that amount as early as possible.
- 5.2 To reflect the current Line Management structure within the Chief Executive’s Service it is proposed to amend the Treasury Management Roles & Responsibilities and Limitations to Authority. It is proposed to replace the Depute Chief Executives (John Fyffe and David Burke) with the Chief Executive (Bernadette Malone). The revised Roles & Responsibilities and Limitations to Authority proposed are shown at Appendix IV.

- 5.3 The Co-operative Bank's credit rating has remained below the Council's minimum criteria over the year and the institution has therefore been excluded from the approved list of counterparties. However, as the Council's bankers, it is proposed that the Co-operative Bank is temporarily re-instated to the approved list of counterparties during the Christmas closedown period. As the Council cannot instigate payments during the closedown, the only investments available to officers working from home during that period are with the Council's own bank. Accordingly, it is proposed from Monday 24th December 2012 to Thursday 10th January 2013 that a £15M upper limit for cashflow investments with the Co-operative Bank is applied. This will be in line with projected cashflow balances over the period. However, all investments undertaken during this period must mature on or before Thursday 10th January 2013.

6. COMPLIANCE

- 6.1 For the quarter ending 30 September 2012, there were no breaches in compliance with the Council's approved Treasury Management Policy Statement, TMPs or lending limits (as detailed in Treasury Management Practice 4 TMP4 - Approved Instruments, Methods & Techniques).
- 6.2 TMP4 requires that a working list of specific approved counterparties (including lending limits) is maintained, and updated regularly for any movements in credit ratings or Credit Default Swap prices. The Council approved lending policy incorporates Sector Treasury Services' suggested maximum lending period for each counterparty. Appendix III shows the list of approved counterparties based on the current lending policy, as at November 2012.
- 6.3 A further requirement of TMP4 is that of cashflow performance measurement, which is expressed as the average closing cleared bank balance for the period. For the quarter ending 30 September 2012 the average closing cleared bank balance was £268.02 (credit). This is within the set target range of £50,000 (debit or credit).

7. INVESTMENT STRATEGY COMPLIANCE & PERFORMANCE

- 7.1 In essence, the Treasury Investment Strategy approved by the Council for 2012/13 (Report 12/78 refers) seeks to ensure security over principal sums invested whilst obtaining optimum returns consistent with this approach. Therefore, the only Permitted Investments approved are in low risk organisations. The limits for each Permitted Investment and individual counterparty ensure a good spread of investments thereby also spreading any risk. The Council also needs to ensure good liquidity at all times and, consequently investments must be made in accordance with cashflow requirements. The Strategy also seeks to reduce the level of investments during the current period of low investment returns and increased risks, subject to longer term funding requirements.

- 7.2 The strategy was applied in full over the quarter with no breaches in compliance with treasury limits, whilst liquidity was maintained by the use of instant access and notice deposit accounts as detailed in Section 4 above. The original Strategy also anticipated that investments would not exceed £50M during the year unless, for example, the Council undertook new long term borrowing. There was £10M new PWLB long term borrowing undertaken in the previous quarter, hence the level of investments exceed the £50M level. However, the balance of investments is anticipated to reduce steadily over the remaining quarters.
- 7.3 There were no additional risks identified or borrowing in advance of need undertaken in the quarter.
- 7.4 The Investment Strategy also incorporates investments held by the Common Good Funds. All such investments during the quarter were in line with the approved strategy.
- 7.5 There were no Council funds, other than those relating to Charitable Trusts, held by external managers.
- 7.6 The Annual Property Investment Strategy for 2012/13 was also approved by the Council at its meeting on the 22 February 2012 (Report 12/78 refers) and is being complied with in full, with no breaches in compliance with permitted investment limits.
- 7.7 The income from the Council's property portfolio for 2011/12 was £1,987,000, which represents a reduction from the projected income figure of £2,060,000 reflecting a loss of rental income in the present financial climate.
- 7.8 The budgeted income for 2012/13 was projected in the Annual Property Investment Strategy at £1,987,000, however this is likely to be revised downward to £1,984,000 in light of the current economic and market conditions.
- 7.9 There were neither additional risks identified nor new property investments entered into in the quarter. The strategy action plan for the rationalisation of the commercial property portfolio remains on programme.

8 ICELANDIC BANKS

- 8.1 The balance of funds repaid by Glitnir (£185,000) remains in an escrow account in Iceland in accordance with the requirements of the Icelandic Central Bank. There have been no developments over the quarter in respect of these funds. Any future developments will be reported to the Council at the earliest opportunity.

9. PRUDENTIAL INDICATORS

- 9.1 The Prudential Indicators are normally monitored and updated as part of these Quarterly Activity and compliance reports. However, these indicators are

currently being reviewed, with proposals to set amended Indicators in the “Capital Budget – Additional Capital Expenditure” report being considered separately at this meeting. The revised Prudential Indicators will continue to be monitored from the next Quarterly Treasury Activity and Compliance report.

10. CONSULTATION

- 10.1 All treasury activities described above were undertaken in consultation with the Council’s advisors, Sector Treasury Services Ltd. The Chief Executive was also consulted in the preparation of this report.

11. RESOURCE IMPLICATIONS

- 11.1 There are no resource implications arising directly from this report.

12. COUNCIL CORPORATE PLAN OBJECTIVES 2009 - 2012

- 12.1 The Council’s Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape the resources allocation. They are as follows:

- (i) A Safe, Secure and Welcoming Environment
- (ii) Healthy, Caring Communities
- (iii) A Prosperous, Sustainable and Inclusive Economy
- (iv) Educated, Responsible and Informed Citizens
- (v) Confident, Active and Inclusive Communities

- 12.2 The Chief Executive’s Service provides a range of functions for internal and front-line customers alike. Those functions support the work of the whole Council by assisting them in the delivery of the Council’s Corporate Objectives. As a consequence, this report does not specifically relate to one of the objectives, but assists with the delivery of all five.

13. EQUALITIES ASSESSMENT

- 13.1 The Council’s Corporate Equalities Assessment Framework requires an assessment of functions, policies, procedures or strategies in relation to race, gender and disability and other relevant equality categories. This supports the Council’s legal requirement to comply with the duty to assess and consult on relevant new policies to ensure there is no adverse impact on any community group or employees.
- 13.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Assessment Framework and the determination was made that the items summarised in this report do not require further assessment as they do not have an impact on people’s wellbeing.

14. STRATEGIC ENVIRONMENTAL ASSESSMENT

- 14.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS). The matters presented in this report were considered under the Environmental Assessment (Scotland) Act 2005 and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

15. CONCLUSION

- 15.1 The main activities during the quarter were the lending of surplus cashflow funds. A limited number of fixed investments were made in line with cashflow forecasts, whilst most investments were in short term call accounts and money market funds to maintain liquidity and counterparty spread. The Council adhered to its investment strategy and policies throughout the quarter.
- 15.2 The UK economy came out of recession over the Quarter, which was partly attributed to the Olympic games. Inflation reduced to 2.2%, and the Monetary Policy Committee maintained the Bank Rate at 0.5%. There was, however £50 billion, of further quantitative easing during the quarter, and the Bank of England introduced the Funding for Lending scheme to encourage lending by banks.
- 15.3 The report also provides clarification of the “Approved Investment and Lending Policy” regarding investment interest received. The Limitations of Authority have also been amended to reflect the updated management structure in the Chief Executive’s Service.
- 15.4 The monitoring of the Prudential Indicators is not included in this report, but will continue in the next quarterly report.
- 15.5 To cover the Council’s Christmas closedown requirements it is proposed that the Co-operative Bank plc is temporarily reinstated to the Council’s approved lending list.

**JOHN SYMON
HEAD OF FINANCE**

Contact Officers: Treasury Management - John Jennings, extension 75564
Property Issues – Jim Carney, extension 75952

Background Papers: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

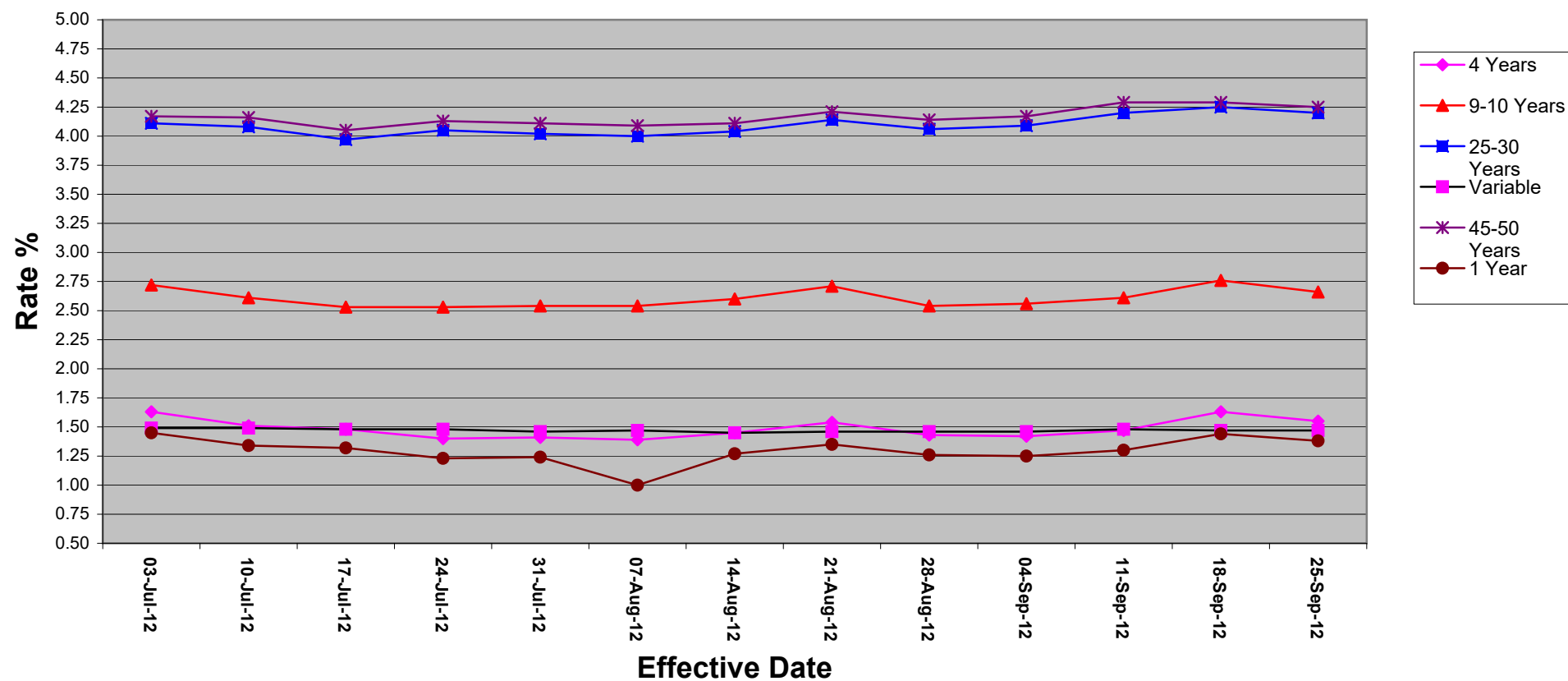
Quarterly Report.doc, Finance, 2 High Street, Perth
12 December 2012

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Council Text Phone Number 01738 442573

PWLB Fixed Maturity & Variable Interest Rates
From 1 July to
30th September
2012



1 LENDING

(a) <u>Investments Outstanding</u>	Outstanding 30-Jun-12 £	Average Rate	Outstanding 30-Sep-12 £	Average Rate
Banks (Fixed Deposits)	38,000,000	2.30%	45,000,000	2.18%
Money Market Funds	19,800,000	0.72%	12,050,000	0.65%
Building Societies/Subsidiary Banks (Fixed)	5,000,000	0.85%	2,500,000	0.53%
Other Local Authorities	0	0.00%	468,600	0.50%
TOTAL	62,800,000	1.69%	60,018,600	1.79%

(b) Investment Transactions - 1st July to 30th September 2012

<u>Fixed Deposits</u>	<u>No.</u>	<u>Average Amount (£)</u>	<u>Average Rate (%)</u>	<u>Average Term (Days)</u>	<u>Total Interest (£)</u>
Banks	9	3,277,778	1.38%	179	324,823.29
Building Soc/Subsidiary Banks	1	2,500,000	0.53%	99	3,593.84
TOTAL	10	3,200,000	1.32%	172	328,417.12

<u>Instant/Notice Accounts</u>	<u>Average Amount (£)</u>	<u>Average Rate (%)</u>	<u>Total Interest (£)</u>
Instant Access account	2,459,117	0.98%	1,789.69
Tayside Fire & Rescue	209,867	0.50%	21.46
Money Market Funds	7,190,095	0.68%	28,885.06
TOTAL	1,971,816	0.72%	30,696.22

2 BORROWING**(a) Long Term Borrowing 1st July to 30th September 2012**

	<u>No.</u>	<u>Average Rate (%)</u>	<u>Amount (£)</u>
PWLB - Maturity Loans	0	0.00%	0
	0	0.00%	0

(b) Long Term Debt Repayments 1st July to 30th September 2012

	<u>No.</u>	<u>Average Rate (%)</u>	<u>Amount (£)</u>
PWLB - EIP Instalment	1	4.02%	80,645
	1	0.00%	80,645

(c) Long Term Debt Outstanding

	Outstanding 30-Jun-12 £	Average Rate	Outstanding 30-Sep-12 £	Average Rate
Public Works Loan Board	170,015,774	3.98%	169,935,129	3.98%
Money Market Loans (LOBO's)	43,200,000	4.59%	43,200,000	4.59%
Other Long Term Debt	290,000	0.75%	290,000	0.75%
Total	213,505,774	4.10%	213,425,129	4.10%

(d) Temporary Borrowing Outstanding

	Outstanding 30-Jun-12	Average Rate	Outstanding 30-Sep-12	Average Rate
	£		£	
Banks and Building Societies	0	0.00%	0	0.00%
Other Local Authorities and Corporations	0	0.00%	0	0.00%
Local Trusts & Investors	1,939,805	0.10%	1,643,505	0.10%
TOTAL	1,939,805	0.10%	1,643,505	0.10%

(e) Temporary Borrowing - 1st July to 30th September 2012

	No.	Average Amount (£)	Average Rate (%)	Average Term (Days)	Interest (£)
Market Temporary Borrowing	0	0	0.00%	0.0	0.00
TOTAL	0	0	0.00%	0.0	0.00

PERTH AND KINROSS COUNCIL
APPROVED INVESTMENT COUNTERPARTY LIST

APPENDIX III

	<u>Country</u>	<u>Credit Rating</u>	<u>CDS Range</u>	<u>Maximum Lending</u>	<u>Note</u>
Category 1 - Principal UK Clearing Banks - max £10M per Counterparty unless semi-nationalised max £20M					
(Minimum rating required Fitch A, F1)					
Barclays Bank plc	UK	AA-, F1+	In range	3 months	
Lloyds Banking Group plc (incl HBOS and Bank Of Scotland) (1)	UK	AA-, F1+	Nationalised	12 months	Individual limit £20M
HSBC Bank plc	UK	AA, F1+	In range	3 months	
Royal Bank of Scotland plc (1)	UK	AA-, F1+	Nationalised	12 months	Individual limit £20M
Standard Chartered Bank	UK	AA-, F1	In range	3 months	

Category 2 - Foreign Banks & Institutions - max £7.5M per Counterparty

(Minimum rating required Fitch A, F1)

Australia and New Zealand Banking Group Lt	Aus	AA-, F1+	In Range	3 months	
Commonwealth Bank of Australia	Aus	AA, F1+	In Range	3 months	
National Australia Bank Ltd	Aus	AA, F1+	In Range	3 months	
Westpac Banking Corporation	Aus	AA, F1+	In Range	3 months	
Bank of Montreal	Can	AA-, F1+	No data	3 months	
Bank of Nova Scotia	Can	AA-, F1+	No data	3 months	
Canadian Imperial Bank of Commerce	Can	AA-, F1+	No data	3 months	
National Bank of Canada	Can	A+, F1	No data	3 months	
Royal Bank of Canada	Can	AA-, F1+	No data	3 months	
Toronto Dominion Bank	Can	AA-, F1+	No data	3 months	
Nordea Bank Finland plc	Finland	AA-, F1+	No data	3 months	
BNP Paribas	France	AA-, F1+	In Range	1 months	Sovereign Rating AA+
Credit Industriel et Commercial	France	AA-, F1+	No data	1 months	Sovereign Rating AA+
Deutsche Bank AG	Germany	AA-, F1+	In Range	3 months	
DZ Bank AG	Germany	A+, F1+	No data	3 months	
Landesbank Berlin AG	Germany	AA-, F1+	No data	3 months	
Landwirtschaftliche Rentenbank	Germany	AAA, F1+	No data	3 months	
Hong Kong and Shanghai Banking Corporation Ltd	Hong Kong	AA, F1+	No data	1 month	Sovereign Rating AA+
Banque et Caisse d'Epargne de l'Etat*	Luxemburg	AA+, A-1+	No data	3 months	
Clearstream Banking	Luxemburg	AA, F1+	No data	3 months	
Bank Nederlandse Gemeenten	Netherland	AAA, F1+	No data	3 months	
Co-operatieve Centrale Raiffeisen	Netherland	AA+, F1+	In Range	3 months	
ING Bank NV	Netherland	A+, F1+	In Range	3 months	
DnB NOR Bank	Norway	A+, F1	No data	3 months	
DBS Bank Limited	Singapore	AA-, F1+	In Range	3 months	
Oversea-Chinese Banking Corp Ltd	Singapore	AA-, F1+	In Range	3 months	
United Overseas Bank Ltd	Singapore	AA-, F1+	In Range	3 months	
Nordea Bank AB	Sweden	AA-, F1+	In Range	3 months	
Skandinaviska Enskilda Banken AB	Sweden	A+, F1	In Range	3 months	
Swedbank AB	Sweden	A, F1	In Range	3 months	
Svenska Handelsbanken AB	Sweden	AA-, F1+	In Range	3 months	
Credit Suisse	Switzerland	AA-, F1+	In Range	3 months	
UBS AG	Switzerland	A+, F1+	In Range	3 months	
Bank of New York Mellon	USA	AA-, F1+	No data	1 month	Sovereign Rating AA+
HSBC Bank USA, National Association	USA	AA, F1+	No data	1 month	Sovereign Rating AA+
JP Morgan Chase Bank NA	USA	AA-, F1+	In Range	1 month	Sovereign Rating AA+
Northern Trust Company	USA	AA-, F1+	No data	1 month	Sovereign Rating AA+
State Street Bank and Trust Company	USA	A+, F1+	No data	1 month	Sovereign Rating AA+
Wells Fargo Bank NA	USA	AA-, F1+	In Range	1 month	Sovereign Rating AA+

Category 3 - Subsidiary Banks & Building Societies - max £5M per Counterparty

(Minimum rating required Fitch A, F1)

(parent bank shown in brackets)

Subsidiary Banks

Building Societies

Nationwide Building Society	UK	AA-, F1+	In range	3 months	
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Category 4 - Other Local Authorities - max £10M per Counterparty

As arranged

**PERTH AND KINROSS COUNCIL
APPROVED INVESTMENT COUNTERPARTY LIST**

APPENDIX III

	<u>Country</u>	<u>Credit Rating</u>	<u>CDS Range</u>	<u>Maximum Lending</u>	<u>Note</u>
<u>Category 5 Money Market Funds - max £10M per Counterparty</u>					
(Minimum rating required Fitch AAA)					
Prime Rate Sterling Liquidity Fund (Class 3)	UK	AAA			
Deutsche Bank Sterling Fund	UK	AAA			
Insight Sterling Liquidity Fund (Class 5)	UK	AAA			
Royal Bank of Scotland GTF Sterling Fund (Class 4)	UK	AAA			
Ignis Sterling Liquidity Fund	UK	AAA			

Note:

(1) - Banks are part/majority owned by the UK government

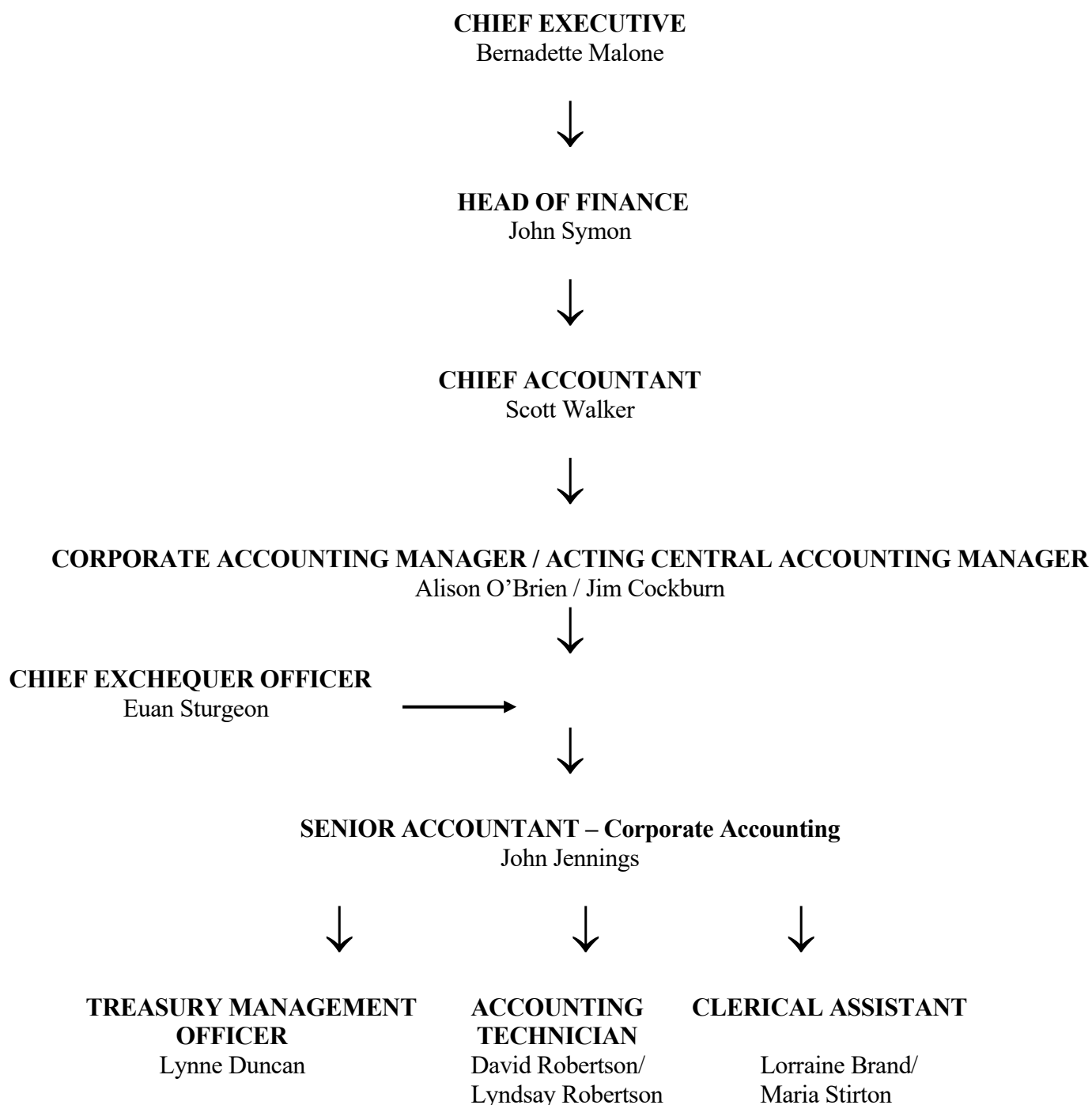
Note - all Sovereign credit ratings for above Countries are AAA unless stated otherwise.

* Standard & Poor's Rating

Last Updated: 05-Dec-12

SCHEDULE 5.2
Treasury Management Organisational Chart

The following personnel are directly involved in treasury management:



SCHEDULE 5.3

Treasury Management Roles & Responsibilities

<u>TITLE/NAME</u>	<u>ROLES/RESPONSIBILITIES</u>
CHIEF EXECUTIVE Bernadette Malone	Determination of Treasury policy and strategy Ensure Organisation of Treasury Management function is effective
HEAD OF FINANCE John Symon	Implementing the Treasury Management Practices Systems Document Ensuring compliance with policies, limitation and directions Advising Depute Chief Executive on market trends and options for borrowing strategy Managing the overall treasury function Advise on setting and monitoring of Prudential and Treasury Indicators Review Treasury Management performance Ensure Treasury Policy and Systems Document reviewed Ensuring appropriate division and segregation of duties Determination of daily borrowing, lending and investment policy Consider and approve long –term borrowing decisions as appropriate Overall strategic responsibility as Statutory Finance Officer
CHIEF ACCOUNTANT Scott Walker	Assist the Head of Finance in above responsibilities Ensure day to day activities comply with the Treasury Policy Statement Ensure adequate training is provided to relevant staff Supervise activities and administration of treasury management
CORPORATE ACCOUNTING MANAGER Alison O'Brien	Assisting Chief Accountant in above responsibilities Daily operational management of Treasury activities Arranging Borrowing and Lending (Dealing) as required
ACTING CENTRAL ACCOUNTING MANAGER Jim Cockburn	Assisting Chief Accountant in above responsibilities Daily operational management of Treasury activities Arranging Borrowing and Lending (Dealing) as required
CHIEF EXCHEQUER OFFICER Euan Sturgeon	Authorising payments as required
SENIOR ACCOUNTANT - CORPORATE ACCOUNTING John Jennings	Assisting Corporate Accounting Manager in above responsibilities Ensure appropriate accounting records are maintained Supervise daily dealing and activities of Treasury Management Arranging Borrowing and Lending (Dealing) as required Administration and accounting for "Loans Fund" Prepare and monitor Prudential and Treasury Indicators Determination and projection of Loan Charges Supervise and review cashflow estimates and account reconciliations Producing regular reports on performance Monitoring performance and appointment of brokers,
TREASURY MANAGEMENT OFFICER Lynne Duncan	Dealing under direction and supervision Ensure proper administration of daily borrowing and lending activities Maintenance of Logotech Public Sector Treasury Management System Reconciliation of Financial Accounting ledgers to loan records Maintaining rolling 3 year cashflow estimates of the Council Production of all Management information Completion of all statistical and Government returns Supervising clerical staff involved in the Treasury function
CLERICAL ASSISTANT Lorraine Brand / Maria Stirton	Maintenance of manual records for internal control purposes Production of daily treasury and banking vouchers Reconciliation of broker confirmations to loan records Assisting the Treasury Management Officer as required
ACCOUNTING TECHNICIAN David Robertson / Lyndsay Robertson	Assist the Senior Accountant and Treasury Management Officer as required Provision of additional Treasury support in absence of key personnel

SCHEDULE 5.4

Treasury Management Daily Limitations to Authority

TITLE

CHIEF EXECUTIVE

Delegated authority in accordance with the Financial Regulations and Scheme of Administration with particular reference to the approved Treasury Policy Statement, and consistent with current budget requirements.

HEAD OF FINANCE

Delegated authority in accordance with the Financial Regulations and Scheme of Administration with particular reference to the approved Treasury Policy Statement, and consistent with current budget requirements.

CHIEF ACCOUNTANT

Long Term Borrowing (Fixed or Variable)	up to £10 million
Temporary Borrowing } Fixed, Notice or Call with	within cashflow requirements
Temporary Investment } Approved Organisations	within approved Investment Limits
Variation of Loan Terms – in line with the above limits	

CORPORATE ACCOUNTING MANAGER

Long Term Borrowing (Fixed or Variable)	up to £5 million
Temporary Borrowing } Fixed, Notice or Call with	within cashflow requirements
Temporary Investment } Approved Organisations	within approved Investment Limits
Variation of Loan Terms - in line with the above limits	

ACTING CENTRAL ACCOUNTING MANAGER

Long Term Borrowing (Fixed or Variable)	up to £5 million
Temporary Borrowing } Fixed, Notice or Call with	within cashflow requirements
Temporary Investment } Approved Organisations	within approved Investment Limits
Variation of Loan Terms - in line with the above limits	

CHIEF EXCHEQUER OFFICER

Temporary Borrowing } Fixed, Notice or Call with	within cashflow requirements
Temporary Investment } Approved Organisations	within approved Investment Limits
Variation of Loan Terms - in line with the above limits	

SENIOR ACCOUNTANT – CORPORATE ACCOUNTING

Long Term Borrowing – Under instruction of above officers, within their appropriate limitations to authority.	
Temporary Borrowing } Fixed, Notice or Call with	within cashflow requirements
Temporary Investment } Approved Organisations	within approved Investment Limits
Variation of Loan Terms - in line with the above limits	

TREASURY MANAGEMENT OFFICER

Long Term Borrowing – Under instruction of above officers, within their appropriate limitations to authority.	
Temporary Borrowing } Fixed, Notice or Call with	within cashflow requirements
Temporary Investment } Approved Organisations	within approved Investment Limits
Variation of Loan Terms - in line with the above limits	

ACCOUNTING TECHNICIAN

Temporary Borrowing } Fixed, Notice or Call with	within cashflow requirements
Temporary Investment } Approved Organisations	within approved Investment Limits
Variation of Loan Terms - in line with the above limit.	

