

## RECORD OF OFFICER DECISION

### APPROVAL FOR THE INCREASE OF TREASURY MANAGEMENT STRATEGY COUNTERPARTY MONETARY LIMITS

**Decision made**

To approve the increase of the Treasury Management Counterparty Monetary Limits from £15m to £30m

**Made by:** Andy Brown, Director of Finance & Procurement (Section 151 Officer)

#### Background

1. Pursuant to paragraph 4 of Part 3 Section D, the Directors of Wiltshire Council are empowered to take all necessary decisions in cases of emergency. This decision is being taken by Andy Brown using these powers in circumstances where the Directors concerned believe that there is a risk of damage to property, a threat to the health or wellbeing of an individual and/or that the interests of the Council may be compromised if this decision is not otherwise taken.

#### Reason for decision

2. This decision would in other circumstances be taken by Council. However, in circumstances where the Council is unable to meet to expedite its functions in a timely manner during the COVID-19 pandemic, this decision is being taken in accordance with the power referred to in paragraph 1 above in consultation with the Chief Executive Officers and other statutory officers of Wiltshire Council. This decision will be reported to the next meeting of the Council.
3. The Treasury Management 'Counterparty monetary limits' were approved by Council on 25 February 2020 as part of the Treasury Management Strategy 2020/2021. These values were based on normal business activity expected for the Council over that coming financial year. These limits were set at £15m per counterparty, those being financial institutions where the Councils deposits surplus cash, and were UK and Overseas banks with a long term credit rating of at least AA, multilateral development banks, Local Authorities and other Public Bodies, and Money Market Funds.
4. Following the pandemic outbreak a review of the cashflow position was instructed by the Section 151 Officer, as a lack of cashflow over the coming weeks was an initial concern. However, MHCLG has provided funding to support the Covid-19 Business Grants scheme. This funding will be paid to all Local Authorities responsible for administering the scheme on 1 April 2020. The value of this funding for Wiltshire Council is £106m with payments made to businesses likely to start to be processed the week beginning 6 April 2020.

5. Holding this value of cash is in excess of any normal business cash holdings values the Council would expect to hold and would breach the existing approved limits. Although the Treasury function is delegated to the Section 151 Officer, any breaches to the approved strategy would need to be reported, specifically if Council have not amended the Strategy in time.
6. As a result, it is necessary to approve the increase of the 'Counterparty monetary limits' from £15m to £30m to ensure these monies are invested in financial institutions with lower risk to the capital value. This will still be reported to Council as part of overall reporting on Treasury Management activity for the financial year.
7. I confirm that in making this decision I have considered the following in line with Wiltshire Council's Constitution: **(Please insert 'Yes' / 'No' / 'Not Applicable' and any other comments necessary to evidence the issue identified has been addressed)**

Key decision requirements	Yes
Views of relevant cabinet member(s), committee chairman, area board(s)	Yes
Consideration of the area boards and delegated decision checklist for officers on the issue of when and how to involve local councillors and area boards in decisions about local services	Not applicable
Implication of any council policy, initiative, strategy or procedure	Yes
Consultation in accordance with requirements and expectations of consultation with the public	Not applicable
Range of options available	Yes
Staffing, financial and legal implications	Yes
Risk assessment	Yes
Involvement of statutory officers and/or directors	Yes
Regional or national guidance from other bodies	Yes
The council's constitution	Yes

### **Conflict of Interest**

8. Not applicable

### **Other options considered**

9. An option that would significantly increase the level of counterparty risk, by lowering the creditworthiness rating of financial institutions we could use has been ruled out. Therefore, there are no real alternative options open to the Council in this scenario. The limits were originally set to deal with highest expected cashflow position the Council could face during a normal operating year, the payment to be received is far in excess of that which could have been predicted, so we will breach the current limits.

Made by: 

Andy Brown, Director of Finance & Procurement (Section 151 Officer)

Date: 1 April 2020