


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

1. DECISION TAKEN

- a) To increase the amount that can be retained in our Barclays accounts to £10m.
- b) To increase the investment limit to 6m with all those counterparties meeting minimum credit rating requirements as per Council's TMSS 2021-22.

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EXEMPT PARAGRAPH REFERENCE (NOT TO BE PUBLISHED)				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	<p>NAME Becky McIntyre</p> <p>POSITION/POST Director of Governance and Partnerships/S151 Officer</p> <p style="text-align: center;"></p> <p>SIGNATURE</p> <p>DATE 01 November 2021</p>
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3. REASONS FOR THE DECISION (Please ref to any report/minute/background documents attached)	<p><i>The decision is made under Officer Delegations paragraph 7.3</i></p> <p>a) Due to ongoing pandemic, interest rates are at historic low level. Average return on investments that fall within Council's risk appetite, ranges between 0.00 to 0.01% at present.</p> <p>Currently we aim to retain a balance of no more than £5m in our Barclays accounts. This results in more deals being undertaken by the Treasury Team than we would if we had a higher limit.</p> <p>Since TMS approval in February 2021 and the start of current financial year, the cash balance has increased consistently. The Council's opening balance for the current financial year was £23.99 million and has increased to £67.20 million.</p> <p>The daily average holding for the 2nd quarter 2021-22 is £57.413 million. Limited holding capacity is reducing the Council's ability to efficiently manage funds and is significantly increasing transaction costs. This ultimately further reduces the net return (sometimes negative) on investments, which are already extremely low.</p> <p>It is therefore proposed to temporarily increase holding limit with Barclays to £10m and all other counterparties to £6m until 31st March 2022.</p> <p>Our Treasury Advisors, Link Asset Services are supportive of this approach.</p> <p>There would be no loss of interest as per current rates. This change would improve our liquidity and diversify our investment / holding portfolio</p> <p>In terms of security our cash would still be held by a Financial Institution with a long term "A" credit rating and a short-term A-1 credit rating. These ratings are adequate.</p> <p>In summary, this change would slightly reduce the security of our investments, improve liquidity, will not reduce returns and will reduce the costs of administration and bank charges.</p>
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4. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (BY DECISION TAKER(S))	<p>Maintain the current approvals as outlined in the Treasury management Strategy 2021/22. Current limits are £5m for Barclays and £3m for all other counterparties.</p> <p>This would require the continuing daily involvement of Treasury staff and other finance colleagues responsible for approving, releasing, allocating and monitoring the payments and daily treasury deals, requiring significant administrative resources and increased transaction costs.</p>
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<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).