

Council

12 December 2013

Agenda Item 56

Brighton & Hove City Council

Subject: Treasury Management Policy Statement 2013/14 – Mid Year Review – Extract from the proceedings of the Policy & Resources Committee meeting held on the 5th December 2013

Date of Meeting: 12 December 2013

Report of: Head of Law

Contact Officer: Name: **Mark Wall** Tel: **29-1006**
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Wards Affected: All

FOR GENERAL RELEASE***Action Required of the Council:***

To receive the item referred from the Policy & Resources Committee for approval:

Recommendation:

That the Full Council be recommended to 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.

POLICY & RESOURCES COMMITTEE

4.00 pm 5 December 2013
COUNCIL CHAMBER, HOVE TOWN HALL

DRAFT MINUTES

Present: Councillor J Kitcat (Chair); Councillors Littman (Deputy Chair), G Theobald (Opposition Spokesperson), Morgan (Group Spokesperson), Davey, Hamilton, Lepper, A Norman, Peltzer Dunn and Shanks.

PART ONE**74. TREASURY MANAGEMENT POLICY STATEMENT 2013/14 – MID YEAR REVIEW**

74.1 The Executive Director for Finance & Resources introduced the report which provided a six monthly update in regard to the Treasury Management Policy Statement and the

Treasury Management Practices for the year commencing 1 April 2013. It also detailed the action taken during the period April to September 2013 to meet the policy statement and practices and the investment strategy. She stated that due to the difficulties in finding sufficient investment counterparties of suitable financial standing in relation to the Annual Investment Strategy, and the need to balance risks and secure investments, some changes were proposed which would need to be approved by full council.

- 74.2 Councillor Littman welcomed the report and noted that the economic climate around the world was still uncertain and therefore there was a need to review how the council's investments were made and to look at other banking organisations with a triple 'A' rating.
- 74.3 Councillor A. Norman stated that council officers had an excellent track record in this area and whilst the difficulties faced by the Co-op Bank were unfortunate, there was a need to maintain the council's position securely. She noted the possibility of utilising non-UK banks but asked if further information could be provided in regard to the RABOBANK and the Australian Banks referenced in the report at paragraph 3.15.
- 74.4 The Executive Director for Finance & Resources stated that she would ensure further checks were undertaken and confirm the outcome with Councillor Norman.
- 74.5 The Chair stated that he was sure the officers would monitor the situation carefully and noted that there was a degree of risk associated with any investment. He then put the recommendations to the vote.
- 74.6 **RESOLVED TO RECOMMEND:**
- (1) That the action taken during April - September 2013 to meet the Treasury Management Policy Statement 2013/14 and associated treasury management practices and the Annual Investment Strategy 2013/14 be endorsed;
 - (2) That it be noted that the maximum indicator for risk agreed at 0.05%, the authorised borrowing limit and operational boundary have not been exceeded; and
 - (3) That the Full Council be recommended to agree changes to the Annual Investment Strategy 2013/14 as set out in paragraphs 3.12 to 3.16 and appendix 3 of this report.