

REPORT TITLE: Motion submitted by Cllr Tong – City of Sanctuary
To:

 Civic Affairs & Audit Committee, 5th October 2026

Report by:

 Jody Etherington, Chief Finance Officer; jody.etherington@cambridge.gov.uk Keryn Jalli, Strategic Resettlement and Community Equity Lead; keryn.jalli@cambridge.gov.uk Dan Kalley, Head of Governance and Democracy; dan.kalley@cambridge.gov.uk
Wards affected:

All

Director Approval: the S151 confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Committee.

1.	Recommendations
1.1	It is recommended that Civic Affairs & Audit Committee note the progress of the council in respect of the City of Sanctuary motion from February 2026 and provide comment.
2.	Purpose and reason for the report
2.1	The report is presented to Committee following the request from Cllr Tim Bick for the substantive motion presented at Full Council in February 2026 to be put to the Civic Affairs & Audit Committee to review.
3.	Alternative options considered
3.1	As the request was agreed at Full Council the committee has the responsibility to review the motion.
4.	Background and key issues
4.1	The full motion wording submitted by Cllr Tong can be seen below:

1. City of sanctuary

This council asserts that it wishes Cambridge to be a city of sanctuary in both name and deed.

This council asserts that this aspiration is shared by its residents, including particularly those who have become Cambridge residents by choice after becoming refugees.

This council wishes to re-affirm its commitment to be a city of sanctuary and take concrete steps to ensure that it plays no part in directly or indirectly financing the warfare and war crimes that force innocent people to flee for their lives.

2 Pension scheme divestment

The council notes with concern that, despite passing a divestment motion and several questions asked by councillors, it has been unable to provide residents, employees and councillors with clear information on whether any of the pension contributions it pays from employees' salaries and council tax are invested in ways that directly finance aggressive acts of war and war crimes. This undermines the credibility of Cambridge's claim to be a city of sanctuary.

This council resolves to write to all other local authorities in their current and expected pension pool to request them to vote for this information to be obtained, circulated and a divestment plan put in place at the earliest possible date.

The council notes that the current pension pool is ACCESS and that this will join the BTCPP pension pool and accordingly proposes to write to members of both as well as the managers and trustees of the pension funds.

3 Barclays Bank

The council reaffirms its commitment to withdraw its accounts from Barclays Bank plc at the earliest date that the contract can be terminated without penalty and find a more ethical banking partner. This is on the grounds that this bank has loaned over £2 billion to companies providing arms to Israel alone.

4 Flag policy

The council commits to reviewing its flag protocol at the next Civic Affairs & Audit meeting and including the flag of the newly recognised state of Palestine in the list of national flags to be flown on appropriate occasions. It also commits to illuminating the Guildhall in the colours of the Palestinian flag on 28 November, the UN's International Day of Solidarity with the Palestinian People.

4.2

City of Sanctuary

[City of Sanctuary](#) is a charity founded in 2005 with a vision that, *“The UK will be a place of welcome for all – and committed to justice and solidarity for people seeking sanctuary”*

For over a decade Cambridge City Council has proudly welcomed and supported refugees navigating their new lives in Cambridge and the surrounding areas, consistently delivering on our [Resettlement Pledge](#). Cambridge City Council has been a non-award member of the City of Sanctuary since 2015.

The Council’s in-house, multi-lingual resettlement team provides holistic support to refugees resettling in Cambridge and South Cambridgeshire. The team of specialists provide a trauma-informed approach, supporting people on their journey to independence, enabling access to ESOL, healthcare, education, benefits and employment.

Cambridge City Council have successfully supported over 1,000 newly arrived refugees to resettle in Cambridge and the surrounding areas. The majority of refugees resettled are from Ukraine and Afghanistan.

In 2024, the Resettlement team delivered focus groups with those with lived experience of forced displacement and local refugee charities, to better understand what supported people’s resettlement journey and the barriers they face. As a result, the council has procured specialist services for therapeutic support, English language and employment support. The council also commissions specialist immigration advice service for refugees delivered by Cambridge Ethnic Community Forum.

The council convenes a quarterly meeting with community organisations involved in resettlement and enables community organisations to support people displaced by war, conflict, and persecution through our [Resettlement Community Grants](#).

The council plays an active role locally with the City of Sanctuary, is currently pursuing full accreditation and is due to submit its application by spring 2027.

4.3**Pensions**

In respect of the council's pension investments, the February motion presupposes a lack of clear information on how the council's pension fund is invested. However, the website of the [Cambridgeshire Pension Fund](#) includes a great deal of information, including the fund's [Investment Strategy Statement](#), which describes how the fund's money is invested; the approach to risk; and its policy about how Environmental, Social and Governance considerations are taken into account in investment decisions.

In addition, the fund publishes on a quarterly [detailed schedule](#) of its investment holdings.

Under the [Local Government Pension Scheme \(Pooling, Management and Investment of Funds\) Regulations 2026](#), setting the Investment Strategy is the responsibility of the Pension Fund Committee of Cambridgeshire County Council, as administering authority. In addition, the Local Pension Board, comprising representatives of fund members and employers, performs an oversight role and is engaged during its formulation.

In setting the Strategy, the Pension Fund Committee is required to have regard to [statutory guidance](#) issued by the Secretary of State. In summary, the guidance provides that:-

- The administering authority's primary obligation is to act in the best financial interest of the fund.
- Administering authorities may also take non-financial considerations into account provided that doing so would not involve risk of significant financial detriment to the fund and that they have good reason to think that scheme members would support their decision.
- Administering authorities should exercise caution against undue influence from campaign groups whose positions may not reflect the views of members or align with the fund's fiduciary responsibilities.
- Administering authorities should ensure that any consideration of member sentiment takes place with due account given to long-term risk management and regulatory compliance.

	• The responsible investment approach should not set exclusions for investments in individual countries, investment styles or companies. The Cambridgeshire Pension Fund is currently consulting on a new draft Investment Strategy. This includes a Responsible Investment policy which seeks to go beyond the minimum required to comply with relevant regulations and demonstrate good practice. For example, it sets out the following: • Good Environmental, Social and Governance (ESG) and stewardship practices should be integrated throughout the investment process of the Fund. • The Fund is committed to being a long-term steward of the assets in which it invests. It believes in the importance of its Pool and investment managers acting as active asset owners through proactive voting and engagement with companies. • The Fund believes that engaging with managers and companies, rather than setting exclusions or divesting based on country, sector or style, should be the primary route for seeking positive change. • The Fund supports the objectives of the Paris Agreement and believes that keeping a global temperature rise this century to well below 2°C relative to pre-industrial levels is entirely consistent with securing strong financial returns. • The Fund also believes in a “just transition” to a low carbon economy that ensures fair treatment for employees and communities that would otherwise bear the brunt of industrial change. • The Fund expects its Pool to consider strategies that target long-term ESG themes (e.g. energy, water, demographic trends) including those themes set out in the United Nations Sustainable Development Goals (SDGs) on the basis that such opportunities will generate good risk adjusted investment returns. Subject to adoption, this updated Investment Strategy will serve to support the ESG goals of the fund and the council, without exposing it to the potentially significant legal risk associated with a country or sector-specific boycott.
4.4	Barclays

The council's day-to-day banking services have been provided by Barclays since 2016, following a joint procurement exercise with South Cambridgeshire District Council (SCDC). The contract has been extended on two occasions since, and the current contract runs until 31 March 2028 with further opportunities to extend.

In May 2024, Full Council passed a motion which included the following:

- a. Investigate the implications of stopping banking with Barclays - which is known for investing over £2 billion in and providing financial services to companies arming Israel worth £6.1 billion - and instead banking with an ethical bank.

Note that, contrary to the wording of Cllr Tong's February 2026 motion, no firm commitment was made to withdraw the council's accounts from Barclays.

A May 2024 report by Campaign Against Arms Trade, War on Want and the Palestine Solidarity Campaign claimed that Barclays:

- held over £2 billion in shares in nine arms companies whose weapons or technology have been used in Israel's attacks on Palestinians;
- provided £6.1 billion in loans and underwriting to those same companies. The report doesn't separate the loans from the underwriting.

Barclays disputes this framing. The bank states that it sold its remaining Elbit (Israeli/US defence contractor) shares in late 2024, and that it does not hold any other shares as its own investments but only on behalf of clients. Barclays does not appear to have publicly challenged the £6.1bn loans and underwriting figure.

Following the 2024 motion, significant work has been carried out by officers, including:

- Investigation and soft market testing of alternative suppliers.
- Investigation into the implications of changing banking providers for the council and its service users.
- Discussions with SCDC about their appetite to undertake a new joint procurement exercise.
- Clarification of the legal position in respect of the Procurement Act 2023 and the council's ability to restrict potential suppliers on the basis of their other business interests.

The conclusion of that work is as follows:

- Changing banking suppliers causes significant disruption both to the council and its service users. For example, those who make payments to the council by standing order or direct bank transfer for council tax, business rates, housing rents etc would need to be contacted and asked to update the council's bank details. There is a significant administrative cost of this exercise both for the council and its residents, businesses and customers, along with an increased risk of missed payments impacting the council.
- New banking arrangements will be required for a new unitary authority following local government reorganisation (LGR), should this proceed. Whilst the LGR programme is currently under review, the current expectation remains that LGR will proceed in the medium-term.
- Whilst this council and SCDC bank with Barclays, Cambridgeshire County Council bank with Natwest. This means any future unitary authority will already need to bring together banking services from two different providers.
- SCDC have expressed no appetite to retender their banking service at this time. If the council were to proceed with a retendering process alone, this would introduce a third provider into the mix in advance of LGR, thus significantly increasing the complexity and risk involved. In addition, there is a strong likelihood that residents, businesses and customers would be subject to two changes in council bank details in the space of a few short years, with the administrative burden this brings. This would be further exacerbated by the timescales required to procure and implement a new banking solution, which will be in the region of 12-18 months and take us even closer to vesting day.
- Soft market testing has not identified any 'ethical' banking providers with the ability to service the local authority market which do not have any involvement in the defence and/or fossil fuel industries.
- The Procurement Act 2023 requires the council to treat suppliers equally unless there is a lawful justification for different treatment. This means that procurement exercises should take into account only those factors which are relevant to a

	supplier's ability to perform the contract. Taking into account the supplier's external business interests is likely to breach these requirements. • The government has issued strong advice that UK foreign policy is a matter for central government, and that councils should not engage in local politically motivated boycotts. Disregarding this advice could leave the council open to legal challenge. In light of all of the above, it is the strong advice of the Chief Finance Officer that no change be made to the council's banking provider in advance of LGR. It will then be for the new unitary council to determine its banking provider following transition. Should LGR be cancelled or postponed for a significant period of time, this position can be revisited. However, any resulting procurement exercise would need to be carried out in line with the requirements of the Procurement Act 2023 and associated guidance, and whilst the service specification could take reasonable account of ESG considerations, excluding named suppliers based upon external campaigning activity is likely to present a significant legal risk to the council.
4.5	Flags The council's current flag policy was updated most recently by the Civic Affairs Committee in February 2024. The purpose of the policy is to provide a clear and transparent framework, setting out the occasions when flags will be flown over the Guildhall. The protocol lists flags that commemorate national and international occasions, as well as flags that have associations with communities or causes. The Flag protocol was review by the Civic Affairs & Audit Committee on 23 Feb 2026 - Agenda for Civic Affairs and Audit Committee on Monday, 23rd February, 2026, 5.30 pm - Cambridge Council The Committee has agreed that, from time to time, additional flags may be flown in special circumstances where this is consistent with the council's vision, objectives and obligations, with agreement from the Leader and Chief Executive at the time.

	The proposed addition of the Palestinian flag would therefore represent an amendment to the council's established list of occasions for flying national flags. In considering the proposal, the Committee may wish to consider how the addition would fit within the existing principles and structure of the flag protocol, including the circumstances in which national flags are flown and the provision for additional flags to be flown on appropriate occasions. Officers have previously noted that the council should also consider its statutory obligations to promote community cohesion, and undertake appropriate risk assessments when required, if flying particular flags undermine the safety and wellbeing of all residents.
5.	Corporate plan
5.1	The motion touches on a number of corporate policies that affect the council. Members of the Committee will have the opportunity to discuss some of these at the meeting with any actions to be taken forward by officers.
6.	Consultation, engagement and communication
6.1	The subject matters contained within the motion sit primarily within the remit of the Civic Affairs & Audit Committee. The Committee are requested to note the contents of the motion and to seek any further work with regards to the asks of the motion before any work commences.
7.	Anticipated outcomes, benefits or impact
7.1	That the Committee review the motion and request officers to carry out any further work if necessary or required.
8.	Implications
8.1	Relevant risks

	<i>Summarise any potential risks to the Council if the decision is made. This could be financial/legal/reputational.</i>
	Local Government Reorganisation (LGR)
8.2	List here any risks or implications relating to LGR if applicable.
	Financial Implications
8.3	<i>Summarise here any financial implications related to this item and seek input from finance service.</i>
	Legal Implications
8.4	<i>Summarise here any legal implications related to this item and seek input from legal service.</i>
	Equalities and socio-economic Implications
8.5	<i>Summarise here any equalities implications related to this. Guidance for completing an assessment can be found on the Council's intranet site Cambridge City Council Equality Impact Assessment guidance notes 230818.docx (sharepoint.com)</i> <i>An Equality Impact Assessment must be completed and attached as an appendix to your report.</i>
	Net Zero Carbon, Climate Change and Environmental implications
8.6	<i>Summarise here the net zero, climate change and environmental impacts of the decision and include the rating from the Climate Change Rating Tool. Guidance for completing an assessment can be found on the Council's intranet site: Climate Change Ratings</i> <i>For more information please refer to following link. Chief Executive Office - Guidance on completing the net zero climate change and environmental implications section .pdf - All</i>

	Documents (sharepoint.com)
	Procurement Implications
8.7	<i>Summarise here any procurement implications related to this item and seek input from procurement (if applicable).</i>
	Community Safety Implications
8.8	<i>Summarise here any Community Safety implications (if applicable).</i>
9.	Background documents Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985
9.1	None
10.	Appendices
10.1	None.