**Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes Consultation**

**Response of South Oxfordshire DC**

**Simon Hewings, Interim Head of Finance**

**9 April 2021**

**Question 1: Do you agree with the proposal that organisations that have adopted the Treasury Management Code will have to explicitly document a formal and comprehensive knowledge and skills schedule to ensure the effective acquisition and retention of treasury management skills for those responsible for the management, delivery, governance, decision-making and compliance with legislative requirements? If not, why not? What alternatives would you suggest?**

Yes

**Question 2: Do you agree with the proposals for what should be included in a knowledge and skills schedule?**

Yes

**Question 3: Do you agree with the proposals for the monitoring and review of treasury management knowledge and skills? Do you agree that these are best specified in guidance to the Treasury Management Code? If not why, not? What alternatives do you suggest?**

Yes

**Question 4: Do you agree that guidance to the Treasury Management Code should include specifications on key competencies for treasury management roles?**

No – this should be determined locally based on the circumstances of the individual council

**Question 5: Do you agree with the addition of a new TMP to address environmental, social and governance risks? If not, why not? What alternatives do you suggest?**

Whilst environmental, social and governance matters are rightly becoming of increasing importance, the CIPFA treasury management code rightly enshrines security, liquidity and yield – in that order – as the key factors to consider in any treasury management decision. Environmental and social policy should influence the treasury management code but not necessarily be incorporated within it, as there will be occasions where this complicates and conflicts. If there is to be an additional TMP for ESG risks then this will need to be done in a way that compliments the primacy of security over liquidity and yield as the key factors.

The council is developing a Climate Action Plan and Strategy and other ESG polices which will be an integral part of the council’s core policy framework and influence all areas of the business.

**Question 6: Do you agree more complex treasury management functions (ie a professional client under MiFID II legislation) means that local authorities would benefit from the support of a dedicated committee to review decisions and strategies and that CIPFA should recommend this in its guidance provided to local authorities? If not, why not? What alternatives would you suggest?**

No – this is already catered for through the current committee structure.

**Question 7: Do you agree with the removal of the maturity structure of borrowing treasury management indicators on the introduction of the liability benchmark indicator? If not, why not? What alternatives would you suggest?**

No