



# OFFICE OF THE POLICE & CRIME COMMISSIONER FOR NORFOLK

**ORIGINATOR:** Chief Finance Officer, OPCCN

**DECISION NO.** 2013/7

**REASON FOR SUBMISSION:** DECISION

**SUBMITTED TO:** Police and Crime Commissioner

**SUBJECT:** Counter Party Maximum Lending Limit

**SUMMARY:** Within the Treasury Management Strategy for 2013/14, to increase the current maximum lending limit for any counter party from £7.5m to £10m.

**RECOMMENDATION:**

*It is recommended that the Police and Crime Commissioner agrees to increase the maximum lending limit from £7.5m for any counter party to £10m forthwith.*

**OUTCOME/APPROVAL BY:** PCC

*The above request has my approval*

**Signature**

*A. W. Bell*

**Date**

*4/4/13*

## DETAIL OF THE SUBMISSION

### 1. KEY ISSUES FOR CONSIDERATION:

The PCC Treasury Management Strategy for 2013/14 was outlined to the Police and Crime Panel in January 2013 and was also discussed at the Audit Committee in January 2013.

The strategy was endorsed by the Police and Crime Commissioner in February 2013.

Within the strategy outlined are the criteria for selecting counter parties which follow the need for a pool of high quality investment counter parties. If, a commercial counter party is not available the strategy provides for funds to be invested with the debt management office which is a UK Government institution. Investment rates with the debt management office are extremely low and it is in the interests of efficient cash management that where possible funds are invested commercially, albeit in accordance with the investment strategy.

The strategy for 2013/14 mentioned that consideration needed to be given to increasing the maximum lending limit of £7.5m for any counter party to £10m to reflect the level of cash balances available to the Police and Crime Commissioner and to avoid large deposits with the debt management office. This recommendation was endorsed by Sector, Treasury Management Advisors to the Police and Crime Commissioner and it was also endorsed by the Audit Committee in January 2013.

### 2. FINANCIAL IMPLICATIONS:

Increasing the lending limit will provide increased opportunities for investing with commercial counter parties which should marginally increase the investment return available. The Treasury Management Strategy of the Police and Crime Commissioner follows the principle of safe guarding funds, considering liquidity and thirdly considering investment return in that order.

### 3. OTHER IMPLICATIONS AND RISKS:

None.

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