

Item: 12

Investments Sub-committee: 22 February 2018.

1. Recommendations

It is recommended:

1.1.

That the Committee approves the attached minute as a true record.

2. Appendix

Draft Minute of the Meeting of the Investments Sub-committee held on 22 February 2018.

Minute

Investments Sub-committee

Thursday, 22 February 2018, 14:15.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors W Leslie Manson, Steven B Heddle, John A R Scott, Graham L Sinclair and James W Stockan.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Gareth Waterson, Head of Finance.
- Colin Kemp, Corporate Finance Senior Manager.
- Shonagh Merriman, Accounting Manager (Corporate Finance).
- Michael Scott, Solicitor.

Observing

- Kirsty Groundwater, Press Officer.

Apologies

- Councillor Rachael A King.
- Councillor Stephen Sankey.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor W Leslie Manson.

1. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Item 4, as the business to be discussed involved the potential disclosure of exempt information of the class described in the relevant paragraph of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

2. Revenue Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

2.1. The revenue financial summary statement in respect of Strategic Reserve Fund services for the period 1 April to 31 December 2017, attached as Annex 1 to the report by the Head of Finance, indicating a budget deficit position of £1,551,500.

2.2. The revenue financial detail by Service Area statement for the period 1 April to 31 December 2017, attached as Annex 2 to the report by the Head of Finance.

2.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance.

3. Temporary Loans

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Accounting Manager (Corporate Finance), the Sub-committee:

Noted:

3.1. The status of the temporary loan portfolio as at 31 December 2017, as detailed in section 4 of the report by the Head of Finance.

3.2. That, for the period 1 April to 31 December 2017, the temporary loans portfolio made a return of £139,942.67 at an average interest rate of 0.53%.

3.3. That the Treasury Policy Statement was being adhered to by the Finance Service and was producing an acceptable rate of return.

4. Statement of Managed Funds

On the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, the Sub-committee resolved that the public be excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

4.1. The review of investment performance by Hymans Robertson, the Council's appointed investment advisors, for the quarter to 31 December 2017, attached as Appendix 1 to the report by the Head of Finance.

4.2. That the Strategic Reserve Fund investments performed slightly ahead of the aggregate benchmark over the quarter to 31 December 2017, increasing in value by 3.3%, being 0.6% ahead of the benchmark.

4.3. That the performance of the Strategic Reserve Fund had been good over the 12-month period to 31 December 2017, with the value of the Fund increasing by 8.7%, being 2.2% ahead of the benchmark.

4.4. The Sustainable Investment Report as at 31 December 2017, produced by Schroders, attached as Appendix 2 to the report by the Head of Finance.

4.5. The Investment Stewardship Report as at 31 December 2017, produced by Blackrock, attached as Appendix 3 to the report by the Head of Finance.

5. Conclusion of Meeting

At 15:30 the Chair declared the meeting concluded

Signed: L Manson.