

Item: 20

Investments Sub-committee: 16 September 2021.

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 16 September 2021.

Minute

Investments Sub-committee

Thursday, 16 September 2021, 14:15.

Microsoft Teams.



Present

Councillors W Leslie Manson, Alexander G Cowie, Steven B Heddle, Rachael A King and James W Stockan.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

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

Observing

- Lorraine Stout, Press Officer (for Items 1 to 5).

Apologies

- Councillor Barbara Foulkes.
- Councillor Stephen Sankey.

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 Item 6, 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.

3. Revenue Expenditure Outturn

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

Noted:

3.1. The revenue expenditure outturn statement in respect of Strategic Reserve Fund services for financial year 2020/21, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £40,188,800.

The Sub-committee scrutinised:

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

Councillor Alexander G Cowie joined the meeting during discussion of this item.

4. Revenue Expenditure Monitoring

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

Noted:

4.1. 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 2021, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £821,600.

4.2. 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 2021, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

4.3. 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.

5. 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:

5.1. The status of the temporary loan portfolio as at 30 June 2021, as detailed in section 3 of the report by the Head of Finance.

5.2. That, for the period 1 April to 30 June 2021, the temporary loans portfolio made a return of £19,469.38 at an average interest rate of 0.25%.

The Sub-committee scrutinised:

5.3. 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.

Councillor Alexander G Cowie left the meeting at this point.

6. 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 Accounting Manager (Corporate Finance), 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 30 June 2021.

6.2. That the performance of the Strategic Reserve Fund investments was considered good in absolute terms over the quarter to 30 June 2021, with the value of the Fund increasing by 4.0%, however this was only 0.3% ahead of the benchmark.

6.3. That the performance of the Strategic Reserve Fund had been positive over the 12-month period to 30 June 2021, with the value of the Fund increasing by 16.0% which, at 3.5% ahead the benchmark, was considered very good.

6.4. The Sustainable Investment Report as at 30 June 2021, produced by Schroders, attached as Appendix 2 to the report by the Head of Finance.

6.5. The Stewardship Expectations Report for 2021, produced by Blackrock, attached as Appendix 3 to the report by the Head of Finance.

6.6. The Governance Summary extracted from Baillie Gifford's performance report for the quarter ending 30 June 2021, attached as Appendix 4 to the report by the Head of Finance.

6.7. The Barings Global High Yield Credit Strategies Environmental, Social and Governance report, attached as Appendix 5 to the report by the Head of Finance.

Councillor Alexander G Cowie rejoined the meeting during discussion of this item.

7. Conclusion of Meeting

At 15:22 the Chair declared the meeting concluded.

Signed: W Leslie Manson.