

**EXTRACT FROM THE DRAFT PROCEEDINGS OF THE CABINET
MEETING HELD ON THE 17 MARCH 2011****COUNCIL CHAMBER, HOVE TOWN HALL****MINUTES**

Present: Councillors Mears (Chairman), Alford, Brown, Fallon-Khan, K Norman, Simson, Smith, G Theobald and Young

Also in attendance: Councillors Mitchell (Opposition Spokesperson) and Randall (Opposition Spokesperson)

Other Members present: Councillors Hamilton, Harmer-Strange and A Norman

PART ONE**190. ANNUAL INVESTMENT STRATEGY 2011/12**

- 190.1 The Cabinet considered a report of the Director of Finance seeking endorsement of the Annual Investment Strategy 2011/12 and recommending its approval to Full Council.
- 190.2 Councillor Mitchell requested further information about the new Public Sector Deposit Fund and what the council would have to demonstrate in order to take advantage of the opportunities on offer. She also queried the implications of separating the council's housing debt from its non-housing debt.
- 190.3 Councillor Randall asked for more clarity about how the new system would work.
- 190.4 Councillor Young advised that the new fund was due to be launched in May and would be open to public bodies such as the council; capital security and liquidity would be its guiding principles and investment returns were expected to be competitive compared with other similar funds.

She explained that the council welcomed the opportunity for self financing within the Housing Revenue Account and that the preferred option was to split the debt between housing and general fund, enabling the council to manage each debt pools to the benefit of tenants and council tax payers; investments were primarily general fund reserves so there would be little impact and the housing account would continue to receive interest on its balances.

- 190.5 The Head of Strategic Finance & Procurement advised that opportunities available through the Public Sector Deposit Fund would be considered alongside existing financial institutions, with the rates of return balanced against risk.
- 190.6 **RESOLVED** – That, having considered the information and the reasons set out in the report, the Cabinet accepted the following recommendation:
- (1) That the Annual Investment Strategy 2011/12, as set out in Appendix 1 to the report, be agreed; and recommended to Council for approval at its meeting on 24 March 2011.

The meeting concluded at 6.15pm