

**NORTH LINCOLNSHIRE COUNCIL
OFFICER DECISION NOTICE AND RECORD
(PUBLISHED)**


1. DECISION TAKEN

A Temporary increase to a single Money Market Fund (MMF) and Funds under Group Management limits and vary those approved in the 2020-21 Treasury Management Strategy to allow residual Business Support Grant balances to be efficiently managed.

EXECUTIVE		NON-EXECUTIVE	Y	(Please tick either)
IS THIS A 'KEY DECISION' ? (see definition overleaf)				N/A
DOES THIS DECISION RELATE TO EXEMPT INFORMATION?				No
EXEMPT PARAGRAPH REFERENCE (NOT TO BE PUBLISHED)				

**2. OFFICER DECISION
TAKER**

NAME Becky McIntyre
POSITION/POST Director of Governance and Partnerships/S151 Officer



SIGNATURE

DATE 7 May 2020

**3. REASONS FOR
THE DECISION
(Please ref to any
report/minute/background
documents attached)**

The decision is made under Officer Delegations paragraph 7.3

The Authority received £37m Business Support Grant at the beginning of April 2020 and is required to administer payment of individual grants to qualifying businesses to assist them during the Covid-19 crisis.

As at 7/5 there is a balance remaining in excess of £10m, whilst new allocations are being processed it is proposed to utilise MMF for short term investment.

To date, the Treasury function has rolled over the reducing balance with Debt Management Office (DMO) each day. This is an officer intensive process and carries execution risk. Whilst this was fully warranted during the early phase of the Covid-19 response a new approach is proposed to enable the function (and wider Finance staff involved) to prioritise other tasks.

As one of our existing funds is also managed by Blackrock this will also mean the limit for Pooled Funds under same Group management limit (£5m) will need increasing.

Our Treasury Advisors, Link Asset Services have been consulted on this approach and are supportive.

The proposed new limits are

- Blackrock Institutional Sterling Government Liquidity Fund - £10m
- Blackrock Group Pooled Funds - £13m

These limits will apply solely for the use of residual BSG balances and will not be aggregated when calculating other general Treasury limits (except for the Blackrock MMF Group to the maximum level specified above).

The increased limits will apply only until BSG balances are exhausted or 31.12.2020 (whichever is sooner).

**4. ALTERNATIVE
OPTIONS CONSIDERED
AND REJECTED (BY
DECISION TAKER(S))**

We could continue to utilise DMO in the manner currently adopted but, as stated above, this will require the continuing daily involvement of not just Treasury staff but other finance colleagues responsible for approving, releasing, allocating and monitoring the payments.

We could leave the BSG funds in our main bank account to be swept up by future payments. This would require a similar ODR as our bank's counterparty limit would be breached. There would be no separation of BSG monies from the rest of the Council's funds under this option, requiring additional reconciliation. We

	<p>would also be taking single-counterparty risk at the lower end of our Approved Rating scale.</p> <p>We could use any number of Money Market Fund options available to us. The Authority has 2 current active funds but these are being utilised for general liquidity management outside of BSG.</p> <p>Using a MMF means that once funds are placed in the fund we need only call money back as required to meet future BSG payment profiles. This is a much simpler process and can be actioned by one person. All our MMFs are AAmmf rated and offer diverse investor profiles. This ensures they meet our Security and Liquidity requirements set out in the TMSS and also offer a small improvement over DMO yields.</p> <p>Chosen option is to open a new MMF, specifically the Blackrock Institutional Sterling Government Liquidity Fund. This fund only invests in Sterling denominated Sovereign debt so offers a similar Credit Risk profile to DMO.</p>
<p><i>TO BE COMPLETED BELOW - ONLY WHEN A DELEGATED OFFICER DECISION REQUIRES PRIOR CONSULTATION WITH A MEMBER (LEADER OF THE COUNCIL, CABINET MEMBER/CHAIRMAN OF A COMMITTEE) IN ACCORDANCE WITH THE 'SCHEME OF DELEGATIONS TO OFFICERS' OR DECISION/MINUTE OF COUNCIL/COMMITTEE OR DECISION/MINUTE OF CABINET/CABINET MEMBER.</i></p>	
<p>5. DECISION REQUIRED TO BE TAKEN IN CONSULTATION WITH RELEVANT MEMBER</p>	<p>COUNCILLOR</p> <p>POSITION</p> <p>SIGNATURE</p> <p>DATE</p>
<p>6. ANY CONFLICT OF INTEREST DECLARED BY ANY EXECUTIVE (CABINET) MEMBER (S) CONSULTED, WHICH RELATES TO THE DECISION, OR (NON-EXECUTIVE) – ANY MEMBER OF THE COMMITTEE THAT DELEGATED THE DECISION TAKEN</p>	
<p>7. WITH REFERENCE TO 6. ABOVE - HAS ANY DISPENSATION BEEN GRANTED TO THE EXECUTIVE (CABINET) MEMBER? (ONLY APPLIES TO EXECUTIVE)</p>	

PLEASE REMEMBER TO ATTACH ANY ACCOMPANYING REPORT.

WHEN COMPLETE, PLEASE SEND TO SERVICE MANAGER: DEMOCRACY FOR PUBLISHING.

(The definitions of a key decision are when an executive decision is likely -

(i) to result in the Council incurring expenditure or the making of savings (including the receipt or loss of income) over £350,000 in any one financial year; or

(ii) to be significant in terms of its effect on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority).

