

SCOTTISH BORDERS COUNCIL WILLIAM HILL TRUST SUB-COMMITTEE

MINUTE of Meeting of the WILLIAM HILL TRUST SUB-COMMITTEE held in the Convener's Room, Council Headquarters, Newtown St Boswells, TD6 0SA on Wednesday, 14 November 2018 at 1.30 pm

- Present:- Councillors D. Parker (Chairman) and T. Miers
- Apologies:- Councillor K. Drum
- In Attendance:- Pensions & Investments Manager, Principal Solicitor (H. MacLeod),
Democratic Services Officer (F. Walling).

1. **MINUTE.**

There had been circulated copies of the Minutes of 21 September 2017 and 25 October 2017.

DECISION

NOTED the Minutes.

2. **FINANCIAL MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2018**

- 2.1 There had been circulated copies of a report by the Chief Financial Officer giving details of the income and expenditure for the William Hill Trust Fund for the year 2017/18 as well as a balance sheet as at 31 March 2018, and proposed budget for 2018/19. Appendix 1 to the report detailed the actual income and expenditure position for 2017/18. This showed an overall surplus of £11,340 for the year and a proposed budget surplus of £15,681 for 2018/19. A total of £2,667 had been paid in grants during the year. The capital reserve was invested in the Newton Fund and following agreement from Scottish Borders Council had been moved to Kames Capital in February 2018. Dividends received during 2017/18 from Newton totalled £3,717 and from Kames Capital £622. The projected budget for 2018/19 included a full year estimate of the Kames dividend amounting to £7,449 reflecting the fact that Kames had historically generated, and also targeted dividend income in the region of 5% of total investment. The Pensions & Investments Manager explained that as part of the move from Newton to Kames Capital, a fee of £15,000 was incurred for KPMG, the Council's Pension Fund Investment advisor for their role in the selection and recruitment of Kames. This had been apportioned across Common Good and Trust Funds, as approved at Council on 21 December 2017, resulting in a charge to William Hill Trusts of £530. Appendix 2 provided a balance sheet value. This showed an increase in the reserves of £4,940 as at 31 March 2018 and a projected increase of £9,538 as at 31 March 2019. Appendix 3 to the report showed the value of funds invested with Kames Capital to 31 March 2018. Unfortunately, due to the increase in market volatility which started in February, the value of the Kames Fund fell by 0.3% as at 31 March 2018, resulting in an unrealised loss at this time of £500.
- 2.2 Members discussed the report and in particular referred to the cash balance held by the fund of £31,109, an in-year net increase of £11,940. After consideration it was agreed that an additional £15,000 from the cash held in the fund should be transferred into the Kames Investment Fund.

DECISION

- (a) NOTED and as shown in the appendices to the report:-**
- (i) the actual income and expenditure for 2017/18 in Appendix 1;**
 - (ii) the final balance sheet value as at 31 March 2018 in Appendix 2;**
 - (iii) the projected balance sheet values as at 31 March 2019 in Appendix 2;
and**
 - (iv) the summary of the investment portfolio in Appendix 3.**
- (b) AGREED:-**
- (i) the proposed budget for 2018/19 in Appendix 1; and**
 - (ii) that £15,000 be transferred from the cash balance to the Kames
Investment Fund.**

The meeting concluded at 1.45 pm