

**AUDIT & STANDARDS  
COMMITTEE**

**Agenda Item 69**

Brighton & Hove City Council

**Subject:** Treasury Management Policy Statement 2013/14 –  
Mid Year Review – Extract from the proceedings of  
the Council meeting held on the 12 December 2013

**Date of Meeting:** 21 January 2014

**Report of:** Head of Law

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**Wards Affected:** All

**FOR GENERAL RELEASE**

**Action Required of the Audit & Standards Committee:**  
To receive the item referred from the Council for information:

**Recommendation:**

That the report be noted.

**COUNCIL**

**4.30pm 12 December 2013  
COUNCIL CHAMBER, BRIGHTON TOWN HALL**

**DRAFT MINUTES**

**Present:** Councillors Cobb (Chair), Randall (Deputy Chair), Barnett, Bennett, Bowden, Brown, Buckley, Carden, Cox, Davey, Deane, Duncan, Fitch, Gilbey, Hamilton, Hawtree, Hyde, Janio, Jarrett, Jones, A Kitcat, J Kitcat, Lepper, Littman, Mac Cafferty, Marsh, Meadows, Mears, Mitchell, Morgan, A Norman, K Norman, Peltzer Dunn, Phillips, Pissaridou, Powell, Robins, Rufus, Shanks, Simson, Smith, Summers, Sykes, C Theobald, G Theobald, Wakefield, Wealls, Wells, West and Wilson

**PART ONE**

**56. TREASURY MANAGEMENT POLICY STATEMENT 2013/14 - MID YEAR REVIEW**

54.1 Councillor Littman introduced the report which had been referred from the Policy & Resources Committee meeting held on 5 December 2013 to the Council for approval.

He stated that the most significant aspect was that despite claims that the worst aspects of the financial crisis were over the level of assurance was still low. Officers were looking at some non-UK investment opportunities with a very high rating of assurance; the Council continued to use the assurance levels set down by the three main agencies, and added the organisation only used sterling markets.

- 54.2 Councillor A. Norman stressed the need for a sound investment strategy to ensure that everything was done to protect tax payers money through investments; the Conservative Group were willing support the maximum levels to invest in Barclays Bank set at £10M and the list of investors expanded to include some non-UK banks with sufficiently high credit rating. It was added that safe investments had become increasingly difficult in the last few months and in-depth checking needed to be in place. Councillor A. Norman also thanked Officers for regular updates.
- 54.3 Councillor Hamilton commented that it was important the strategy look at what was available due to the low base rate and low returns, and noted the increase in the number of potential investments. He added that some of the best rate for investments was with the part-nationalised banks because these organisations were underpinned by the Government and represented a safer investment. The changes should enable the Council to generate a slightly higher return without increasing the level of risk.
- 54.4 Councillor Cox stated that it was terrible shame what had happened recently to the Co-Operative bank; in particular it's reduced status as an investment bank; he also made reference to loans from the bank to the Labour Party. The Council had avoided moves to put more investment into such ethical banks, and lastly wished the Co-Operative Bank success in its recovery.
- 54.5 Councillor Peltzer-Dunn asked for clarification in relation to whether Rabobank, of the Netherlands, had been included in the list of non-UK banks.
- 54.6 Councillor Morgan referred to comments made by Councillor Cox, and stated that approximately half of the funding for the Conservative Party came from than banking sector.
- 54.7 Councillor Jarrett added to the discussion and stated that some of the failings of the previous Labour Governments had been in their failure to undo changes made the Conservatives Governments that preceded them.
- 54.8 Councillor Littman clarified some of the points raised by the speakers and stated that the administration was in strong support of ethical and socially responsibly investments through ethical statements to accompany each deposit placed. He also stated that the Rabobank had not been included in those for potential investment due to the financial rating of the Netherlands, and noted that it had not seemed necessary to amend the papers as the Council were being asked to approve the principles of the investment strategy.
- 54.9 **RESOLVED:** That the Full Council agree changes to the Annual Investment Strategy 2013/14 as set out in paragraphs 3.12 to 3.16 and appendix 3 of the report.