


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

1. DECISION TAKEN			
Approval of in year borrowing requirement covering transactions in Q3 2017-18 to ensure sustainable liquidity levels are maintained.			
Approval to delegate the decision for implementation is given to Treasury Accountant, Shared Services in order to secure optimum tenure and rates , informed by liquidity requirements and maintaining flexibility over the year to adapt borrowing strategy as spending plans are more certain and in accordance with the Treasury Management Strategy.			
EXECUTIVE		NON-EXECUTIVE	(Please tick either)
IS THIS A 'KEY DECISION' ? (see definition overleaf)			Yes No
DOES THIS DECISION RELATE TO EXEMPT INFORMATION?			Yes No
EXEMPT PARAGRAPH REFERENCE (NOT TO BE PUBLISHED)			Section 3

2. OFFICER DECISION TAKER	<p>NAME Becky McIntyre</p> <p>POSITION/POST Director of Governance and Partnerships.</p> <p style="text-align: center;"></p> <p>SIGNATURE</p> <p>DATE 03 October 2017</p>
3. REASONS FOR THE DECISION (Please ref to any report/minute/background documents attached)	<p>The 2017-18 Treasury Management Strategy (approved February 2017) sets out the Authority's Borrowing Strategy as follows:-</p> <ul style="list-style-type: none"> <input type="checkbox"/> Borrow long-term to support the capital programme <input type="checkbox"/> At the most advantageous time <input type="checkbox"/> With the most appropriate form of loan, normally annuity <input type="checkbox"/> To borrow for shorter periods if cash flow requires or to defer long term borrowing for a period <p>The Authority currently has a number of short-term loans due for repayment in the remainder of 2017 and wishes to replace these to defer more expensive long-term borrowing and ensure sustainable liquidity levels are maintained.</p> <p>An anticipated level of borrowing will be required to be taken over varying periods out to 11 months by any available route permitted by the Treasury Management Strategy:</p> <p>Due to the level of Prudential Indicator limits on variable rate borrowing any additional sums required above this initial tranche of borrowing will need to be of a tenor in excess of 1 year. PWLB would be the usual default option for such borrowing but any requirement will be subject to an additional Decision Notice closer to the time.</p>
4. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (BY	<p>The Authority's default lender is the Public Works Loan Board (PWLB). However PWLB's minimum loan period is 1 year and it's rates are set using the market price for the equivalent UK Government Gilt issue plus a margin</p>

<p>DECISION TAKER(S)</p>	<p>of 0.8-1%</p> <p>This margin has allowed a liquid market to develop between UK public sector bodies whereby a borrower can obtain funds for periods of less than one year and at rates lower than PWLB and the lender is able to receive better than commercial deposit rates for quasi-UK Government risk.</p> <p>Borrowing for a spread of periods less than 1 year provides the Authority with some flexibility to alter borrowing levels should spend plans alter (typically by allowing shorter loans to mature without replacement).</p> <p>For the reasons above, loans from the public sector marketplace are preferred to longer-term PWLB on this occasion.</p> <p>Other (commercial banks, pension fund) lenders exist and are keen to lend to UK Local Governments. However, whilst these lenders typically undercut PWLB rates they currently only offer long term solutions and come with significant lead-in times, which don't fit NLC's immediate need.</p> <p>The Authority's current Liability Benchmark also indicates a sizeable borrowing requirement over the next few years to fund planned Capital Programme spend and Reserve drawdowns although management of this need will again be structured through future Borrowing Decisions. This transaction is solely to meet immediate cash flow need.</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 HEAD OF DEMOCRATIC SERVICES, CIVIC CENTRE, SCUNTHORPE 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).