



CAMBRIDGESHIRE  
& PETERBOROUGH  
COMBINED AUTHORITY

Officer Decision/Mayoral Decision No.:	ODN131 - 2019
<b>DECISION TITLE:</b> <b>Decision to appoint Arling Close as external Treasury advisors</b>	
<b>NAME OF OFFICER/MAYOR EXERCISING DELEGATED POWERS:</b> <b>Jon Alsop</b>	
<b>DATE OF OFFICER/MAYORAL DECISION:</b> <b>24 July 2019</b>	

Responsible Director/Mayor:	<i>Jon Alsop, Chief Finance Officer</i>
Report Author and contact details:	<i>Jon Alsop, Chief Finance Officer</i>
Is it a key decision?	No
All reports will be published on the CA website. Does your report include exempt or confidential information?	No

Decision taken	<i>Please provide the exact details of the decision taken.</i>  The Chief Finance Officer agreed to: (a) Approve budget to fund the appointment of external treasury advisors (b) Appoint Arling Close as the preferred supplier on a three year contract
Authorisation ( <i>delete as appropriate</i> )	This decision has been taken under: <b>General authorisation</b> ( <i>those decisions delegated to officers as per the Constitution</i> ): <ol style="list-style-type: none"><li>1. The CFO as a Chief Officer... "Contracts between £5,000 and £50,000: The Chief Officer can award a contract up to £50,000 in value" – Constitution Sept 18: Chapter 17, Part 1 para 3.3 (p149)</li><li>2. The CFO has authority to "To take decisions up to £500k, subject to any decisions being reported to the next Board meeting of the Combined Authority." – Constitution Sept 18: Chapter 17, Part 2, para 3.2 (p157)</li></ol>
Background Information	<i>Give details of background information Give more information about the proposed decision</i>



The Combined Authority currently receives Treasury Management support through a Finance Service Level Agreement with Peterborough City Council (PCC). However, the support provided by PCC is transactional rather than strategic.

In order to support their own treasury management decisions, PCC rely on specialist external advisors. As the Combined Authority is responsible for its own treasury management decisions, it is appropriate that the Combined Authority, in turn, employs their own specialist external advisors to support the development of strategies which are appropriate to the particular needs, priorities and objectives of the Combined Authority

The Combined Authority has therefore been through a procurement exercise to employ its own specialist Treasury Management advisors. A preferred Supplier, Arling Close, has been identified, and once formally engaged, will assist the Combined Authority to:

1. Develop a Treasury Management Strategy that is tailored to the specific requirements, constraints and ambitions of the Combined Authority in its fundamental roles to:
  - Manage External Investments - Security, Liquidity and Yield
  - Ensure Debt is Prudent and Economic
  - Produce and Monitor the Prudential Indicators
  - To ensure that decisions comply with regulations.
2. Prepare a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long-term and provides value for money;
3. Ensure that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
4. Ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
5. Ensure the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources.



<p>Alternative options considered.</p>	<p><i>List alternative options considered and rejected and the reasons for rejection. Do not leave this section blank or put 'None'. There is always an alternative even if it is to do nothing.</i></p> <p>1. Do nothing.</p> <p>The Combined Authority needs to manage its financial affairs in accordance with CIPFA's Code of Practice for Treasury Management &amp; Prudential Codes in accordance with four fundamental principles:</p> <ul style="list-style-type: none"> <li>• Manage External Investments - Security, Liquidity and Yield</li> <li>• Ensure Debt is Prudent and Economic</li> <li>• Produce and Monitor the Prudential Indicators</li> <li>• To ensure that decisions comply with regulations.</li> </ul> <p>To enable the Combined Authority to deliver on these obligations it needs access to specialist treasury advice. Doing nothing is therefore not considered to be an option.</p>	
<p>Financial Implications</p>	<p><i>Please include the total costs and how the project will be funded. Please include budget codes for your directorate</i></p> <p>Budget required will be as follows:</p> <p>Year 1 £15,000 Year 2 £16,000 Year 3 £17,000</p> <p>The estimate for 2019/20 would be £10,000 (8m from 1 August x £15,000)</p> <p>This would be revenue expenditure and is expected to be covered from gains made from better use of investments to deliver higher investment income in future.</p>	
<p>Consultation</p>	<p><i>List any relevant consultation undertaken in relation to the decision. For example portfolio holders, other Chief Officers.</i></p>	<p><i>Name and Date approved (or indicate if not applicable) –</i></p>
	<p>Chief Executive</p>	<p>N/A</p>
	<p>Responsible Director/Chief Officer</p>	<p>Jon Alsop</p>
	<p>Monitoring Officer</p>	<p>Dermot Pearson</p>
	<p>S73</p>	<p>Jon Alsop</p>
	<p>Portfolio Holder</p>	<p>N/A</p>
	<p>Other</p>	<p>Peter Geach (legal) agreed draft contract</p>
<p>Declarations / Conflicts of</p>	<p><i>List the names of any member who has been consulted on and declared an</i></p>	



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Interests (only if the decision falls under the 'Express Authorisation' category)	<i>interest in relation to the decision.</i>
Supporting documentation	<i>List any supporting documentation available in relation to this decision (all of this information must be retained for public inspection for a period of at least 4 years – there is no provision for the release of exempt/confidential information).</i>

<b>Officer signature</b>	<i>Jonathan Alsop</i>	<b>Date</b> <i>30/07/2019</i>