APPENDIX A

Report of the Chief Financial Officer for the Police and Crime Commissioner (PCC) to the PCC
21st February 2024

Status: For Decision

Treasury Management and Prudential Indicators 2024/25 to 2027/2028

1. Purpose

To comply with the CIPFA Prudential Code of Practice, the PCC is required to set a range of Prudential Indicators for the financial year 2024/25. The code states that Prudential Indicators for Treasury Management should be considered together with the Annual Investment Strategy for 2024/25. The content of this report addresses this requirement.

2. Recommendations

The PCC is asked to:

2.1 Approve the Prudential Indicators, set out in 3.5, 3.6 and 3.7.

2.2 Approve the Annual Investment Strategy set out at Appendix A.

2.3 Approve the Treasury Management Policy in Appendix C.

2.4 Note that future investments will be placed in line with the strategy in Appendix A.

3. Reasons

3.1 Prudential Indicators

The Prudential Code requires authorities (including the PCC) to self regulate the affordability, prudence and sustainability of their capital expenditure and borrowing plans, by setting estimates and limits, and by publishing actuals, for a range of Prudential Indicators.

The key objectives of the Prudential Code are to ensure that:

- Capital expenditure plans are affordable, prudent and sustainable.
- Treasury Management decisions are taken in accordance with professional good practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable.

3.2 The Code imposes on authority's clear governance procedures for setting and revising of Prudential Indicators and describes the matters to which an authority will have regard when doing so. This is designed to deliver accountability in taking capital financing, borrowing and Treasury Management decisions. A fundamental provision of the Prudential Code is that over the medium-term net borrowing will only be for a capital purpose.

3.3 Under the Code, individual authorities are responsible for deciding the level of their affordable borrowing, having regard to the code. Under the code, the PCC is required to set a range of Prudential Indicators for the financial year 2024/25.

3.4 The code states that Prudential Indicators for Treasury Management should be considered together with the Annual Investment Strategy.

3.5 Affordability

The following indicators are required to assess the affordability of the capital investment plans. They provide an indication of the impact of the capital investment plans on overall PCC finances. The PCC is requested to approve the following:

3.5.1 Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the cost of capital against the net budgetary requirement.

In 2024/25 the actual cost in this area is expected to be £4,907k; however, of this, £4,479k is attributable to our PFI's (£2,321k of interest charges and £2,158k of MRP). These PFI charges are essentially covered by separate PFI Grants totalling £4,106k.

Financing Costs to Net Revenue Streams	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000
Minimum Revenue Provision (MRP)	2,637	3,082	2,787	2,532	2,649
Interest Payable on Borrowing	2,853	2,825	2,354	2,122	2,045
Interest Receivable	(330)	(1,000)	(765)	(640)	(480)
Financing Costs	**5,160**	**4,907**	**4,376**	**4,015**	**4,214**
Net Revenue Stream	**157,226**	**168,297**	**171,510**	**176,406**	**181,367**
Ratio %	3.3%	2.9%	2.6%	2.3%	2.3%

Given that funding for PFI's is dealt with by a separate specific grant then the underlying level of funding that will be set aside to service borrowing (excluding PFI's) in 2024/25 will be £428k or 0.3% of our Net Revenue Stream, as per the table below:

Financing Costs to Net Revenue Streams (Excluding PFI)	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000
Minimum Revenue Provision (MRP)	944	925	999	981	964
Interest Payable on Borrowing	556	503	526	712	752
Interest Receivable	(330)	(1,000)	(765)	(640)	(480)
Financing Costs	**1,170**	**428**	**761**	**1,054**	**1,236**
Net Revenue Stream	**157,226**	**168,297**	**171,510**	**176,406**	**181,367**
Ratio %	0.7%	0.3%	0.4%	0.6%	0.7%

3.5.2 *Incremental Impact of Capital Investment Decisions on Band D Council Tax*

This indicator shows the incremental impact of the additional capital expenditure that is planned in the current programme on the Band D council tax.

Council Tax	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000
Band D Impact	(2.05)	(1.86)	5.46	1.32	0.81
Precept	(46,379)	(51,579)	(52,310)	(54,975)	(57,661)
Additional Precept received from Precept Increase	(2,978)	(5,200)	(731)	(2,665)	(2,686)
Band D Level	290.73	303.73	315.73	327.73	339.73
Band D increase year on year	15.00	13.00	12.00	12.00	12.00
%age of precept increase funding capital costs	-13.6%	-14.3%	45.5%	11.0%	6.8%

The PCC has approved a £13 increase in the Band D Precept for 2024/25. This increase will be used primarily to deliver service improvements and also to increase staffing numbers.

3.6 Prudence

The table below summarises the Capital Programme that is also for approval, plus amendments for PFI expenditure as dictated by International Accounting Standards.

Capital Expenditure	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Capital Expenditure	8,076	5,189	3,518	3,010	3,336
PFI Capital Expenditure	1,017	575	1,489	878	897
Total Capital Expenditure	**9,093**	**5,764**	**5,007**	**3,888**	**4,233**
Funded By:					
Gross Borrowing	0	1,402	0	0	0
PFI Borrowing	0	0	0	0	0
Other Capital Resources	9,093	4,362	5,007	3,888	4,233
%age of Expenditure funded by Borrowing	0.0%	24.3%	0.0%	0.0%	0.0%

New loans will only be taken out if they are needed to finance the Estates Programme and no future PFI Schemes are planned. There is no borrowing for commercial purposes.

3.6.1 *The PCC's Borrowing Need (The Capital Financing Requirement)*

The Capital Financing Requirement (CFR) measures the PCC's underlying need to borrow for Capital purposes and ensures that borrowing is only undertaken to fund capital assets and not support revenue expenditure. There is no borrowing for commercial purposes.

The PCC is asked to approve the following CFR projections:

	2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	0	0	0	0
Opening Capital Financing Requirement	**12,501**	**12,010**	**11,539**	**11,087**	**10,653**
Supported Borrowing	0	0	0	0	0
MRP on Supported Borrowing	(491)	(471)	(452)	(434)	(417)
Voluntary MRP	0	0	0	0	0
Closing Capital Financing Requirement	**12,010**	**11,539**	**11,087**	**10,653**	**10,236**
Unsupported borrowing to fund Capital Expenditure	28,882	30,284	30,284	30,284	30,284
PFI Borrowing	34,978	34,978	34,978	34,978	34,978
Total CFR Base on which MRP is calculated	**75,870**	**76,801**	**76,349**	**75,915**	**75,498**
MRP on Unsupported Borrowing- cumulative	(7,684)	(8,138)	(8,685)	(9,232)	(9,779)
MRP on PFI (cumulative)	(19,549)	(21,706)	(23,494)	(25,045)	(26,730)
Total CFR Base for borrowing purposes	**48,637**	**46,957**	**44,170**	**41,638**	**38,988**

The Gross Borrowing requirement detailed in the table in 3.6 above increases the CFR. The PCC is required to make a statutory charge to revenue for the repayment of supported debt (the Minimum Revenue Provision) and this reduces the CFR.

3.6.2 *Limits to Borrowing Activity*

Within the Prudential indicators there are a number of indicators to ensure that the PCC operates its activities within well defined limits.

For the first of these, the PCC needs to ensure that its total borrowing net of any investments does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years, to take advantage of market opportunities and to build in budget certainty.

Net Borrowing and the Capital Financing Requirement (CFR)	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Borrowing	19,520	18,760	21,000	23,500	23,500
PFI Borrowing	15,816	13,659	11,871	10,320	8,635
Investments	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Net Borrowing	**31,336**	**28,419**	**28,871**	**29,820**	**28,135**
Total CFR Base for borrowing purposes	**48,637**	**46,957**	**44,170**	**41,638**	**38,988**

The projected forecasts detailed in the table above show that there is still some margin between the Net Borrowing and the CFR and therefore the PCC will be well within the limits required.

3.6.3 A further two prudential indicators control or anticipate the overall level of borrowing. These are:

- The ***Authorised Limit*** which represents the limit beyond which borrowing is prohibited and needs to be set and revised by the PCC. Borrowing beyond this limit would be ultra vires. The provision for temporary borrowing allows for any additional potential borrowing that might result from the cash flow timings.

- The ***Operational Boundary*** which is based on the probable external debt during the course of the year. It includes scope for borrowing for revenue purposes that may be required in the short term during the year, if for instance a large grant payment was delayed.

The PCC is asked to approve the following limits:

Authorised Limit for External Debt	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000
Borrowing	19,520	18,760	21,000	23,500	23,500
PFI Borrowing	15,816	13,659	11,871	10,320	8,635
Provision for Temporary Borrowing	7,000	7,000	7,000	7,000	7,000
	42,336	**39,419**	**39,871**	**40,820**	**39,135**

Operational Boundary for External Debt	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000
Borrowing	19,520	18,760	21,000	23,500	23,500
PFI Borrowing	15,816	13,659	11,871	10,320	8,635
Provision for Temporary Borrowing	5,000	5,000	5,000	5,000	5,000
	40,336	**37,419**	**37,871**	**38,820**	**37,135**

3.7 Treasury Management Indicators

The purpose of these is to contain the activity of the Treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the PCC's overall financial position. The PCC is asked to approve the indicators below:

3.7.1 Upper Limits on Borrowing

This indicator identifies a maximum level of borrowing that can be made at Fixed and Variable interest rates.

Borrowing	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	%	%	%	%	%
Upper Limit on Fixed Interest Rate Exposures	100	100	100	100	100
Upper Limit of Variable Rate Exposures	25	25	25	25	25

This means up to 100% of our borrowing will be at rates fixed until the loan is repayable, while no more than 25% will be at variable rates so liable to change at short notice.

3.7.2 Upper Limits on Investments

This indicator identifies a maximum level of investments that can be made at Fixed and Variable interest rates.

Investments	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	%	%	%	%	%
Upper Limit on Fixed Interest Rate Exposures	100	100	100	100	100
Upper Limit of Variable Rate Exposures	70	70	70	70	70

This means that up to 100% of our investments will be at rates fixed until the investment matures, while no more than 70% will be at variable rates which may liable to change at short notice. The variable rate investments are for very short-term investment only and are for on call investments. This represents no increase in risk as the variable risk investments can be recalled immediately if interest rates change.

3.7.3 *Maturity Structure of Borrowing*

These gross limits are set to reduce the PCC's exposure to large fixed rate sums falling due for re-financing within a short timeframe. Upper and lower limits are required which the PCC is asked to approve.

Maturity Structure of Debt	**2023/24**		**2024/25**		**2025/26**		**2026/27**		**2027/28**	
	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper
Under 12 months	0%	50%	0%	50%	0%	50%	0%	50%	0%	50%
Over 12 months and under 2 years	0%	50%	0%	50%	0%	50%	0%	50%	0%	50%
Over 2 years and under 5 years	0%	50%	0%	50%	0%	50%	0%	50%	0%	50%
Over 5 years and under 10 years	0%	85%	0%	85%	0%	85%	0%	85%	0%	85%
Over 10 years	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%

3.7.4 *Upper Limit for Sums Invested for a Period of over 364 days*

Principal Sums Invested > 1yr	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Maturity Profile	2,000	2,000	2,000	2,000	2,000

This indicator sets a limit on the level of investments that can be made for more than 364 days. The PCC is asked to approve that we do not invest more than £2m for a period of greater than 1 year.

3.8 Annual Investment Strategy

The proposed Annual Investment Strategy for 2024/25 is attached at Appendix A. This includes the criteria for inclusion on the Counterparty List and also how this is split between Specified and Non-specified Counterparties. The Counterparty list is attached as Appendix B.

3.9 Returns on Investments

While returns on investments are of secondary importance to the security of the sums invested, it is still important to consider the potential impact of approving the Investment Strategy put forward. The limited number of counterparties on our list potentially restricts the returns, in the form of interest receivable, which the PCC can make.

3.10 The Bank of England Base rate is currently 5.25% and investment rates reflect the rise and fall of the base rate. This is reflected in the budget set for interest receivable in 2024/25 of £1m.

3.11 Counterparty Limits

As per the strategy in Appendix A, limits for specified counterparties are:

- The maximum investment with the Debt Management Office (Executive Agency for the management of HM Government cash) is unlimited.

- The maximum investment in Abrdn (formerly Standard Life Investment Company) is £15 million.
- The maximum investment in any one group (i.e. a bank and its wholly owned subsidiaries) is £15 million.
- The maximum investment with any one counterparty is £10 million.

3.12 For non-specified counterparties these are:
- The maximum investment in any one group (i.e. a bank and its wholly owned subsidiaries) is £15 million.
- The maximum investment with any counterparty is £10 million.

4. Implications

4.1 Finance
There are no financial implications arising from this report that is not included above.

4.2 Diversity & Equal Opportunities
There are no issues arising from this report to bring to the PCC's attention.

4.3 Human Rights Act
There are no Human Rights Act implications arising from this report.

4.4 Sustainability
This report is part of the process to establish sustainable annual and medium-term financial plans and maintain prudent financial management.

4.5 Risk
The investment strategy put forward today seeks to minimise the risks of the PCC while ensuring that the cash balances of the PCC are managed in line with proper practice and to ensure funds are available to make payments at the correct time.

5. Conclusions

5.1 To comply with the CIPFA Prudential Code of Practice, the PCC is required to set a range of Prudential Indicators for the financial year 2024/25.

5.2 The CIPFA code does not set benchmark indicators. Each organisation must use its judgement when setting indicators.

5.3 Based on the indicators proposed above, the revenue budget, capital programme and associated financing are within prudent limits.

5.4 A prudent Investment Strategy has been put forward for approval that seeks to firstly secure the money being invested before secondly looking at rates of return.

Michael Porter
CFO for the PCC

APPENDIX A

PCC for Cleveland Annual Investment Strategy

The PCC will have regard to the UK Government Guidance on Local Government Investments ("the Guidance") and the 2021 CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

The main investment priorities are:
- The security of capital; and
- The liquidity of its investments.

The PCC for Cleveland also aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

The borrowing of monies purely to invest or lend to others and make a return is not lawful and the PCC for Cleveland will not engage in such activity.

The guidance on Local Government Investments sets out a range of investments which can be used, and these are listed as either "specified" or "non-specified" investment categories.

In practice it is not intended that the PCC for Cleveland should depart significantly from the existing procedures, which have proven to be robust.

The guidance recognises that there has been much debate about the reliance placed by local authorities on counter parties' credit ratings. Credit ratings are an important source of information, but it is important to realise that they do have limitations. Authorities are advised to have regard to the ratings issued by the three main agencies and to make their decisions based on the lowest rating. Ratings should be kept under review and 'ratings watch' notices acted upon.

Credit ratings should not be relied upon in isolation to identify counterparties but should be considered along side generally available market information. Other sources of information should be reviewed by authorities. These include the quality financial press, market data, information on government support for banks and the credit ratings of that government support.

A PCC should define what it means by a high or strong credit rating in order that its treasury management strategy is clear and its approach to risk is transparent.

Although the guidance definition of Non-Specified Investments is "one not meeting the definition of a Specified Investment", the PCC is required to identify which categories of investments are identified as prudent to use and the limits on any such investment either individually or in total. It is because some organisations do not subscribe to credit rating agencies that they have to be included as Non-Specified Investments, rather than any concern over their creditworthiness.

Limits and Definition of Specified Investments

(a) The investment is made with the UK Government or a Local Authority (as defined in the Local Government Act 2003).
(b) The investment is made with a Money Market Fund which, at the time the investment is made, has been awarded the credit rating A (or equivalent), by a credit rating agency.
(c) The investment is made with the PCC's own bank, currently NatWest.
(d) The investment is made with a Nationalised Bank or Building Society
(e) The investment is made with a Bank or Building Society that is part owned by the UK Government.

Where officers become aware of a revision of a body's rating the body should be removed from the list of Specified Investments. The PCC currently has no method of knowing about changes in ratings and has organised the Specified and Non-Specified split to avoid subscribing to one of the companies supplying monthly ratings, which would be expensive.

All Specified Investments must be denominated in sterling and must be one where the PCC may require it to be repaid or redeemed within 12 months of the date on which the investment is made. The investment must not constitute the acquisition of share capital or loan capital in any body corporate.

- The minimum % of the total of all investments which must be Specified Investments, at the time the investment is made, is 5%.
- The maximum investment with the UK Government (via the Debt Management Office) is unlimited.
- The maximum investment with Abrdn plc (formerly Standard Life Investment Company) is £15 million
- The maximum investment in any one group (i.e. a bank and its wholly owned subsidiaries) is £15 million.
- The maximum investment with any other one counterparty is £10 million.

Limits and Definition of Non-Specified Investments

The investment is made with one of the bodies listed in Appendix B "Non-Specified Investments", or the investment is for a period of one year or longer.

All Non-Specified Investments must be denominated in sterling. The investment must not constitute the acquisition of share capital or loan capital in any body corporate.

- The maximum investment with any one counterparty is £10 million.
- The maximum investment in any one group (i.e. a bank and its wholly owned subsidiaries) is £15 million
- The maximum % of the total of all investments for a period of one year or longer, at the time the investment is made, is 10%.

APPENDIX B

SPECIFIED INVESTMENTS
Debt Management Office (DMO)
Aberdeen Asset Management plc (Abdrn plc)
National Westminster Bank (part of the Nat West Group
The Royal Bank of Scotland (part of the Nat West Group)

NON-SPECIFIED INVESTMENTS
Bank of Scotland (part of Lloyds Banking Group)
Barclays
Clydesdale Bank (part of Virgin Money UK PLC)
The Co-operative Bank
Halifax (part of Lloyds Banking Group)
HSBC Bank
Lloyds Bank (part of Lloyds Banking Group)
TSB Bank UK (part of Sabadell Group)
Virgin Money UK (part of UK Virgin Money PLC)
Nationwide Building Society
Santander UK
Yorkshire Building Society (including subsidiaries of Chelsea Building Society and Norwich and Peterborough Building Society)
Coventry Building Society
Skipton Building Society
Leeds Building Society
Principality Building Society
West Bromwich Building Society
Newcastle Building Society
Nottingham Building Society
Cumberland Building Society
National Counties Building Society

Criteria for Inclusion on Investment Counterparty List

- UK Clearing Banks and their wholly owned subsidiaries. Nationalised Banks and Nationalised Building Societies.
- UK Local Authorities, Police and Crime Commissioners and nationalised industries.
- The UK Government.
- Building Societies with Group Assets greater than £2bn

APPENDIX C

TREASURY MANAGEMENT POLICY

The Police and Crime Commissioner for Cleveland (PCC) adopts as part of its Financial Regulations the following four clauses of the CIPFA Code of Practice for Treasury Management and the Treasury Policy Statement as set out below. When considering the contents of this document it should be remembered that the responsibility for Treasury Management **must always** stay with the PCC and cannot be passed to an external party.

CLAUSE 1

The PCC will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement (see Appendix 1), stating the policies, objectives and approach to risk management of its treasury management activities.
- Suitable Treasury Management Practices (TMPs) (see Appendix 2), setting out the manner in which the PCC will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in the Code, subject only to amendment where necessary to reflect the particular circumstances of the PCC. Such amendments will not result in the PCC materially deviating from the Code's key principles.

CLAUSE 2

The PCC 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, quarterly reviews and an annual report after its close, in the form prescribed in its TMPs.

CLAUSE 3

The PCC retains the responsibility for the implementation and regular monitoring of its treasury management policies and practices, and delegates the execution and administration of treasury management decisions to the Chief Financial Officer of the Office of the Police and Crime Commissioner (OPCC), who will act in accordance with the PCC's policy statement and TMPs.

CLAUSE 4

The PCC nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Appendix 1
THE TREASURY MANAGEMENT POLICY STATEMENT (see Clause 1)

The treasury management policy statement defines the policies and objectives of the PCC's treasury management activities:

1. The PCC defines its treasury management activities as:
The management of the PCC's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

2. The PCC regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the PCC, and any financial instruments entered into for the management of these risks.

3. The PCC acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

4. The PCC's specific borrowing objective is to achieve the lowest level of interest paid on debt as prudently possible, while at the same time minimising the potential volatility of the average rate of interest.

5. The PCC's specific investment objective is to achieve an overall return on total deposits above the Sterling Overnight Index Average (SONIA) – the cost of borrowing by banks for a single day and which replaced LIBOR and LIBID– with the minimum risk of capital loss.

Appendix 2
THE TREASURY MANAGEMENT PRACTICES (TMPs) and INDICATORS

INDICATORS
There are 4 specific treasury management Prudential indicators. The PCC must set these annually and they must be approved by the PCC prior to the start of the financial year. Their purpose is to restrict the activity of the Treasury function to within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. They are:

- Upper Limits on Variable Interest Rate Exposure
- Upper Limits on Fixed Interest Rate Exposure
- Maturity Structures of Borrowing
- Total Principle Funds invested for greater than 364 days

PRACTICES
There are 12 Treasury Management Practices (TMPs) specified in the Code and all public sector organisations are expected to include those that are relevant to their Treasury Management powers and the scope of their activities as part of their detailed operational procedures. They cover the following:

- TMP1 – Risk Management
- TMP2 – Performance Management
- TMP3 – Decision-making and analysis
- TMP4 – Approved Instruments, methods and techniques
- TMP5 – Organisation, clarity and segregation of responsibilities, and dealing arrangements
- TMP6 – Reporting requirements and management information arrangements
- TMP7 – Budgeting, accounting and audit arrangements
- TMP8 – Cash and Cash Flow management
- TMP9 – Money Laundering
- TMP10 – Training and Qualifications
- TMP11 – Use of External Service Providers
- TMP12 – Corporate Governance

GUIDANCE ON INVESTMENTS
The PCC must produce an Investment Strategy, which must be approved by the PCC, prior to the start of the financial year. It may be revised during the year but must be approved again.

The strategy must consider the investment policy in terms of **S**ecurity – **L**iquidity – **Y**ield and must also define the approach to the use of both "specified" and "non-specified" investments.

Specified Investments are those that offer high security and liquidity and include investments with the UK Government and other local authorities and must be for less than one year and made in sterling.

The Strategy should deal in more detail with non-specified investments, identify the types of such investments, set a limit on the amounts held in them at any time in the year, and have guidelines for making decisions on such investments.