

## **Minute**

### **Investments Sub-committee**

Thursday, 3 September 2020, 10:30.

Microsoft Teams.



### **Present**

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

### **Clerk**

- Sandra Craigie, Committees Officer.

### **In Attendance**

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

### **Observing**

- Ellis Inkster, Press Officer.

### **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 or 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 classes described in the relevant paragraphs 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 2019/20, attached as Annex 1 to the report by the Head of Finance, indicating a budget deficit position of £20,050,400.

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 action was being taken with regard to significant budget variances.

### **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 2020, attached as Annex 1 to the report by the Head of Finance, indicating a budget underspend position of £13,310,600.

**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 2020, 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 2020, as detailed in section 3 of the report by the Head of Finance.

**5.2.** That, for the period 1 April to 30 June 2020, the temporary loans portfolio made a return of £69,693.20 at an average interest rate of 0.84%.

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

Councillor Steven B Heddle joined the meeting during discussion of this item.

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

Noted:

**6.1.** The review of investment performance by Hymans Robertson, the Council's appointed investment advisors, for the quarter to 30 June 2020, attached as Appendix 1 to the report by the Head of Finance.

**6.2.** That the performance of the Strategic Reserve Fund investments was considered very good over the quarter to 30 June 2020, with the value of the Fund increasing by 10.2%, which was 5.3% ahead of the benchmark.

**6.3.** That the performance of the Strategic Reserve Fund had been poor in absolute terms over the 12-month period to 30 June 2020, with the value of the Fund decreasing by 0.2%, however this was 1.1% ahead of the benchmark of -1.3%.

**6.4.** That, although the Strategic Reserve Fund increased by £21,000,000 over the quarter ending 30 June 2020, this was only a partial recovery of the £29,800,000 reduction in value experienced by the investments for the quarter ending 31 March 2020 as a result of market fluctuations surrounding the COVID-19 pandemic.

**6.5.** The review of investment performance by Hymans Robertson, the Council's appointed investment advisors, for the quarter to 31 March 2020, attached as Appendix 2 to the report by the Head of Finance.

**6.6.** The Sustainable Investment Report as at 30 June 2020, produced by Schroders, attached as Appendix 3 to the report by the Head of Finance.

**6.7.** The Investment Stewardship Report as at 30 June 2020, produced by Blackrock, attached as Appendix 4 to the report by the Head of Finance.

## **7. Conclusion of Meeting**

At 12:05 the Chair declared the meeting concluded.

Signed: L Manson.