

Item: 14

Investments Sub-committee: 27 November 2019.

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 27 November 2019.

Minute

Investments Sub-committee

Wednesday, 27 November 2019, 14:15.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors W Leslie Manson, James W Stockan, Alexander G Cowie, Stephen Sankey and Graham L Sinclair.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Gareth Waterson, Head of Finance.
- Shonagh Merriman, Accounting Manager (Corporate Finance).
- Michael Scott, Solicitor.

Apologies

- Councillor Steven B Heddle.
- 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 4, 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 Monitoring

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

Noted:

2.1. The revenue financial summary statement in respect of Strategic Reserve Fund services for the period 1 April to 30 September 2019, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £5,716,300.

2.2. The revenue financial detail by Service Area statement for the period 1 April to 30 September 2019, attached as Annex 2 to the report by the Head of Finance.

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.

3. Temporary Loans

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

Noted:

3.1. The status of the temporary loan portfolio as at 30 September 2019, as detailed in section 3 of the report by the Head of Finance.

3.2. That, for the period 1 April to 30 September 2019, the temporary loans portfolio made a return of £144,262.85 at an average interest rate of 1.01%.

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

4. Statement of Managed Funds

On the motion of Councillor W Leslie Manson, seconded by Councillor Alexander G Cowie, 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:

4.1. The review of investment performance by Hymans Robertson, the Council's appointed investment advisors, for the quarter to 30 September 2019, attached as Appendix 1 to the report by the Head of Finance.

4.2. That the performance of the Strategic Reserve Fund investments was considered poor over the quarter to 30 September 2019, with the value of the Fund increasing by 1.7%, which was 0.5% behind the benchmark.

4.3. That, although the performance of the Strategic Reserve Fund had been good in absolute terms over the 12-month period to 30 September 2019, with the value of the Fund increasing by 4.8%, this was 0.8% below the benchmark of 5.6% and also behind target.

4.4. The Sustainable Investment Report as at 30 September 2019, produced by Schroders, attached as Appendix 2 to the report by the Head of Finance.

4.5. The Investment Stewardship Report as at 30 September 2019, produced by Blackrock, attached as Appendix 3 to the report by the Head of Finance.

4.6. The Investment Stewardship Annual Report 2019, produced by Blackrock, attached as Appendix 4 to the report by the Head of Finance.

5. Conclusion of Meeting

At 14:47 the Chair declared the meeting concluded.

Signed: L Manson.