

Minute

Investments Sub-committee

Thursday, 27 February 2020, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors W Leslie Manson, Alexander G Cowie, Rachael A King and Stephen Sankey.

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.

Apologies

- Councillor Barbara Foulkes.
- Councillor Steven B Heddle.
- Councillor James W Stockan.

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 Items 5 and 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.

2. Revenue Expenditure Monitoring

After consideration of a report by the Head of Finance, and after hearing a report from the Corporate Finance Senior Manager, 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 31 December 2019, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £7,792,300.

2.2. The revenue financial detail by Service Area statement for the period 1 April to 31 December 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, and after hearing a report from the Accounting Manager (Corporate Finance), the Sub-committee:

Noted:

3.1. The status of the temporary loan portfolio as at 31 December 2019, as detailed in section 3 of the report by the Head of Finance.

3.2. That, for the period 1 April to 31 December 2019, the temporary loans portfolio made a return of £211,623.15 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. Exclusion of the Public

On the motion of Councillor W Leslie Manson, seconded by Councillor Rachael A King, the Sub-committee resolved that the public be excluded for the remainder of the meeting, as the business to be considered involved the disclosure of exempt information of the classes described in Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

5. Statement of Managed Funds

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been 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 Act.

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:

5.1. The review of investment performance by Hymans Robertson, the Council's appointed investment advisors, for the quarter to 31 December 2019, attached as Appendix 1 to the report by the Head of Finance.

5.2. That the performance of the Strategic Reserve Fund investments over the quarter to 31 December 2019 was considered good, with the value of the Fund increasing by 1.8%, which was 0.6% ahead of the target.

5.3. That the performance of the Strategic Reserve Fund over the 12-month period to 31 December 2019 had been excellent in absolute terms, with the value of the Fund increasing by 12.6%, which was 1.4% ahead of the target of 11.2%.

5.4. The Sustainable Investment Report as at 31 December 2019, produced by Schroders, attached as Appendix 2 to the report by the Head of Finance.

5.5. The Investment Stewardship Report as at 31 December 2019, produced by Blackrock, attached as Appendix 3 to the report by the Head of Finance.

6. Proposed Investment in Local Company

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 4 and 6 of Part 1 of Schedule 7A of the Act.

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

Resolved, in terms of delegated powers:

6.1. What action should be taken with regard to a proposed investment in a local company.

6.2. That the Head of Finance should submit a report, to the Policy and Resources Committee, regarding revised guidelines for Council investment in renewable projects.

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.

7. Conclusion of Meeting

At 12:42 the Chair declared the meeting concluded.

Signed: L Manson.