

## **Treasury Consultancy Service – Revised Specification (Draft)**

To provide a comprehensive Treasury Consultancy Service in respect of debt and investment management within the context of the Council's overall treasury strategy

### **Information Provision – to be provided by e-mail to named contacts within the Authority**

- PWLB Interest Rates – to be provided in line with publication of same by the Debt Management Office (e.g. daily, twice-daily etc)
- PWLB Interest Rate Forecasts – on the day preceding that to which the forecast rate applies
- Economic data – daily bulletins of market movements, trends and events (such as release of MPC minutes). Weekly summaries.
- Legislation – concise analysis/interpretation of new and proposed legislation and its impact on the Council. To include Acts, Statutory Instruments and related Government decisions such as PWLB lending decisions, and consultation documents
- Codes of Practice – analysis of new codes, consultation papers and proposals and their impact on the Council. To include Treasury Management, Prudential and Accounting Codes.
- General Interest Rate forecasts – daily. To include Bank Rate, Pwlb forecast rates, short-term rates (LIBID, LIBOR etc) from a spread of analysts.
- Counterparty Creditworthiness Reports – weekly, incorporating credit ratings, sovereign ratings, CDS data, as a minimum.
- Credit Rating updates – immediately the outlook/ratings change.

### **Advice – to be provided by e-mail to named contacts within the Authority**

The provision of investment and borrowing advice should identify the various products available for use by the Council within the constraints of current legislation/guidelines/Codes of Practice detailing the benefits, or otherwise, in terms of security/liquidity and return. In addition, the following should also be provided:

- Investments
  - Long-term – timing, counterparties and period of investments
  - Short-term - Identification of potential counterparties
  - External Fund Managers - involvement in the selection process and monitoring of selected managers including benchmarking
  - Money Market Funds - involvement in the selection process and monitoring of selected managers including benchmarking
  - Provision of prudent parameters based on credit ratings, sovereign ratings and CDS spreads.
- Borrowing
  - Long/short-term – timing and period of loan
  - Interest rate targets
  - Sources of borrowing –PWLB/Market
  - Types of loan instruments e.g. LOBO
  - Compliance with Accounting Standards

- Maturity profile analysis
- Debt rescheduling – timing, target rates and re-financing options e.g. PWLB/Market loans. Analysis of costs/savings and impact on Council Fund and HRA.
- Other funding options e.g. leasing. Option appraisals for asset purchase.
- Strategic – advice on possible borrowing/investment strategies and ‘what if’ scenarios taking into account the Council’s financial position, targets and objectives, capital financing requirement. To be provided to coincide with the scheduled strategy/review meetings and on other occasions as appropriate.
- Technical advice on specific areas/issues such as Housing Stock transfers, Anti Money Laundering, in relation to Treasury Management

## **Meetings**

- Attendance by Client Relationship Manager at review/strategy meetings– minimum of twice per annum at Council offices with officers/Members to consider strategies on investment and borrowing.
- Attendance by Client Relationship Manager at ad hoc meetings if required at Council offices with officers/Members to discuss any areas of concern or in the light of changes in legislation, Codes of Practice, Accounting Standards or economic conditions and relevant events
- Attendance by Client Relationship Manager at ad hoc Council/Committee meetings for the purpose of presentations to Members/officers on relevant topics

## **Contacts & Support**

- Dedicated/named Client Relationship Manager – to be at least of Regional Director level within the organisation
- Dedicated/named Client Support Executive – a named contact who will be able to provide advice in the absence of the Client Relationship Manager
- Existence of additional support infrastructure to provide access to more specialist areas such as Anti-money laundering, HRA, capital financing options
- Access to company website

## **Training**

- Availability of regional seminars – emphasis on topics relevant to Wales
- Treasury Management training to comply with CIPFA Treasury Management Code officer/Member training expectations
  - On-site – minimum of one day per annum
  - Four free places per annum at regional training workshops when held

## **Reporting**

- Provision of document templates for:
  - Treasury Management Annual Strategy Report
  - Annual Investment Strategy
  - Annual Review/outturn Report
  - Treasury Management Practices (TMPs)
  - Quarterly monitoring reports
  - Prudential indicators

## **Year- end**

- Annual balance sheet review – to be completed by end of October in each year
- Fair value calculations for PWLB, market debt and investments by the end of April in each year

## **Performance**

It should be noted that performance in respect of adherence to contract specification will be subject to ongoing monitoring. Any deviation from the provision of services will be brought to the attention of the Client Relationship Manager and, if not rectified, may result in early termination of the contract.