

## **Item: 20**

**Investments Sub-committee: 18 May 2023.**

### **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 May 2023.

# Minute

## Investments Sub-committee

Thursday, 18 May 2023, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



## Present

Councillors Heather N Woodbridge, P Lindsay Hall, Steven B Heddle, Kristopher D Leask and James W Stockan.

## Present via remote link (Microsoft Teams)

Councillor Mellissa-Louise Thomson.

## Clerk

- Sandra Craigie, Committees Officer.

## In Attendance

- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- Erik Knight, Head of Finance.
- Shonagh Merriman, Service Manager (Corporate Finance).
- Michael Scott, Solicitor.

## Hymans Robertson:

- David Walker, Partner.

## Apology

- Councillor Rachael A King.

## Declarations of Interest

- No declarations of interest were intimated.

## Chair

- Councillor Heather N Woodbridge.

## 1. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Item 3 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. 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 Service Manager (Corporate Finance), the Sub-committee:

Noted:

**2.1.** The status of the temporary loan portfolio as at 31 March 2023, as detailed in section 3 of the report by the Head of Finance.

**2.2.** That, for the period 1 April 2022 to 31 March 2023, the temporary loans portfolio made a return of £250,182.72 at an average interest rate of 1.75%.

The Sub-committee scrutinised:

**2.3.** 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.

## **3. Statement of Managed Funds**

On the motion of Councillor Heather N Woodbridge, 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 Service Manager (Corporate Finance), the Sub-committee:

Noted:

**3.1.** 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 March 2023.

**3.2.** That, although the Strategic Reserve Fund investments returned a loss of £4,400,000, after allowing for transfer or cash outflows of £9,700,000, this equated to a gain of 2.1% over the quarter to 31 March 2023, which was 0.6% behind benchmark, and therefore considered poor.

**3.3.** That the investment returns on the Strategic Reserve Fund had been negative over the 12-month period to 31 March 2023, with the value of the Fund decreasing by 5.3%, which was 5.0% behind benchmark and therefore considered very poor.

**3.4.** The BlackRock UK Property and Diversified Growth Fund Commentary for the quarter ending 31 March 2023, attached as Appendix 2 to the report by the Head of Finance.

**3.5.** The Barings Global High Yield Credit Strategies Environmental, Social and Governance Impact report for the quarter ending 31 March 2023, attached as Appendix 3 to the report by the Head of Finance.

#### **4. Conclusion of Meeting**

At 14:13 the Chair declared the meeting concluded.

Signed: Heather N Woodbridge.