



Request for a Police, Fire & Crime Commissioner Decision

SECTION 1

Please identify who is requesting the decision:			
OPFCC Decision	N	Decision Number:	PF xxxx/yyyy
CCFRA Decision	Y	Decision Number:	CF 008/2024
Constabulary Decision	N	Decision Number:	CC xxxx/yyyy

(Please indicate whether this is a PART 1 or PART 2 decision (For Part 2 decisions, only the Section 1 is to be published))

PART 1 Decision:	Yes	PART 2 Decision:	
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DECISION TITLE: Treasury Management Counterparty Limits

Executive Summary: (no more than 100 words)

Cash balances for CCFRA are above expected levels due to receipt of the Fire Pensions AME grant which is significantly higher than previous years due to additional pension remedy compensation.

The Treasury Management Strategy Statement Counterparty limits that are currently in place will not provide enough capacity to maximise both spread of investments with different institutions and also maximising returns.

This paper sets out an urgent decision of the Chief Finance Officer to increase the counterparty limits to ensure investments can be placed securely, and that the TMSS will be updated with revised Counterparty limits accordingly.

Recommendation:

The Commissioner is asked to:

- Note the decision of the Chief Finance Officer to increase the counterparty limits for CCFRA investment strategy due to significant increase cash balances being held
- Approve the revised limits be reflected in the TMSS.

Police, Fire & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police, Fire & Crime Commissioner. Any such interests are recorded below.

I hereby:

approve

do not approve

the recommendations as set out above.

Delete as appropriate:

Police, Fire & Crime Commissioner / Chief Executive (delete as appropriate)

Signature:

David Allen

Date: 25/07/25

SECTION 2

PLEASE COMPLETE ALL SECTIONS BELOW WITH FACTS AND ADVICE FOR THE PFCC

1. Introduction & Background

- 1.1 Cash balances for CCFRA are above expected levels due to receipt of the Fire Pensions AME grant which is significantly higher than previous years due to additional pension remedy compensation.
- 1.2 The Chief Finance Officer is responsible for advising and setting an appropriate investment strategy as part of the Treasury Management Strategy Statement. The TMSS Statement Counterparty limits that are currently in place will not provide enough capacity to maximise both spread of investments with different institutions and also maximising returns.
- 1.3 This paper sets out an urgent decision of the Chief Finance Officer to increase the counterparty limits to ensure investments can be placed securely, and that the TMSS will be updated with revised Counterparty limits accordingly.

2. Issues for Consideration

- 2.1 Due to CCFRA receiving a £14m grant from the home office it is difficult to invest under the current TMSS counterparty limits. The Chief Finance Officer has therefore authorised an increase in the TMSS Counterparty limits to enable investment of these funds to be undertaken.
- 2.2 The counterparty limits in the TMSS are therefore recommended to be increased in line with the tables below to enable capacity of investment with suitably credit rated investment institutions. The TMSS will be updated and re-published with these revised limits.

Current TMSS

Credit Rating	Maximum	1 Banks Unsecured	2 Banks Secured	3 Government	4 Registered Providers	5 Pooled Funds
<u>Category Limit 2024/25</u>	Amount	£5m	£5m	Unlimited	£2m	£5m
	Duration					
<u>Individual Institution/Group Limits</u>						
UK Government	Amount	N/A	N/A	£ unlimited	N/A	N/A
	Duration			50 Years		
AAA	Amount	£0.5m	£1m	£1m	£0.5m	£1m per fund (Pooled funds are generally not rated but the diversification of funds equate to AAA credit rating)
	Duration	5 years	20 years	50 years	20 years	
AA+	Amount	£0.5m	£1m	£1m	£0.5m	
	Duration	5 years	10 years	25 years	10 years	
AA	Amount	£0.5m	£1m	£1m	£0.5m	
	Duration	4 years	5 years	15 years	10 years	
AA-	Amount	£0.5m	£1m	£1m	£0.5m	
	Duration	3 years	4 years	10 years	10 years	
A+	Amount	£0.5m	£1m	£0.5m	£0.5m	
	Duration	2 years	3 years	5 years	5 years	
A	Amount	£0.5m	£1m	£0.5m	£0.5m	
	Duration	13 months	2 years	5 Years	5 years	
A-	Amount	£0.5m	£1m	£0.5m	£0.5m	
	Duration	6 months	13 months	5 years	5 years	
None	Amount	N/A	N/A	£0.5m	£0.5m	
	Duration			25 years	5 years	

Recommended Limits

Credit Rating	Maximum	1 Banks Unsecured	2 Banks Secured	3 Government	4 Registered Providers	5 Pooled Funds
<u>Category Limit 2024/25</u>	Amount	£10m	£5m	Unlimited	£2m	£10m
	Duration					
<u>Individual Institution/Group Limits</u>						
UK Government	Amount	N/A	N/A	£ unlimited	N/A	N/A
	Duration			50 Years		
AAA	Amount	£1m	£1m	£1m	£0.5m	£2m per fund (Pooled funds are generally not rated but the diversification of funds equate to AAA credit rating)
	Duration	5 years	20 years	50 years	20 years	
AA+	Amount	£1m	£1m	£1m	£0.5m	
	Duration	5 years	10 years	25 years	10 years	
AA	Amount	£1m	£1m	£1m	£0.5m	
	Duration	4 years	5 years	15 years	10 years	
AA-	Amount	£1m	£1m	£1m	£0.5m	
	Duration	3 years	4 years	10 years	10 years	
A+	Amount	£1m	£1m	£0.5m	£0.5m	
	Duration	2 years	3 years	5 years	5 years	
A	Amount	£1m	£1m	£0.5m	£0.5m	
	Duration	13 months	2 years	5 Years	5 years	
A-	Amount	£1m	£1m	£0.5m	£0.5m	
	Duration	6 months	13 months	5 years	5 years	
None	Amount	N/A	N/A	£0.5m	£0.5m	
	Duration			25 years	5 years	

3. Implications

(List and include views of all those consulted, whether they agree or disagree and why. Must be completed prior to submission).

- 3.1. Financial
Outlined above
- 3.2. Legal
n/a
- 3.3. Risk
There is a risk that CCFRA does not have enough capacity with appropriately credit rated institutions to appropriately ensure a diversification of the investment portfolio. There is also a risk that CCFRA does not maximise the security and yield of investment returns.
- 3.4. HR / Equality
n/a
- 3.5. I.T.
n/a
- 3.6. Procurement
n/a
- 3.7. Other (e.g. Victims, 3rd parties etc)

4. Backgrounds / supporting papers

(List any relevant business case, EIA, PID, Media Strategy and append to this form; list persons consulted during the preparation of the report)

Add link to Police, Fire and Crime Plan, CRMP, Commissioning Strategy, etc