



Leicester  
City Council

Minutes of the Meeting of the  
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 4 FEBRUARY 2021 at 4:00 pm

P R E S E N T:

Councillor Cassidy (Chair)  
Councillor Joel (Vice-Chair)

|  |                    |
|--|--------------------|
| Councillor Gee (sub for<br>Councillor Halford) | Councillor Joshi   |
| Councillor Kitterick                           | Councillor Porter  |
| Councillor Waddington                          | Councillor Westley |

In Attendance:

|                        |   |
|------------------------|---|
| Sir Peter Soulsby      | City Mayor  |
| Councillor Clarke      | Deputy City Mayor, Environment and<br>Transportation                      |
| Councillor Cutkelvin   | Assistant City Mayor, Education and<br>Housing                            |
| Councillor Dempster    | Assistant City Mayor, Health  |
| Councillor Hunter      | Assistant City Mayor, Tackling Racism<br>and Disadvantage                 |
| Councillor Master      | Assistant City Mayor, Neighbourhood<br>Services                           |
| Councillor Myers       | Assistant City Mayor, Jobs, Skills, Policy<br>Delivery and Communications |
| Councillor Patel       | Assistant City Mayor, Communities,<br>Equalities and Special Projects     |
| Councillor Singh Clair | Deputy City Mayor, Culture, Leisure,<br>Sport and Regulatory Services     |

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**137. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Halford. Councillor Gee was present as the appointed substitute for Councillor Halford.

The Committee noted that Councillor Thalukdar was present as a substitute Member.

### **138. DECLARATIONS OF INTEREST**

Councillor Joshi declared an Other Disclosable Interest in the general business and budget items of the meeting in that his wife worked in the Reablement Team at the Council.

Councillor Westley declared an Other Disclosable Interest in agenda item Appendix D Draft Housing Revenue Account Budget (Including Capital Programme) 2021/22, in that some members of his family were Council tenants.

In accordance with the Council's Code of Conduct, these interests were not considered so significant that they were likely to prejudice the Councillors' judgement of the public interest. They were not, therefore, required to withdraw from the meeting.

### **150. TREASURY MANAGEMENT STRATEGY 2021/22**

The Director of Finance submitted a report which proposed a strategy for managing the Council's borrowing and cash balances during 2021/22 (the Treasury Management Strategy).

Members of the Overview Select Committee were recommended to note the report and make any comments to the Director of Finance prior to Council consideration.

The Director of Finance reported that the report and following agenda item at 15 Investment Strategy did not significantly change from year to year but accompanied the budget report to Council which was required to approve them.

The following points were noted:

- The report outlined what the Council did with its money to keep it safe and make it work as safely as possible.
- In terms of cash flow, the authority was a cash rich organisation as a result of government rules where the authority was required to set aside money for specific reasons. The authority also received government grants before it was required to spend them.
- The Treasury Management Strategy set out the advice taken from leading national advisers and the sort of investments considered, and the types and credit rating of banks the authority would use.
- It was noted it was important to spread investments as no bank was too big to fail. The money had to be secure. Liquidity was also considered, in how easy could the money be accessed, for example, the monthly salary payments.

- Not the top priority, but how much the money could earn in an account was also considered.
- An amendment to the report was noted at 5.13 (a) 'We will lend on an unsecured basis to the largest UK banks and building societies for periods not exceeding *35 days*' and was largely due to nervousness around Brexit. If treasury advisers notified the authority that it could lend for a longer period than it would.

In response to Members' questions, the following points were made:

- The Government Debt Management Office (DMO) was used when excess cash was left following dealings across the banks and other authorities. The DMO would only be used when there were no other investment opportunities, and the interest paid was less. It was reported in December 2020 the DMO was offering negative interest rates. The authority only had a very small amount of money with the DMO at that point which was quickly removed. The authority had been using banks and money market funds predominantly since then and would continue to look at and pay particular interest in what markets were looking at as commercial investors.
- Interest on investments was reported to OSC twice yearly. The Director of Finance informed members the information would be included in the next Revenue Budget Monitoring Report.

The Chair thanked the Director of Finance for the report.

AGREED:

That:

1. The report be noted.
2. Interest in investments be reported in the next Budget Monitoring Report brought to the Committee.