

## Minute

### Investments Sub-committee

Thursday, 23 November 2023, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



### Present

Councillors Heather N Woodbridge, Rachael A King, Kristopher D Leask and Mellissa-Louise Thomson.

### Present via remote link (Microsoft Teams)

Councillor P Lindsay Hall and James W Stockan.

### Clerk

- Hazel Flett, Service Manager (Governance).

### In Attendance

- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- Erik Knight, Head of Finance.
- Katie Gibson, Team Manager (Corporate Finance).
- Michael Scott, Solicitor.

### Apology

- Councillor Steven B Heddle.

### 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 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 service areas for which the Investments Sub-committee was responsible, for the period 1 April to 30 September 2023, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £2,904,200.

**2.2.** 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 September 2023, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

**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, and obtained assurance that action was being taken with regard to significant budget variances.

## **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 2023, as detailed in section 3 of the report by the Head of Finance.

**3.2.** That, for the period 1 April to 30 September 2023, the temporary loans portfolio made a return of £274,583.02 at an average interest rate of 4.68%.

The Sub-committee scrutinised:

**3.3.** 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.

## **4. Statement of Managed Funds**

On the motion of Councillor Heather N Woodbridge, seconded by Councillor P Lindsay Hall, 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, the Sub-committee:

Noted:

**4.1.** 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 September 2023.

**4.2.** That the Strategic Reserve Fund investments returned a loss in value of £400,000 over the quarter ending 30 September, however, overall, the Fund returned a gain of 0.1%, which was 0.9% behind the benchmark of 1.0%, and therefore considered poor.

**4.3.** That the investment returns on the Strategic Reserve Fund had been positive over the 12-month period to 30 September 2023, with the value of the Fund increasing by 3.5% which was 2.3% behind benchmark and therefore considered poor.

**4.4.** The Barings Global High Yield Credit Strategies Fund ESG report for the quarter ending 30 September 2023, as attached as Appendix 2 to the report by the Head of Finance.

**4.5.** The BlackRock UK Property and Diversified Growth Fund Commentary for the quarter ending 30 September 2023, attached as Appendix 3 to the report by the Head of Finance.

**The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.**

## **5. Conclusion of Meeting**

At 14:45 the Chair declared the meeting concluded.

Signed: Heather N Woodbridge.