

## **Item: 16**

### **Investments Sub-committee: 18 September 2024.**

#### **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 18 September 2024.

# Minute

## Investments Sub-committee

Wednesday, 18 September 2024, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



## Present

Councillors P Lindsay Hall, Rachael A King and Mellissa-Louise Thomson.

## Present via remote link (Microsoft Teams)

Councillor Kristopher D Leask.

## Clerk

- Sandra Craigie, Committees Officer.

## In Attendance

- Erik Knight, Head of Finance.
- Shonagh Merriman, Service Manager (Corporate Finance).
- Katie Gibson, Team Manager (Corporate Finance).
- Michael Scott, Solicitor.

## In Attendance via Remote Link (Microsoft Teams)

- David Walker, Partner, Hymans Robertson.

## Apologies

- Councillor Alexander G Cowie.
- Councillor Steven B Heddle.
- Councillor Heather N Woodbridge.

## Declarations of Interest

- No declarations of interest were intimated.

## Chair

- Sandra Craigie, Committees Officer (for Item 1).
- Councillor P Lindsay Hall (for Items 2 to 9).

## **1. Appointment of Chair**

As both the Leader and the Depute Leader had intimated their apologies for this meeting, the Clerk called for nominations for a Chair, and the Sub-committee:

Resolved that Councillor P Lindsay Hall be appointed Chair for this meeting.

Councillor P Lindsay Hall took the Chair for the remainder of the meeting.

## **2. Revenue Expenditure Outturn**

After consideration of a report by the Head of Finance, copies of which had been circulated, the Sub-committee:

Noted:

**2.1.** The revenue expenditure outturn statement in respect of service areas for which the Investments Sub-committee was responsible, for financial year 2023/24, attached as Annex 1 to the report by the Head of Finance, indicating a budget underspend position of £1,421,400.

**2.2.** The financial detail by service area statement, in respect of service areas for which the Investments Sub-committee was responsible, for financial year 2023/24, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

**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, and obtained assurance that appropriate action was taken with regard to significant budget variances.

## **3. Revenue Expenditure Monitoring**

After consideration of a report by the Head of Finance, copies of which had been circulated, the Sub-committee:

Noted:

**3.1.** The revenue financial summary statement in respect of service areas for which the Investments Sub-committee was responsible, for the period 1 April to 30 June 2024, attached as Annex 1 to the report by the Head of Finance, indicating a budget deficit position of £1,451,100.

**3.2.** The revenue financial detail by service area statement in respect of service areas for which the Investments Sub-committee was responsible, for the period 1 April to 30 June 2024, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

**3.3.** 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, and obtained assurance that appropriate action was being taken with regard to significant budget variances.

#### **4. Treasury Management – Annual Report**

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

Scrutinised the Treasury Management Review for financial year 2023/24, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance that the Treasury Management Practices had operated effectively.

#### **5. Treasury Management – Monitoring**

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

Scrutinised:

**5.1.** The quarterly report, attached as Appendix 1 to the report by the Head of Finance prepared by Link Treasury Services, the Council's Treasury Adviser, which covered the undernoted elements of treasury management, and obtained assurance that the Treasury Management Practices were operating effectively:

- An economic update for the quarter ended 30 June 2024.
- Interest rate forecasts.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- A review of prudential and treasury indicators for 2024/25, as at 30 June 2024.

**5.2.** The status of the temporary loans portfolio as at 30 June 2024, as detailed in section 4 of the report by the Head of Finance, and obtained assurance that the Treasury Management Practices were operating effectively and the portfolio was producing an acceptable rate of return.

#### **6. Exclusion of Public**

On the motion of Councillor P Lindsay Hall, seconded by Councillor Rachael A King, the Sub-committee resolved that the public be excluded from the meeting for the remainder of the meeting, as the business to be considered involved the disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

#### **7. Statement of Managed Funds**

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been 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 Act.

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

Scrutinised:

**7.1.** The investment monitoring report for the Strategic Reserve Fund produced by Hymans Robertson, the Council's appointed investment advisor, attached as Appendix 1 to the report by the Head of Finance, relating to the performance of managed funds for the quarter to 30 June 2024 and obtained assurance.

**7.2.** The Barings Global High Yield Credit Strategies Fund ESG report for the quarter ending 30 June 2024, attached as Appendix 2 to the report by the Head of Finance.

**7.3.** The Schroders Sustainable Investment report for the quarter ending 30 June 2024, attached as Appendix 3 to the report by the Head of Finance.

## **8. Strategic Reserve Fund – Investment Strategy – Review**

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been 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 Act.

After consideration of a report by the Head of Finance, copies of which had been circulated, the Sub-committee:

Resolved, in terms of delegated powers, what action should be taken with regard to a review of the Investment Strategy for the Strategic Reserve Fund.

**The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.**

## **9. Conclusion of Meeting**

At 14:54 the Chair declared the meeting concluded.

Signed: P Lindsay Hall.