SOAS University of London

Treasury Management Policy			
Document type:	Policy		
Document number:	FIN-274	Version:	02
Department:	Finance and Procurement		
Approved by:	Resource & Planning Committee	Date approved:	17/06/2026
Effective from:	18/06/2026	Review date:	18/06/2029
Publication:	SOAS website		
Related documents:			
Documents replaced:	FIN-274-01 Treasury Management Policy		

Note: All policies must be read in conjunction with all other SOAS policy, procedure and guidance documents. Printed copies of policies may not be the most up to date, therefore please refer to the policy pages on the SOAS external website or intranet for the latest version.

1. Purpose and Scope

1.1. Treasury activities relate to banking services, such as current accounts, foreign exchange, cash deposits and credit facilities, that are crucial to the operation of the university with regard to the Office for Students financial liquidity regulations.

1.2. This Policy establishes the framework within which the University manages its treasury activities in order to ensure prudent stewardship of financial resources. It defines the objectives, responsibilities, and controls for cash management, short term investments, borrowings, and associated financial risks.

Commented [DF1]: General note - can we update all references to 'School' to 'University'

1.3. The Policy applies to all treasury activities conducted by the Finance and Procurement Directorate on behalf of the University and its subsidiary undertakings. It excludes student funds held or passed through in custody, or independent research balances, managed under separate arrangements.

1.4. Treasury management shall support the University's broader financial and strategic objectives by:

- Safeguarding the integrity and liquidity of funds.
- Ensuring compliance with all statutory, regulatory, and contractual obligations.
- Managing financial risk to acceptable levels whilst acknowledging that not all risk can be eliminated.
- Supporting the long-term sustainability and resilience of SOAS.

1.5. This Policy is designed to be read in conjunction with the University's Financial Regulations, Risk Management Framework, Ethical Investment and Banking Policy, and Standing Orders for Financial Authorities.

2. Governance and Regulatory Framework

2.1. The University shall conduct all treasury activities in accordance with:

- The CIPFA Treasury Management in the Public Services Code of Practice (2021);
- The CIPFA Prudential Code for Capital Finance (2021);
- The Office for Students (OfS) Terms and Conditions of Funding and Financial Sustainability framework; and
- The Financial Reporting Council Corporate Governance Code (2024).

2.2. The Board of Trustees has ultimate responsibility for treasury management and shall ensure the establishment of appropriate systems of control, approval, and reporting.

2.3. The Resources & Planning Committee shall provide detailed oversight of the treasury management function, approve the annual Treasury Management Strategy, and monitor performance, compliance, and risk exposure throughout the year.

2.4. The Audit & Risk Committee shall review the adequacy of internal controls and receive assurance on compliance with this Policy through audit reports, management attestations, and external verification as appropriate.

2.5. The Chief Finance Officer (CFO) is responsible for implementing this Policy, maintaining procedures, and ensuring staff competence and compliance. The CFO shall report regularly to the Resources & Planning Committee and annually to the Board of Trustees on treasury performance and compliance.

2.6. All treasury management activities shall be undertaken ethically, transparently, and in accordance with the University's commitment to responsible investment and sustainability principles.

3. Treasury Management Objectives

3.1. The key objectives of the University's treasury management are to:

- Safeguard funds by ensuring security of principal through prudent investment and credit risk management;
- Ensure liquidity by maintaining adequate cash resources and committed facilities;
- Optimise returns commensurate with risk;
- Manage financial risk effectively, including interest rate, refinancing, and counterparty risks;
- Comply with all regulations and best practice codes; and
- Support ESG and sustainability goals in all financial decisions.

3.2. The University recognises that effective treasury management is essential for financial sustainability. It shall therefore maintain the capacity, systems, and governance arrangements necessary to manage liquidity, investments, and debt on a proactive and professional basis.

3.3. Treasury management shall not be speculative in nature. The University shall not enter into any transactions motivated primarily by profit that expose it to financial risk outside its normal operational parameters.

4. Roles and Responsibilities

4.1. The Board of Trustees

- Approves this Policy and the annual Treasury Management Strategy.
- Considers reports from the Resources & Planning Committee and Audit & Risk Committee.
- Approves borrowing arrangements above thresholds set in Financial Regulations.
- Ensures that treasury management is conducted in line with strategic priorities and risk appetite.

4.2. The Resources & Planning Committee

- Reviews and recommends the annual Treasury Management Strategy to the Board of Trustees in line with the annual Budgeting process.
- Monitors compliance with the OfS financial sustainability standards.
- Monitors investment performance, borrowing costs, and risk exposure.
- Approves the list of approved counterparties and limits.
- Reviews quarterly and annual treasury reports submitted by the CFO.

4.3. The Audit & Risk Committee

- Receives internal audit reports on treasury management and reviews control adequacy.
- Monitors compliance with the CIPFA Codes.
- Ensures the risk register reflects treasury-related risks appropriately.

4.4. The Chief Finance Officer

- Is accountable for the implementation of the Treasury Management Policy and Strategy.
- Maintains up-to-date procedures, ensuring they are understood and followed by staff.
- Ensures appropriate segregation of duties, authorisation levels, and systems security.
- Reports material breaches or risks to the Resources & Planning Committee and Audit & Risk Committee.

4.5. The Finance and Procurement Team

- Executes operational cash management, including payment authorisation and investment placement.
- Prepares cash flow forecasts, liquidity analysis, and treasury reports.
- Maintains records of transactions, counterparties, and interest earnings.

4.6. Internal Audit

- shall review treasury activities periodically to confirm compliance with this Policy and assess the effectiveness of controls and governance.

SOAS University of London

5. Treasury Risk Management Framework

5.1. Treasury risk management shall identify, monitor, and control exposures arising from the University's financial activities. The University's approach to risk management shall be documented in operational procedures supporting this Policy.

5.2. Liquidity Risk

- The University shall maintain sufficient working capital to meet operational and capital requirements at all times. A minimum liquidity ratio equivalent to 60 days of operational expenditure shall be held in cash or near-cash instruments.
- Cash flow forecasts shall be updated monthly and reviewed by the CFO quarterly.
- Contingency arrangements, including overdraft or revolving credit facilities, shall be maintained to manage short-term volatility.

5.3. Interest Rate / FX Risk

- Interest rate exposure on borrowings shall be managed through a balanced portfolio of fixed and variable rate debt.
- The proportion of fixed-rate debt shall normally be between 50% and 90% of total borrowing.
- Where appropriate, the University may consider interest rate hedging instruments to mitigate exposure, subject to Resources & Planning Committee and Board of Trustees approval.
- The University's primary operating currency is sterling. Exposure to foreign currencies via the denomination of fees and income, or supplier sourcing, shall be limited and managed prudently.
- Foreign currency transactions arising from operational activities may be undertaken where necessary; however, the University shall seek to minimise exchange rate risk through appropriate management of inflows and outflows.
- The use of foreign currency accounts or hedging instruments may be considered where exposure is material, subject to CFO oversight and, where appropriate, approval by the Resources & Planning Committee.
- The University shall not undertake speculative foreign exchange transactions.

5.4. Credit and Counterparty Risk

- Investments shall only be made with approved counterparties that meet the minimum credit rating of A- (S&P/Fitch) or A3 (Moody's).
- The CFO shall maintain a current list of approved institutions, reviewed annually.
- If not placed with our normal retail banking partners, no more than 20% of total cash may be placed with any other single counterparty.
- Diversification shall be maintained across counterparties, sectors, and maturities.

5.5. Debt Refinancing and Funding Risk

- Debt maturities shall be spread where possible to avoid refinancing concentration in any single period.
- The University shall maintain access to more than one funding sources and instruments to reduce reliance on any one provider or method.
- Borrowing plans shall include sensitivity testing on interest rate movements and refinancing scenarios.

5.6. Operational Risk

- Normally operational instructions are in writing, but our banking partners may also provide access to their online treasury platforms for execution of transactions (particularly foreign exchange)
- Treasury transactions shall require dual authorisation, with separate roles for initiation and approval in line with personal financial authorisation limits.
- System access shall be restricted by user roles, and audit logs shall be maintained.
- The University shall ensure that appropriate cyber security, backup and disaster recovery arrangements are in place by the provider.

5.7. Compliance and Legal Risk

- All treasury activities shall comply with relevant laws, funding agreements, and financial covenants and with regard to the Anti Money Laundering and Counter Terrorist Financing Policy
- The CFO shall maintain a compliance checklist and report exceptions immediately to the Audit & Risk Committee.

6. Investment Policy

6.1. The University shall invest its surplus funds prudently, prioritising security of capital, liquidity, and yield, in that order of importance. All investments must comply with the CIPFA Treasury Management Code (2021) and the University's Ethical Investment and Banking Policy (FIN-074) which sets the guidelines in relation to ESG and ethical considerations.

6.2. Investment Objectives

6.2.1.The University's investment objectives are to:

- Maintain sufficient liquidity to meet operational and capital requirements;
- Safeguard the capital value of investments;
- Generate a return commensurate with risk, benchmarked against SONIA;
- Ensure alignment with ESG and ethical principles;
- Comply with all regulatory and governance requirements.

6.3. ESG and Ethical Considerations

6.3.1.All investments shall align with the ESG principles and exclusion criteria set out in FIN-074.

6.3.2.The University shall:

- Integrate ESG factors into all investment decisions;
- Undertake ESG due diligence on all counterparties, including periodic review;
- Apply ESG considerations proportionately to banks, funds, and sovereign exposures.

6.4. Permitted and Prohibited Investments

6.4.1.Permitted investments include:

- Sterling deposits with approved institutions;
- UK Government securities;
- AAA-rated money market and liquidity funds.

6.4.2. The University shall not invest in:

- Higher-risk or non-treasury assets (e.g. equities, derivatives, foreign currency instruments) unless specifically approved;
- Any investment that breaches ESG or ethical criteria.

6.5. Risk Management and Diversification

- Investments shall be diversified across counterparties, sectors, and maturities and must comply with approved credit and exposure limits.

6.6. Performance, Controls and Governance

- Investment performance shall be benchmarked against SONIA and reviewed regularly.
- All transactions shall require dual authorisation and be recorded in a central register.
- Oversight shall be provided by the Resources & Planning Committee and Audit & Risk Committee, with the CFO responsible for implementation and compliance.

7. Borrowing and Debt Management

7.1. The University may borrow funds to support strategic capital investment or manage temporary cash flow shortfalls. Borrowing shall be conducted within prudential limits approved by the Board of Trustees.

7.2. Borrowing Objectives:

- Ensure that all borrowing is affordable, sustainable, and aligned with the University's financial strategy.
- Maintain appropriate flexibility through a mix of long-term, short-term or Revolving Credit Facility funding.
- Minimise exposure to refinancing and interest rate risks.
- Ensure compliance with all lender covenants and regulatory requirements.

SOAS
University of London

7.3. Borrowing Powers and Approval:

- The Board of Trustees authorises all borrowing arrangements.
- The Resources & Planning Committee shall review and recommend borrowing proposals, supported by financial appraisals demonstrating affordability and risk mitigation.

7.4. Affordability and Risk Assessment

7.4.1. Every borrowing proposal must include:

- Detailed cash flow projections covering the full term of the debt.
- Sensitivity analysis on interest rate and inflation movements.
- Confirmation of compliance with loan covenants and financial ratios.
- Independent professional advice for borrowings exceeding £5 million or involving complex financial instruments.

7.5. Debt Portfolio Management:

- The CFO shall maintain a schedule of all outstanding borrowings, including principal amounts, interest rates, maturities, and covenant obligations.
- Debt maturity shall be staggered where possible to reduce refinancing concentration, with a target profile ensuring no more than 50% of total debt matures within any five-year period.

7.6. Types of Borrowing Instruments:

- Variable-rate and fixed-rate term loans from UK banks or public works loan sources.
- Variable-rate or revolving credit facilities for short-term liquidity.
- Private placements or bond issues approved by the Board of Trustees.

7.7. Prohibited Borrowing Activities:

- The University shall not enter into speculative borrowing or borrowing denominated in foreign currencies without Board of Trustees approval.
- All derivatives associated with debt (e.g. swaps) must be used solely for risk management.

8. Cash and Liquidity Management

8.1. Effective cash and liquidity management are essential to ensure the University can meet its financial obligations and optimise the return on surplus balances.

8.2. Cash Flow Forecasting:

- The Finance and Procurement Team shall maintain a rolling 12-month cash flow forecast, updated monthly, to monitor inflows and outflows.
- Forecasts must incorporate operating budgets, capital programmes, loan repayments, and major income events (e.g., tuition fee receipts, research grants).

8.3. Cash Balances and Liquidity Targets:

8.3.1. The University shall maintain:

- A minimum liquidity ratio equivalent to 60 days operational expenditure.

- Cash or near-cash reserves sufficient to cover payroll and essential commitments for at least 30 days.
- The CFO shall review liquidity levels quarterly and report variances to the Finance & Planning Committee.

8.4. Banking Arrangements:

- The University shall maintain banking relationships only with institutions meeting approved credit criteria.
- Bank accounts shall be held in the name of the University or its subsidiaries, and no individual shall open or close bank accounts without the written approval of the CFO.

8.5. Payment Controls:

- All payments shall require dual authorisation by designated signatories.
- Electronic banking access shall be limited to authorised staff and reviewed quarterly.
- Bank reconciliations shall be completed monthly and independently reviewed.

8.6. Short-Term Liquidity Facilities:

- To mitigate short-term funding risk, the University may arrange overdraft or revolving credit facilities with approved banks.
- The use of such facilities shall be reported to the Resources & Planning Committee as part of the regular treasury monitoring report.

9. Use of Derivatives and Hedging Instruments

9.1. The University may enter into derivative contracts solely for the purpose of hedging genuine financial exposures. Permitted instruments include:

- Interest rate swaps or caps to fix or limit exposure on variable-rate borrowings.
- Forward rate agreements to lock in future borrowing costs.
- Foreign exchange forward rate agreements or derivatives to protect against adverse losses on translation back to pounds sterling

9.2. Derivatives may not be used for speculative or trading purposes.

- Each proposed transaction must be supported by:
  - An independent risk assessment;
  - Legal review of contract documentation (e.g., ISDA agreements); and
  - Formal approval by the Board of Trustees following recommendation from the Finance & Planning Committee.

9.3. The CFO shall maintain a register of all derivative instruments, showing counterparty, notional amount, maturity, and mark-to-market valuations. Exposure to any single counterparty through derivatives shall not exceed approved credit limits.

9.4. Accounting treatment for derivative instruments shall comply with applicable financial reporting standards (e.g., FRS 102).

SOAS
University of London

10. Fraud, Error, and Contingency Management

10.1. The University shall maintain robust internal controls to prevent and detect fraud or error in treasury operations. Controls shall include:

- Segregation of duties between initiation, approval, and reconciliation;
- Dual authorisation for all payment and investment instructions;
- Independent monthly bank reconciliations;
- Periodic internal audit review of treasury systems.

10.2. Contingency and Business Continuity:

- The Finance Directorate shall maintain contingency procedures for treasury operations in the event of system outages, cyberattacks, or other disruptions.
- This includes backup of key data, offsite storage of authorisation lists, and manual payment processes where necessary.

10.3. Incident Reporting:

- All suspected fraud, financial irregularity, or control breaches shall be reported immediately and managed in accordance with the University's Counter Fraud Policy and Whistleblowing Policy. These policies set out the procedures for reporting concerns, including confidential disclosures, and the protections available to individuals raising such concerns.
- Disciplinary and investigative procedures shall follow the University's Fraud Response Plan.

10.4. Insurance and Safeguards:

- The University shall maintain appropriate fidelity and professional indemnity insurance covering treasury operations and authorised officers.

11. Reporting and Performance Review

11.1. The University shall maintain a robust reporting framework to ensure transparency, accountability, and effective oversight of treasury management activities.

11.2. Annual Treasury Management Strategy:

11.2.1. Before the start of each financial year, in line with the annual Budgeting process, the CFO shall prepare and present to the Resources & Planning Committee an annual Treasury Management Strategy setting out:

- The projected cash flow and borrowing requirements for the year;
- The proposed investment strategy and counterparty list;
- Prudential indicators and performance benchmarks;
- Risk management parameters (liquidity, interest rate, counterparty exposure); and
- Any anticipated changes to the regulatory or financial environment.

11.2.2. Following Committee review, the Strategy shall be submitted to the Board of Trustees for approval.

SOAS University of London

11.3. Mid-Year Performance Review:

11.3.1. The CFO shall report to the Resources & Planning Committee at least once during the financial year, providing a mid-year assessment of:

- Actual cash and investment balances;
- Compliance with approved limits and counterparties;
- Borrowing performance and covenant compliance;
- Emerging risks, market conditions, and any proposed adjustments to strategy.

11.4. Annual Outturn Report:

11.4.1. At year-end, the CFO shall submit a Treasury Outturn Report to the Resources & Planning Committee and Board of Trustees summarising:

- Actual performance compared to benchmarks;
- Investment income and borrowing costs;
- Compliance with the Policy and Strategy;
- Internal and external audit findings; and
- Lessons learned or improvements proposed for the coming year.

11.5. Ad Hoc and Exception Reporting:

- Any breach of the Policy, counterparty limits, or risk thresholds shall be reported immediately to the CFO, who shall notify the Chair of the Resources & Planning Committee and the Audit & Risk Committee.
- The report shall include corrective action taken and recommendations for future prevention.

11.6. Performance Benchmarks:

- Investment returns shall be benchmarked against the SONIA overnight rate and peer sector averages (as available through HESA or sector treasury surveys). Borrowing performance shall be evaluated against prevailing market rates for comparable tenors.

11.7. Audit and Assurance:

- Internal Audit shall review treasury activities at least once every three years, providing independent assurance on control effectiveness, risk management, and compliance. Audit findings shall be presented to the Audit & Risk Committee, with agreed management actions tracked through the Committee's audit follow-up process.

12. Staff Training and Competence

12.1. The University recognizes the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements.

13. Use of External Advisors and Service Providers

13.1. The University may engage external advisors to provide specialist treasury, legal, or credit risk advice, recognising that such expertise can enhance decision-making and compliance with best practice.

13.2. Appointment of Advisors:

- External advisors shall be appointed in accordance with the University's procurement policy, based on demonstrated competence, value for money, and independence.
- Advisory relationships shall be reviewed periodically (at least every three years) to confirm performance and continued suitability.

13.3. Scope of External Advice:

13.3.1. External advisors may be used for:

- Treasury strategy formulation and performance benchmarking;
- Credit risk assessments and counterparty analysis;
- Borrowing negotiations and documentation (including covenants);
- Derivative or hedging advice;
- Market forecasts and liquidity management support.

13.3.2. Responsibilities:

- While advisors provide guidance, responsibility for all decisions remains with the University and its authorised officers. The CFO shall ensure that reliance on any single advisor or service provider does not create undue operational or strategic dependency.

13.3.3. Banking and Investment Service Providers:

- All banking and investment relationships shall be subject to regular review of performance, charges, and service quality. Contracts or mandates with providers must define authorised signatories, service levels, and reporting requirements.

14. Policy Compliance, Audit, and Review

14.1. The University shall operate its treasury management activities in full compliance with this Policy, the CIPFA Codes, and all relevant legal and regulatory requirements.

14.2. Internal Audit:

- Internal Audit shall periodically review the operation of the Policy, including the effectiveness of controls, accuracy of records, and adherence to limits. Audit findings shall be reported to the Audit & Risk Committee.

14.3. External Audit:

- The external auditors shall review treasury activities as part of their audit of the University's financial statements and may perform additional assurance procedures where material treasury risks exist.

14.4. Policy Review Cycle:

14.4.1. This Policy shall be reviewed at least every three years, or sooner if required by:

- Changes to the CIPFA or OfS frameworks;
- Material changes in the University's financial position; or
- Introduction of new instruments, systems, or significant market developments.

14.4.2. Approval Process:

- Amendments to this Policy require recommendation by the Resources & Planning Committee and approval by the Board of Trustees. The CFO shall ensure the latest approved version is published on the University's internal policy register and communicated to all relevant staff.

14.4.3. Record Keeping:

- All treasury-related documentation, including transaction records, authorisations, contracts, and reports, shall be retained for a minimum of six years in line with financial retention policies. Electronic records shall be stored securely and backed up in accordance with IT policies.

14.4.4. Compliance Statement:

- The CFO shall include in the annual outturn report a formal statement confirming compliance with this Policy and explaining any deviations or breaches, along with remedial actions taken.

SOAS
University of London

Appendix A - Treasury Management Objectives

The University's treasury management objectives are designed to ensure prudent stewardship of financial resources, supporting strategic priorities and long-term sustainability.

1. **Financial Stewardship**
   1.1. To safeguard the University's assets and ensure the integrity and security of cash, investments, and borrowings.
   1.2. To operate within an approved framework of controls, delegations, and reporting mechanisms.

2. **Liquidity and Funding**
   2.1. To ensure the availability of adequate cash resources and committed borrowing facilities to meet the University's financial obligations at all times.
   2.2. To manage liquidity through accurate forecasting and proactive engagement with funding providers.

3. **Risk Management**
   3.1. To identify, monitor, and manage treasury risks -including liquidity, interest rate, credit, refinancing, and operational risks.
   3.2. To maintain diversification across counterparties and funding sources to avoid over-reliance on any single institution or market.

4. **Value for Money**
   4.1. To optimise investment returns and minimise borrowing costs consistent with a prudent risk profile.
   4.2. To ensure efficiency and transparency in treasury operations, supported by professional advice where appropriate.

5. **Ethical and ESG Commitments**
   5.1. To align investment and borrowing decisions with the University's sustainability, social responsibility, and ethical principles.
   5.2. To favour counterparties and funds demonstrating strong ESG performance and governance standards.

SOAS
University of London

Appendix B - Counterparty and Investment Limits

To safeguard funds, the University applies strict counterparty limits and credit rating requirements. All counterparties must meet or exceed the minimum ratings shown below and be approved by the CFO.

Counterparty Type	**Minimum Credit Rating**	**Maximum Exposure (% of Total Cash)**	**Maximum Term**	**Approval Level**
UK Banks	A- (S&P/Fitch) or A3 (Moody's)	100%	12 months	CFO
UK Building Societies	A- (S&P/Fitch)	50%	6 months	CFO
UK Government (Gilts, Treasury Bills)	n/a	50%	As issued	Automatic
AAA-rated Money Market / Liquidity Funds	AAA	50%	Instant Access	CFO
Local Authorities	Investment-grade	10%	12 months	CFO
Overseas Banks (EEA or G7)	A or higher	10%	6 months	Resources & Planning Committee

1. **Sector Concentration Limits**
    - No more than 50% of total investments shall be held within any single sector outside of UK banks.
2. **Group and Country Limits**
    - Exposure to any banking group outside the University's usual retail banking partners shall not exceed 25% of total funds.
      Investments in non-UK institutions shall not exceed 15% of total funds in aggregate.
3. **Review and Monitoring**
    - The CFO shall review counterparty limits quarterly, taking account of rating agency changes and market developments.
    - All breaches shall be reported to the Resources & Planning Committee with immediate corrective action.

SOAS
University of London

Appendix C - Delegated Authorities

Delegations provide clarity on who may authorise or execute treasury transactions, ensuring segregation of duties and accountability.

Authority Level	**Function**	**Delegation Limit**	**Reporting Line**
Board of Trustees	Approve Treasury Policy, borrowing over £10m, and annual Strategy	Unlimited	n/a
Resources & Planning Committee	Approve Treasury Policy, borrowing over £10m, and annual Strategy	Unlimited	Board of Trustees
CFO	Authorise investments, execute borrowing within approved Strategy	Up to £10m per transaction	Board of Trustees
Head of Financial Compliance	Manage day-to-day liquidity, approve short-term deposits	Up to £1m per transaction	CFO
Internal Audit	Review compliance, controls, and record-keeping	n/a	Audit & Risk Committee

1. **Authorised Signatories**
    - All payments, investments, and borrowings require at least **two authorised signatures**. The authorised signatory list shall be maintained by the CFO and reviewed quarterly.
2. **Temporary Delegation**
    - In the absence of the CFO, authority may be temporarily delegated in writing to a senior finance officer for specific transactions.

SOAS
University of London

Appendix D - Glossary of Key Terms

Term	Definition
CIPFA	Chartered Institute of Public Finance and Accountancy – the UK professional body governing public sector finance standards.
SONIA	Sterling Overnight Index Average – the benchmark rate for sterling-denominated transactions.
Counterparty	Any institution or entity with which the University conducts financial transactions.
Liquidity	The ability to meet financial obligations as they fall due without incurring unacceptable losses.
Prudential Indicators	Metrics used to ensure borrowing and investments remain affordable, prudent, and sustainable.
ESG	Environmental, Social, and Governance criteria, used to assess the sustainability and ethical impact of investments.
Refinancing Risk	The risk that maturing debt cannot be replaced on reasonable terms.
Credit Rating	An independent assessment of a borrower or institution's creditworthiness by agencies such as S&P, Fitch, or Moody's.
Derivatives	Financial instruments (e.g., swaps, forwards, futures, options) used to hedge interest rate or currency risks.
OfS	Office for Students – the regulator of higher education institutions in England.