Report No. 02/14
National Park Authority

JOINT REPORT OF THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

SUBJECT: DRAFT BUDGET PLANNING 2014/15

Introduction

This report presents:

- The draft Revenue and Capital budgets for 2014/15 and implications on reserves.
- The draft 2014/15 Levy on Pembrokeshire County Council.
- Prudential Indicators for the capital programme.
- An Investment Strategy & Treasury Management Policy Statement for 2014/15.

The Draft Revenue and Capital Budgets for 2014/15

In October 2013 the Welsh Government published its draft budget and as anticipated it showed an unprecedented reduction in the funding of the National Park Grant (NPG) for the three Welsh National Park Authorities. The budget identified a funding cut of 8.76% for 2014/15 followed a further cut of 4.32% for 2015/16. However the Welsh Government confirmed that the capital grant for 2014/15 would remain at the same level as 2013/14. The Authority has still not received official confirmation of the N.P.A. grant but it is expected shortly in order that we can meet the levy deadline of February 15th 2014.

The Authority intends to balance the budget for 2014/15 by a combination of budget tightening across a range of service areas, prudent use of the capital grant and making more focused strategic cost reduction in specific budget areas. As way of mitigating the severity of the cuts the Welsh Government has allowed the Authority, for 2014/15 only, to divert £100k of funds previously assigned to the Sustainable Development program to support general revenue activities. The combination of the above will provide the Authority the necessary time to make more considered and fundamental decisions as to how it will balance the budget in 2015/16 and the years beyond.

The prospects in the short to medium term therefore look challenging but the Authority's cash backed reserves are fairly strong which positions the Authority well for the difficult years ahead. Against this back drop there will be a need to continue to review areas of activity to ensure resources continue to be allocated to meet priority objectives.

Baseline Revenue Budgets

The draft budget has been prepared in accordance with the annual budget strategy previously discussed by Members at a workshop in December 2013. In calculating the net cost of continuing existing services the budget planning has been based on the following assumptions and factors:

- Core NPA Grant & Levy reductions of 8.76% and 4.32% in 2014/15 and 2015/16 respectively.
- Removal of the Planning Improvement fund Grant.
- Reduction of 10% in certain Natural Resources Wales grants.
- Pay award increase of 1% 2014/15 and 2015/16.
- Other cost increases of 2.5% 2014/15 and 2015/16.
- Pension contribution rate maintained at 13.6% for 2014/15 and 2015/16.
- The budget will draw on earmarked reserves, previously approved by Members, to contribute to specific revenue or capital projects.
- The budgets have been prepared ensuring General Reserves do not fall below £300,000 (5% approx) at the end of the planning cycle.

National Park Grant & Levy

The N.P.A. Grant & Levy for 2013/14 was £4,720,577 and, as shown in the table below, the position for 2014/15 will be £4,307,108, a reduction of £413,469 or 8.76%. The position 2015/16 will be a further reduction of £186,061 or 4.32% meaning N.P.A. Grant & Levy will be £4,121,047.

	NPG	**Levy**	**Total**	**%**
2013 – 14 Base	**3,540,433**	**1,180,144**	**4,720,577**	
Reduction	**-310,102**	**-103,367**	**-413,469**	**8.76%**
2014 - 15	**3,230,331**	**1,076,777**	**4,307,108**	
Reduction	**-139,546**	**-46,515**	**-186,061**	**4.32%**
2015 - 16	**3,090,785**	**1,030,262**	**4,121,047**	

The table below illustrates the impact of the inflation adjusted funding. Over the 2014/15 and 2015/16 this reduces by £772,269, or 16.36%, and highlights the challenge to balance the budget:

2013 – 14 Base	**4,720,577**	
NPA & Levy reduction	-413,469	
PCNPA Inflation	-87,151	
2014 - 15	**4,219,957**	
NPA & Levy reduction	-186,061	
PCNPA Inflation	-85,588	
2015- 16	**3,948,308**	
Inflation Adjusted Reduction	***-772,269***	**-16.36%**

Revenue Budget 2014/15 – 2015/16

The revenue budget for 2013/14 and the draft budgets 2014/15 and 2015/16 are shown below and incorporate the accounting for the factors and assumptions detailed in this report. The Net Budget is compared with the anticipated level of NPG/Levy funding and the sum remaining is added to or deducted from the General Reserve balance.

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		£000's	
Revenue Budget	**2013/14**	**2014/15**	**2015/16 (Unadjusted)**
Baseline gross expenditure	6,199	6,243	5,976
Payrise/Inflation etc	89	88	85
Efficiencies/additional income	-16	-12	-13
Other	35	53	
Budget Tightening		-185	
Strategic savings		-101	
Gross Budget	**6,307**	**6,086**	**6,048**
Other grants & Local income	-1,582	-1,565	-1,467
Net Budget	**4,725**	**4,520**	**4,581**
NPG/Levy	-3,540	-3,230	-3,091
Levy	-1,180	-1,077	-1,030
SDF Funds		-100	
Capital Grant		-117	
Surplus / - Deficit	**5**	**3**	**-460**

Draft 2014/15 Capital Budget

The Draft Capital budget is presented below:

	Draft Budget 2014/15	Funded by WG Grant	Funded by other Grants	Funded by EMR	Funded by General Reserves	Funded by Benefit in Kind	Capital Receipts
ICT – Equipment	18,000			18,000			
Carew Interpretation	5,000			5,000			
Greening Park Initiatives	50,000			50,000			
Origins	380,000		204,554	131,000		44,446	
Car Par Integration	76,900			76,900			
Electronic Point of Sale System	15,000						15,000
Planning / Document Management	30,000			30,000			
Total	**574,900**		**204,554**	**310,900**		**44,446**	**15,000**

The draft 2014/15 Capital Programme is £574,900 with the major expenditure being on the Origins project. The program will be funded by; Heritage Lottery Fund and European Targeted Match funding £204,554, Earmarked Reserves £310,900, £44,446 from staff time as match funds & £15,000 from the Capital Receipts Reserve.

Details of the capital programme are:

- ICT – represents the usual cycle of IT equipment replacement.

- Carew Interpretation. The expenditure is respect of completion of Heritage Tourism Convergence Programme project with the addition work planned for the walled gardens.

- Greening Park Initiatives. The Authority intends to spend funds on energy saving green projects with the exact nature of the expenditure yet to be determined.

- Origins. This is the completion of the Heritage Tourism funded project to develop a National Centre and Hub of the origins and prehistory of Wales based at Castell Henllys.

- Car Park Integration. Work is in progress with Pembrokeshire County Council to integrate some of our car parking function. This will require an initial capital outlay but this should be recouped from efficiency saving within an acceptable time frame.

- Electronic Point of Sale System. Following the successful implementation of the new finance system this project will replace the Authority's point of sale software used by the TIC's and Heritage Centres.

- Electronic Planning / Document Management Systems. Following the implementation of the SWIFT system further outlay has been identified as a means of improving and producing a more efficient planning process and document management system.

Financial Reserves and Balances.

The Authority is required to keep a prudent level of working balances to maintain adequate cash flows to meet planned and unexpected expenditure. The General Reserve is a reserve created from prior years underspends and is available for any approved expenditure. Earmarked Reserves are reserves that have been built up from revenue funding over a numbers of years and have been set aside for specific projects. The Capital Reserve balance is made from the receipts of the Authority capital disposals in prior years and as such these funds are restricted for the use on capital expenditure.

The table below shows the anticipated cash reserves as at the end of 2013/14 and the projected impact of the 2014/15 budget and current 2015/16 forecast on the Financial Reserves of the Authority:

£000's

Financial Reserves	**Year-end Position 2012/13**	**Movement 2013/14**	**Year-end Position 2013/14**	**Movement 2014 /15**	**Year-end Position 2014/15**	**Current unadjusted Movement 2015/16**	**Year-end Position 2015/16**
General Reserves	498	271	769	3	772	-460	313
Capital Receipts	247	-15	232	-15	217		217
TOTAL	**745**	**256**	**1,001**	**-12**	**989**	**-460**	**529**
Earmarked Reserves:							
Receipts In Advance	174	-174					
Asset Management	37		37	-37			
Llanion Park	25	-12	13	-13			
Local Development Plan	120		120		120		120
Self-Insurance	30		30		30		30
Carew Castle Dev	180	-89	91	-5	86		86
Convergence Funding	4	-4					
Poppit Car Park	96	-96					
Staff Restructuring	80		80		80		80
IT & Public Sector Broadband	28	-10	18	-18			
National Park Wales	30		30		30		30
Finance System	25	-25					
Planning System	100		100	-30	70		70
Car Par Integration	77		77	-77			
Invasive Species Eradication Program	15	-15					
Surface Water Drainage And Sewage System Capacity Project	9	-9					
South Haven Depot	120	-120					
Origins	187	-56	131	-131			
Total	**1,337**	**-610**	**727**	**-311**	**416**		**416**
TOTAL	**2,082**	**-354**	**1,728**	**-323**	**1,405**	**-460**	**945**

As at the date of going to press, the predicted available reserves at the end of the 2013/14 financial year is £1,728k and is made up of forecasted General Reserves £769k, Capital Receipts of £232k and Earmarked Reserves of £727k. The levels of reserves remain relatively high but, in light of the current funding position, they are not excessive.

At the end of each financial year the revenue surplus or deficit is added to or deducted from the General Reserve balance. While the revenue budget for 2014/15 is a small surplus the position with regard 2015/16 is as yet unknown. The table currently shows the full impact of the £460k deficit in 2015/16 but there will be significant budget and organisational restructuring to address the deficit. This will be achieved by adhering to Wales Audit Office budget reduction guidance, a period of extensive consultation and significant member involvement. As a result of this remedial action it is expected that the General Reserve balance at the end of 2015/16 will be higher than that currently shown.

There is no definite capital disposals planned during the period although £15k will be used to fund the Capital Program and as a result the Capital Receipts Reserve is expected to fall to £217k by the end of 2014/15.

Earmarked Reserves are anticipated to fall from £727k as at end of 2013/14 to £416k at the end of 2014/15 with significant movements expected to be on the Origins and Planning System reserves.

Impact of Budget

The Authority is facing an unprecedented challenge to ensure it reduces its underlying cost base and or increase other revenue streams to match the significant reduction in the NPG and consequential cut to the levy. While the healthy reserve position affords the Authority a cushion to address the acute funding issues, these reserves are finite and will be soon depleted if no corrective action is taken.

It is anticipated that the indicative financial constraints will be managed by the continuation of the drive to gain improved efficiencies and cost savings, reviewing opportunities to develop local income and drawing down other sources of grant aid.

The further measures that are therefore necessary and proposed include:

- Continuous review of the structure of the Authority to identify efficiency savings and or improved service delivery.
- Working with partners to continue to deliver collaborative working arrangements.
- Reviewing existing service expenditure to identify areas where savings can be made by reducing services that are not supporting the priority improvement agenda and reviewing possible additional income.

Recommendations

That Members:

- **APPROVE in principle the draft budget 2014/15, subject to noting that the NPG/Levy estimate has yet to be confirmed.**
- **NOTE and endorse the forward planning budgets for 2015/16.**

Levy on Pembrokeshire County Council

The following statement is the statutory levy statement for Pembrokeshire County Council. Section 71 of the Environment Act 1995, Sub-Section 3, defines the way in which the levy is to be issued and this statement complies with the required format:

Levy on Pembrokeshire County Council

Parc Cenedlaethol Arfordir Penfro
Pembrokeshire Coast National Park

The Authority must authorise the making of a levy of £1,076,777 from Pembrokeshire County Council, in accordance with Section 71 of the Environment Act 1995 and the National Park Authorities (Levies)(Wales)(Regulations) 1995 SI 1995 No.3019 as amended by the National Park Authorities (Levies)(Wales)(Amendment) Regulations 1996:

•	the sum required to meet expenditure for the Authority which will fall to be charged for that year in the Revenue account is		£5,987,443
•	making such provision as is appropriate for meeting contingencies, the expenditure on which would fall to be charged in the Revenue Account		£Nil
•	the sum required to secure the availability to the authority of adequate working balances on its Revenue Account		£Nil
•	the sum required to provide the Authority with other requirements for covering any deficit brought forward from the previous financial year		£Nil
			------------
Sub-total			£5,987,443
LESS			
•	Section 72, Grant (NPG)	£3,230,331	
•	Income credited to the Revenue Account	£1,585,443	
•	other sums not covered above which are likely to be available in the year	£98,892	£4,910,666
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Levy requirement			**£1,076,777**

Members are advised that the official levy requirement must be notified to Pembrokeshire County Council by 15th February. It is recommended that the National Park Authority continue with the current arrangement of 12 equal monthly instalments receivable on or before the 12th of each calendar month, such payments to be received by bank transfer.

Recommendation

That Members AUTHORISE a levy of £1,076,777 *(or other appropriate amount as determined on receipt of confirmation of the approved net funding from the WG) from* Pembrokeshire County Council for the year 2014/15.

Prudential Code Indicators

The Local Authorities (Capital Finance & Accounting) (Wales) Regulations 2003 require the Authority to have regard to the *CIPFA Prudential Code* in setting annual budgets. Members are asked to consider the advice of the Chief Financial Officer in determining an affordable, prudent and sustainable capital investment programme.

The Prudential Code requires the Authority to consider Prudential Indicators encompassing estimated and actual expenditure and financing, and limits on both. These indicators are intended to support and record local decision making, and are not designed to be comparative indicators across local authorities. However, as the Authority is debt free and there are no proposals at this time to undertake further borrowing, due to the capital expenditure plans being financed either by revenue funds, external grant aid or capital receipts, then many of the indicators are not relevant.

The indicators of affordability address the revenue implications of an authority's financial strategy since, as a fundamental principle, all the borrowings of an authority are secured on its future revenue income. The Prudential Code requires the prudential indicators in respect of external debt to be set and revised taking into account their affordability. It is through this means that the objectives of sustainability and prudence are addressed year on year.

The following table sets out the actual capital expenditure that was incurred in 2011/12 and 2012/13 together with the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval, along with the actual/estimated net revenue stream for the years:

	Actual	***Actual***	***Estimate***	***Estimate***	***Estimate***
	2011/12	***2012/13***	***2013/14***	***2014/15***	***2015/16***
Capital Expenditure	**238,000**	**677,000**	**1,032,000**	**699,000**	**200,000**
FINANCING COSTS (interest receivable only)	- 19,000	- 26,000	- 20,000	- 20,000	- 20,000
Net Revenue Funding (NPG/Levy)	4,491,000	4,721,000	4,307,000	4,121,,000	4,121,,000
Ratio: Financing Costs/Net Revenue Funds	**-0.42%**	**-0.55%**	**-0.46%**	**-0.49%**	**-0.49%**

The negative percentages demonstrate that negative financing costs (i.e. income from investments) are contributing to the Authority's funding resources.

The next indicator is the Capital Financing Requirement. This is an important component of an authority's capital strategy in that it represents capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. The balance is a measure of the underlying need to borrow for a capital purpose. As mentioned above, the draft capital programme does not propose any borrowing for capital purposes and the Authority should remain debt free for the period, so the Capital Financing Requirement is estimated at £nil for the period up to 31 March 2016.

The prudential indicators for debt relate to the scale of the Authority's borrowing rather than simply its indebtedness. The Authority will need to set an Authorised Limit that separately identifies borrowing and other long term liabilities, and is intended to establish the outer boundary of the Authority's borrowing based on a realistic assessment of the risks. This limit is certainly not a limit that the Authority would expect to borrow up to on a regular basis, rather it is a maximum permitted limit available should the need arise during the year in relation to an unexpected need, either for capital or revenue purposes – an example being short term borrowing pending receipt of external grant. In taking your decisions on this budget report, Members are asked to note that the Authority Limit determined for 2014/15 will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

Authorised Limit for External Debt	***Estimate***	***Estimate***	***Estimate***	***Estimate***
	2011/12	***2012/13***	***2013/14***	***2014/15***
Borrowing	1,000,000	1,000,000	1,000,000	1,000,000
Other long term liabilities	0	0	0	0

The Authority also needs to set an Operational Boundary for its borrowing, based on probable rather than possible need. Breaches of the Operational Boundary would give early warning for corrective action to be taken to avoid a possible breach in the Authorised Limit of the Authority. As mentioned, the proposed capital programme does not identify the need for external borrowing, and this, coupled with a traditionally steady revenue income stream through the financial year, means that the Operational Boundary for the Authority can be set at a low level. The Chief Financial Officer recommends as follows:

Operational Boundary for External Debt	***Estimate***	***Estimate***	***Estimate***	***Estimate***
	2011/12	***2012/13***	***2013/14***	***2014/15***
Borrowing	250,000	250,000	250,000	250,000
Long term liabilities	0	0	0	0

It is possible that, while an authority's financial strategy may be affordable in the short term, it is imprudent and unsustainable because in the medium term it would, if pursued, be dependent on the use of borrowing to fund revenue expenditure. For this reason the Code makes it necessary, if a financial strategy is to be prudent, that it is one in which in the medium term Net Borrowing is only to be used for capital purposes. This is demonstrated through a comparison of Net Borrowing with the Capital Financing Requirement. Except in the short term, net external borrowing should not exceed the total Capital Financing Requirement in the previous year plus the estimates of any additional Capital Financing Requirements for the current and the next two financial years.

The Chief Financial Officer hereby reports formally that the Authority is complying with this aspect of the Code.

The Maturity Structure of Borrowing indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. In view of the Chief Financial Officer's recommendation not to raise any long term borrowing for the period, it is not necessary to set upper and lower limits for the maturity structure of borrowing.

In view of the low level of cash available for investment, it is the Chief Financial Officer's recommendation that only short-term investments are entered into for the period. It is therefore not necessary to set limits on investments to final maturities beyond the year-ends.

Investment Strategy 2014/15

The remainder of this report presents an Investment Strategy for 2014/15 in compliance with statutory guidance and in support of the prudential borrowing system.

Section 12 of the Local Government Act 2003 gives the Authority power to invest for "any purpose relevant to its function under any enactment or for the purposes of the prudent management of its financial affairs". The prudent management of its financial affairs is included to cover investments which are not directly linked to identifiable statutory functions but are simply made in the course of treasury management – being the type of investment undertaken by this Authority. Authorities are required to invest prudently the surplus funds held, with priority given to security and liquidity rather than yield.

This Strategy also supports CIPFA's *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes*.

The combined Investment Strategy & Treasury Management Policy for 2014/15 follows.

Recommendations

That Members:

- ***ADOPT the Prudential Indicators as presented***
- ***APPROVE the Investment Strategy & Treasury Management Policy Statement for 2014/15 (over).***

Background documents

- Welsh Assembly Government, draft budget proposals 2014/15
- Annual National Park Grant Bid
- The Local Government Act 2003
- The Local Authorities (Capital Finance & Accounting) (Wales) Regulations 2003
- Statutory Guidance on Local Government Investments
- CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes.

For further information please contact Richard Griffiths on 01646 624815.

Pembrokeshire Coast National Park Authority

INVESTMENT STRATEGY and
TREASURY MANAGEMENT POLICY STATEMENT
2014/15

1. INTRODUCTION

1.1. The Authority adopted CIPFA's Code of Practice for Treasury Management in Local Authorities. The Code sets out a framework of operating procedures for both Members and Officers to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the Authority. This Strategy also complies with statutory guidance on Local Government Investments.

1.2. The Authority defines its treasury management activities as:

"the management of the Authority's 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".

1.3. This Authority regards the successful identification, monitoring and control of risk to be the most important criteria by which the effectiveness of its treasury management and investment activities will be measured. Accordingly, the major focus of the analysis and reporting of treasury management decisions and transactions will be on their risk implications for the Authority, with priority given to the security and liquidity of its investments.

1.4. This Authority also acknowledges that effective treasury management should provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, but always in the context of effective risk management.

2. RESPONSIBILITIES

2.1. The responsibilities for Investment & Treasury Management are defined as follows:

(a) The Authority shall review and consider this Strategy in advance of the start of each financial year.
(b) The Chief Financial Officer shall ensure that satisfactory arrangements are in place for the delivery of this Strategy.
(c) The Chief Executive (National Park Officer) shall be responsible for all investment and treasury management activities, for ensuring that these activities are documented and resourced.
(d) The Chief Financial Officer where appropriate, shall ensure all investment and treasury management activities are in accordance with statutory requirements and CIPFA's Code of Practice for Treasury Management in the Public Services, and for ensuring that an annual Treasury Management report is presented to the Performance Review Committee.

3. APPROVED METHODS OF RAISING FINANCE

3.1. Short Term (up to 1 year):

- *Money markets*
- *Other local authorities*

- *Bank overdraft*
- *Internal funds*

3.2. Long term (over 1 year)

- *Public Works Loans Board*
- *Money Markets*
- *Leasing*

3.3 However, other than for short-term cash flow requirements, there are no plans to raise external debt during 2014/15. Notwithstanding this, the Authority is obliged to set limits for external debt - and approved such limits, as follows, in setting the 2014/15 budget in February 2014:

Authorised Limit for External Debt	***Estimate***	***Estimate***	***Estimate***	***Estimate***
	2011/12	***2012/13***	***2013/14***	***2014/15***
Borrowing	1,000,000	1,000,000	1,000,000	1,000,000
Other long term liabilities	0	0	0	0

Operational Boundary for External Debt	***Estimate***	***Estimate***	***Estimate***	***Estimate***
	2011/12	***2012/13***	***2013/14***	***2014/15***
Borrowing	250,000	250,000	250,000	250,000
Long term liabilities	0	0	0	0

3.4 The Maturity Structure of Borrowing prudential indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. In view of the Chief Financial Officer's recommendation in the 2014/15 budget report not to raise any long term borrowing for the period, it is not necessary to set upper and lower limits for the maturity structure of borrowing. This will be reviewed annually.

4. APPROVED ORGANISATIONS FOR INVESTMENT

4.1. The surplus cash resources of the Authority are such that investment will be limited to specified investments through accounts held with the Authority's Bankers, for a period not extending beyond the current financial year. If surplus cash resources increase significantly in the future, alternative investment sources may be considered and included in this Policy Statement at that time, requiring the formal approval of the Authority.

4.2. The credit rating of institutions holding the Authority's investment will be checked by the Finance Manager periodically via Standard and Poors' *website and a recommendation as to any action necessary in the event of a change in rating shall be made.*

4.3. In terms of Treasury Management, interest rate risk management is a top priority for local authority management. While fixed-rate borrowing and investment can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance may justify, or even demand, retaining a degree of flexibility through the use of variable interest rates on at least part of a treasury management portfolio. Operational Boundaries for the exposure to interest rate risks are set below, to support the target interest receivable on short-term investments (built into the revenue baseline budget) of £5,000.

- Upper limit for variable rate exposure – 100%
- Upper limit for fixed interest rate exposure – 75%

This means that the Chief Financial Officer will manage fixed interest rate exposures within the range 0% to 75% and variable interest rate exposures within the range 0%-100%.

4.4. *In view of the low level of cash available for investment, it was the Chief Financial Officer's recommendation in the 2014/15 budget report that only short term investments be entered into for the period. It is therefore not necessary to set limits on investments to final maturities beyond the year-ends.*

5. *TREASURY MANAGEMENT PRACTICES*

5.1. *The following Treasury Management Practices will guide treasury management activities:*

- TMP1 – Treasury Risk Management.
  Adequate cash balances will be maintained in the Authority's business account to fund the daily payments made from the account. Surplus cash balances will be invested only via minimum risk avenues.
- TMP2 – Best Value & Performance Measurement
  Treasury management decisions will be made with regard to achieving best value, and performance will be measured in terms of achieving budgetary targets whilst limiting risk.
- TMP3 – Decision Making & Analysis
  Decisions will be made as and when necessary, in a manner that balances cash requirements with cash surpluses whilst maximising investment returns and minimising risks. These decisions will be made within the boundaries set by the Authority's treasury management policies and statements.
- TMP4 – Approved Instruments, Methods and Techniques
  Surplus cash on the Authority's business account will, at the end of every banking day, automatically be transferred to a higher interest No Notice Business Account. The Authority may also transfer funds to other reputable U.K. Financial Institutions which offer more attractive rates of return. These institutions must however have the same or superior Standard & Poors verified credit rating.
- TPM5 – Treasury Management Organisation
  The Finance Manager will undertake the day-to-day Treasury Management activities, liaising with the Resources Manager and Chief Executive (National Park Officer) to consider longer-term issues as and when necessary.
- TMP6 – Reporting Requirements
  Performance will be assessed as part of the Authority's budget performance monitoring. A report will be presented at the year-end comparing actual investment income with budgeted income.
- TMP7 – Budgeting, Accounting, Audit
  Investment income from treasury management decisions is included within the Authority's budgets and accounts and is subject to inspection as part of the annual audit. Interest due on borrowings is also accounted for within the Authority's accounts.
- TMP8 – Cash and Cash flow Management
  The annual budgeting process will determine expenditure levels and sources of finance. On a daily basis, consideration will be given to the timing of cash receipts and cash payments. The Authority's Bankers telephone banking service and on-line banking service will be used to facilitate daily cash flow reviews.
- TMP9 – Money Laundering
  Money laundering will not be undertaken by this Authority.
- TMP10 – Staff Training & Qualifications
  Staff training will be discussed at least within the annual appraisal process, although requests for training will be considered at anytime.
  Essential staff qualifications are determined by the Authority as part of the recruitment and selection procedures.
- TMP11 – Use of External Service Providers
  The Authority will manage its treasury management arrangements without the use of external service providers.

- TMP12 – Corporate Governance
  The provision for annual reports on treasury management to the Authority's members forms a key part of the corporate governance arrangements in authorities.

This Strategy will be in force for the financial year 2014/15