

Merseyside Fire & Rescue Service

Treasury Management Policy Statement

The Authority defines its treasury management activities as:

1. The management of the Authority'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 Authority 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 Authority, and any financial instruments entered into to manage these risks.
3. The Authority 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.

Borrowing Policy

4. The Authority will borrow to fund capital expenditure and to ensure it has sufficient cash to pay its obligations falling within a three year time horizon.
5. The Authority will not borrow in advance to profit from the investment of the sums borrowed. Any decision to borrow in advance will be within estimated Capital Financing Requirements.

Investment Policy

6. The Authority's primary investment objective is the security of capital or protection from loss. Its secondary objective is the liquidity of its investments to ensure that sufficient funds are available when needed. The Authority will aim to achieve the optimum return on its investments commensurate with appropriate levels of security and liquidity.