

Minute

Investments Sub-committee

Thursday, 24 February 2022, 14:00.

Microsoft Teams.



Present

Councillors W Leslie Manson, Alexander G Cowie, Barbara Foulkes, Rachael A King, Stephen Sankey and James W Stockan.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Colin Kemp, Interim Head of Finance.
- Shonagh Merriman, Interim Corporate Finance Senior Manager.
- Michael Scott, Solicitor.

Observing

- Kirsty Groundwater, Communications Team Leader.

Apology

- Councillor Steven B Heddle.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor W Leslie Manson.

1. Form of Voting

The Sub-committee resolved that, should a vote be required in respect of the matters to be considered at this meeting, notwithstanding Standing Order 21.4, the form of voting should be by calling the roll (recorded vote).

2. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Items 6 and 7, as the business to be discussed involved the potential 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.

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 31 December 2021, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £5,947,900.

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 31 December 2021, 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 action was being taken with regard to significant budget variances.

4. 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 Interim Corporate Finance Senior Manager, the Sub-committee:

Noted:

4.1. The status of the temporary loan portfolio as at 31 December 2021, as detailed in section 3 of the report by the Head of Finance.

4.2. That, for the period 1 April to 31 December 2021, the temporary loans portfolio made a return of £50,250.43 at an average interest rate of 0.21%.

The Sub-committee scrutinised:

4.3. The temporary loans portfolio, detailed in sections 3 and 4 of the report by the Head of Finance, and obtained assurance that the Treasury Management Strategy was being adhered to by the Finance Service and the temporary loans portfolio was producing an acceptable rate of return.

5. Exclusion of the Public

On the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, the Sub-committee resolved that the public be excluded for the remainder of the meeting, as the business to be considered involved the disclosure of exempt information of the classes described in Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

6. 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 Interim Corporate Finance Senior Manager, the Sub-committee:

Noted:

6.1. 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 31 December 2021.

6.2. That the Strategic Reserve Fund investments returned a gain of £7,500,000 which, after transfers into the Fund were taken into account, equated to a gain of 1.9% over the quarter to 31 December 2021 and was 2.1% behind benchmark, and therefore considered poor.

6.3. That the investment gains on the Strategic Reserve Fund had been positive over the 12-month period to 31 December 2021, with the value of the Fund increasing by 8.1% which, in absolute terms, was very good, however, at 3.1% behind benchmark was considered poor.

6.4. The Governance Summary extracted from Baillie Gifford's performance report for the quarter ending 31 December 2021, attached as Appendix 2 to the report by the Head of Finance.

6.5. The Barings Global High Yield Credit Strategies Environmental, Social and Governance report, attached as Appendix 3 to the report by the Head of Finance.

7. Review of Investment Strategy

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 paragraphs 6 and 9 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 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.

8. Conclusion of Meeting

At 14:37 the Chair declared the meeting concluded.

Signed: W Leslie Manson.