

Subject:	Treasury Management Policy Statement 2016/17 (Including Annual Investment Strategy 2016/17) – Mid Year Review - Extract from the proceedings of the Policy, Resources & Growth Committee Meeting held on the 8 December 2016		
Date of Meeting:	10 January 2017		
Report of:	Executive Lead for Strategy, Governance & Law		
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Wards Affected:	All		

FOR GENERAL RELEASE***Action Required of the Audit & Standards Committee:***

To receive the item referred for information:

Recommendation:

That the Committee note the report.

BRIGHTON & HOVE CITY COUNCIL

POLICY, RESOURCES & GROWTH COMMITTEE

4.00pm 8 DECEMBER 2016

COUNCIL CHAMBER, HOVE TOWN HALL, NORTON ROAD, HOVE, BN3 3BQ

MINUTES

Present: Councillors Morgan (Chair), Hamilton (Deputy Chair), G Theobald (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Bewick, Janio, Mitchell, A Norman, Sykes and Wealls

PART ONE**81 TREASURY MANAGEMENT POLICY STATEMENT 2016/17 (INCLUDING ANNUAL INVESTMENT STRATEGY 2016/17) –MID YEAR REVIEW**

- 81.1 The Committee considered a report of the Executive Director for Finance & Resources in relation to Treasury Management Policy Statement 2016/17 (including Annual Investment Strategy 2016/17) –Mid Year Review. The 2016/17 Treasury Management Policy Statement (TMPS), practices and schedules were approved by the Policy & Resources Committee on 17 March 2016. The TMPS set out the role of Treasury Management, whilst the practices and schedules set out the annual targets and methods by which these targets would be met. It was recommended good and proper practice that Members received half yearly reports and review and endorse treasury management actions during the year. The purpose of the report was to advise of the action taken in the first half of 2015/16.
- 81.2 In response to Councillor Wealls it was explained that, were the Council to have invested in property funds before the Brexit referendum, there would have likely been losses in the short-term, as well as potentially breaching the agreed level of exposure and the impact on the risk indicator; however, it was highlighted that the Council would always carefully consider this indicator before making any financial investment.
- 81.3 In response to Councillor Sykes it was explained that when the Council borrowed it relied heavily on market data; decisions on borrowing were based around cash flow, the funds required and interest rates.
- 81.4 In response to Councillor Janio's queries about under-borrowing, it was clarified that this related to instances where the Council borrowed from its own cash reserves. The Council had now moved away from this approach generally as it had a substantial amount of under-borrowing, but now also wanted to take advantage of low interest rates, and be prevented from having to borrow when interest rates were higher.

81.5 Councillor A. Norman formally thanked the Treasury Management Team, and highlighted the importance for the city of having a sound investment strategy.

81.6 The Chair then put the recommendations to the vote.

81.7 **RESOLVED:**

- 1) That the Committee endorses the key actions taken during the first half of 2016/17 to meet the treasury management policy statement and practices (including the investment strategy) as set out in this report.
- 2) That the Committee notes that the approved maximum indicator for investment risk of 0.05% has been adhered to and the authorised limit and operational boundary have not been exceeded in the first half of the year.

