

Decision of the Chief Executive

Wednesday 1 April 2020 at

Present: David Stevens – Chief Executive;
Surjit Tour – Director of Law and Governance & Monitoring Officer

2/20 **Declarations of Interest**

No declarations of interest were made.

3/20 **Increase of Cash Deposit Limits**

The Chief Executive, acting in accordance with his delegated authority:-

Agreed that in light of the current COVID-19 crisis, approval is given to increase the Council's short term cash deposit limits with approved financial institutions and Money Market Funds (MMFs) from £10m to £20m during the period of the pandemic.

Reason for Decision

Due to the current COVID-19 crisis, there is a necessity to give greater flexibility to the Councils daily cashflow processes to allow it to deposit money into safe instant access accounts where it can be called upon immediately. The Council is due to receive an amount of approximately £73m in relation to the Small Business Grant Fund on 1st April 2020 and, whilst plans are being finalised on how to most effectively utilise and distribute these resources, they need to be invested in secure financial instruments that can be called upon immediately.

The number of safe institutions and funds that the Council can invest with is limited and so it is necessary to temporarily increase the limits to allow greater cashflow flexibility until the crisis is over.



Alternative Options considered and discounted

Failure to increase the level of cash deposit limits will result in a major risk to the Council's investment.


Signature

A solid black rectangular box redacting the signature of David Stevens.

**David Stevens
Chief Executive**

Date Decision: 1 April 2020

Delegated Decision Report

Report Title:	Increase of Cash Deposit Limits
Decision to be taken by	Chief Executive
Lead Director:	Darren Carter
Date of Decision	31/03/20
Contribution towards Vision 2030:	
Key Decision:	
Reason for Urgency/Special Urgency:	Need to Increase cash deposit limits to improve the Councils cash flow during the COVID-19 Crisis.
Exempt Information Ref:	
Scrutiny Consultation	Scrutiny consultation is not required
Lead Officer:	Carl Burke

DECISION RECOMMENDATIONS

1. That in light of the current COVID-19 crisis, approval is given to increase the Council's short term cash deposit limits with approved financial institutions and Money Market Funds (MMFs) from £10m to £20m during the period of the pandemic.
2. That the Chief Finance Officer review the requirement to increase the Council's short term cash deposit limits in three months time.

1 REASONS FOR THE RECOMMENDATIONS

In light of the current COVID-19 crisis there is a necessity to give greater flexibility to the Councils daily cashflow processes to allow it to deposit money into safe instant access accounts where it can be called upon immediately.

2 ALTERNATIVE OPTIONS

Failure to increase the level of cash deposit limits will restrict the Councils ability to invest in short term quality instruments during the crisis and may expose its cash balances to unnecessary risk.

3 PURPOSE OF THE REPORT

To improve the Councils cashflow processes by increasing the amount that can be deposited with individual financial institutions and Money Market Funds (MMFs) from £10m to £20m.

4 IMPLICATION FOR VISION 2030

- 4.1 The proposals will help to ensure that the council's investments are protected.

5 BACKGROUND AND MAIN CONSIDERATIONS

- 5.1 As part of the Council's existing Treasury Management Strategy Statement that was approved by Cabinet in February 2020, the Council restricts itself to depositing a maximum of £10m with individual financial institutions and MMFs to help spread the potential risk of its investments.

6 THE CURRENT POSITION

- 6.1 The emergency measures that have been put in place as a result of the COVID-19 crisis has seen the council's cash balances increase significantly in a short period of time as the government is making funds more readily available to help residents and businesses within the borough.
- 6.2 As an example, the Council is due to receive an amount of approximately £73m in relation to the Small Business Grant Fund on the 1st April 2020 and, whilst plans are being finalised on how to most effectively utilise and distribute these resources, they need to be invested in secure financial instruments that can be called upon immediately.
- 6.3 The number of safe institutions and funds that the Council can invest with is limited and so it is necessary to temporarily increase the limits described in section 5.1 above to allow greater cashflow flexibility until the crisis is over.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 Increasing the deposit limits from £10m to £20m gives the Treasury Management more flexibility in depositing funds in secure financial instruments whilst at the same time maintaining liquidity levels.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Local Authority derives its power of investment from s.12 Local Government Act 2003.
- 8.2 The Treasury Management Strategy Statement and Annual Investment Strategy and investment policy had regard to MHCLG's Guidance on Local Government Investments, CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 and CIPFA Treasury Management Guidance Notes 2018 and the same guidance and codes of practice have been considered when making this recommendation.
- 8.3 The Statutory Guidance on Local Government Investments (3rd Edition) issued under section 15(1)(a) of the Local Government Act 2003 and effective for financial years commencing on or after 1 April 2018 has also been considered.
- 8.4 To ensure that there is oversight and scrutiny of this temporary amendment to the The Treasury Management Strategy Statement and Annual Investment Strategy and Investment policy, the s.151 officer will review the need for the amendment within 3 months of the date of this report.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 Not Applicable

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 Not Applicable

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 Not Applicable

12 SUSTAINABILITY OF PROPOSALS

- 12.1 Not Applicable

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 13.1 None.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 14.1 None

15 BACKGROUND PAPERS

15.1 2020/21 - Treasury Management Strategy Statement.

16 APPENDICES:

None