

## **Item: 24**

**Investments Sub-committee: 15 June 2022.**

### **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 15 June 2022.

# Minute

## Investments Sub-committee

Wednesday, 15 June 2022, 16:00.

Council Chamber, Council Offices, School Place, Kirkwall.



## Present

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

## Present via remote link (Microsoft Teams)

Councillor Rachael A King.

## Clerk

- Sandra Craigie, Committees Officer.

## In Attendance

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

## Hymans Robertson:

- David Walker, Chief Investments Officer.

## 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, the Sub-committee:

Noted:

**2.1.** The status of the temporary loan portfolio as at 31 March 2022, as detailed in section 3 of the report by the Head of Finance.

**2.2.** That, for the period 1 April 2021 to 31 March 2022, the temporary loans portfolio made a return of £71,145.01 at an average interest rate of 0.24%.

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 Mellissa-Louise Thomson, 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 Interim Corporate Finance Senior Manager, 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 2022.

**3.2.** That the Strategic Reserve Fund investments returned a loss of £8,200,000 which, after transfers into the Fund were taken into account, equated to a loss of 3.5% over the quarter to 31 March 2022, was 0.5% behind benchmark and therefore considered poor.

**3.3.** That the investment gains on the Strategic Reserve Fund had been positive over the 12-month period to 31 March 2022, with the value of the Fund increasing by 2.4% which in absolute terms was good, however, at 6.1% behind benchmark was considered very poor.

**3.4.** The Governance Summary extracted from Baillie Gifford's performance report for the quarter ending 31 March 2022, 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 report, attached as Appendix 3 to the report by the Head of Finance.

Councillor James W Stockan joined the meeting during discussion of this item.

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

At 16:23 the Chair declared the meeting concluded.

Signed: Heather Woodbridge.