

## **Minute**

### **Investments Sub-committee**

Wednesday, 29 August 2018, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



### **Present**

Councillors W Leslie Manson, Steven B Heddle, Stephen Sankey, 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.
- Michael Scott, Solicitor.

### **Observing**

- Kirsty Groundwater, Press Officer.

### **Apology**

- Councillor Rachael A King.

### **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 5, 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 Outturn**

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 expenditure outturn statement in respect of Strategic Reserve Fund services for financial year 2017 to 2018, attached as Annex 1 to the report by the Head of Finance, indicating a budget deficit position of £7,209,400.

**2.2.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to the report by the Head of Finance.

Councillor Graham L Sinclair joined the meeting during discussion of this item.

## **3. 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:

**3.1.** The revenue financial summary statement in respect of Strategic Reserve Fund services for the period 1 April to 30 June 2018, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £5,459,900.

**3.2.** The revenue financial detail by Service Area statement for the period 1 April to 30 June 2018, attached as Annex 2 to the report by the Head of Finance.

**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.

Councillor James W Stockan left the meeting at this point.

## **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 Corporate Finance Senior Manager, the Sub-committee:

Noted:

**4.1.** The status of the temporary loan portfolio as at 30 June 2018, as detailed in section 3 of the report by the Head of Finance.

**4.2.** That, for the period 1 April to 30 June 2018, the temporary loans portfolio made a return of £49,533.58 at an average interest rate of 0.69%.

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

## **5. Statement of Managed Funds**

On the motion of Councillor W Leslie Manson, seconded by Councillor Graham L Sinclair, 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:

**5.1.** The review of investment performance by Hymans Robertson, the Council's appointed investment advisors, for the quarter to 30 June 2018, attached as Appendix 1 to the report by the Head of Finance.

**5.2.** That the Strategic Reserve Fund investments performed averagely over the quarter to 30 June 2018, increasing in value by 3.4%, being 0.1% ahead of the benchmark.

**5.3.** That the performance of the Strategic Reserve Fund had been average over the 12 month period to 30 June 2018, with the value of the Fund increasing by 5.1%, being only 0.3% ahead of the benchmark.

**5.4.** The Sustainable Investment Report as at 30 June 2018, produced by Schrodgers, attached as Appendix 2 to the report by the Head of Finance.

**5.5.** The Investment Stewardship as at 30 June 2018, produced by Blackrock, attached as Appendix 3 to the report by the Head of Finance.

## **6. Conclusion of Meeting**

At 11:20 the Chair declared the meeting concluded.

Signed: L Manson.