

Gloucester City Council

Paragraph 12.02 of Part 4 of the Rules of Procedure contained within the City Council's Constitution provides that a Member of the Council may submit a written question to any Cabinet Member.

This document informs Members of Council of written questions put to Cabinet Members and written replies thereto.

Council is recommended to RESOLVE to note the written questions submitted and corresponding responses.

No.	Question from/to	Question	Response
1.	From Councillor Field to the Cabinet Member for Performance and Resources	Regarding the pension fund for city council employees: a) What is the current total value, to the nearest round number, of the City Council pension fund?	The most recent funding report for Gloucester City (September 2012) showed our asset share as £62.3 million (answer supplied by Head of Pension Fund, Strategic Finance at Gloucestershire County Council).
2.	From Councillor Field to the Cabinet Member for Performance and Resources	Regarding the pension fund for city council employees: b) Although the County Council administer our pension fund on behalf of the City Council, what information do we hold on where, and who, our money is invested with? Is the Cabinet Member aware of any investments from that fund which some would view as ethically dubious? For example tobacco companies, arms traders, betting/gambling companies, etc? I am also consulting colleagues who are past and present members of the County Pensions Committee for information.	See attached table of main holdings as at 31 March 2013 (provided by Head of Pension Fund, Strategic Finance at Gloucestershire County Council).

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3.	From Councillor Field to the Cabinet Member for Performance and Resources	<p>Regarding the pension fund for city council employees:</p> <p>c) What is the current status of the City Council's investments in Icelandic Banks?</p>	<p>The City Council's only Icelandic related investment was £2m with the Heritable Bank Ltd – a UK bank, regulated by the UK Financial Services Authority, but owned by parent company Landsbanki – an Icelandic bank.</p> <p>Given its Icelandic ownership, Heritable Bank went into administration in the autumn of 2008 and at that time, the Council had £2 million invested with the bank.</p> <p>The administrators are UK accountancy firm Ernst and Young, unlike other Icelandic investments where councils were required to deal with Icelandic authorities.</p> <p>Ernst and Young have supplied current projections to suggest a current estimated return to creditors of at least 90 pence in the pound. To date a total of £1.6 million has been received in repayments through the Heritable administrators, in line with the estimated payments profile. The Council has also subsequently received a firm offer from a financial institution for at least 96% of the total debt. Given the ongoing expectation that the return will increase over time, the council will continue to monitor the situation to ensure returns are maximised.</p>

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4.	From Councillor Field to the Cabinet Member for Performance and Resources	Is the Cabinet Member aware of the so-called 'Bristol Pound', and is it something that we might try in Gloucester?	<p>The Bristol Pound (£B) is a form of local alternative currency launched in Bristol in September 2012. The aim is to encourage people to spend their money with local Bristol businesses.</p> <p>The scheme is backed by Bristol City Council and a local financial institution (Bristol Credit Union). Because of the local council support, Bristol residents are able to pay their local taxes using the currency. Bristol pounds can be converted to and from pounds sterling and are equal in value to sterling.</p> <p>Because of its backing by a bona fide financial institution (Bristol Credit Union) the Bristol Pound was the first local scheme to be able to accept electronic payments. This allows, for example, participating small businesses to accept payments by SMS, without needing to pay for and install a credit card machine. Payments can also be made online.</p> <p>Every £B is backed up by a pound sterling deposited at Bristol Credit Union. Other banks do not accept £B as legal tender. Neither are local businesses obliged to accept the notes. Equally, the organisers cannot prevent national and multinational companies accepting £B, despite the currency being aimed at the local economy.</p> <p>Bristol pounds can only be exchanged back into pounds sterling by Bristol Credit Union who charge a fee (3%).</p> <p>This is an interesting question and one we have not considered before, and I will speak to my Cabinet colleagues regarding this in due course.</p>