

Item: 29

**Pension Fund Sub-committee, together with Pension Board:
24 September 2025.**

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 Pension Fund Sub-committee, together with the Pension Board, held on 24 September 2025.

Minute

Pension Fund Sub-committee, together with Pension Board

Wednesday, 24 September 2025, 11:00.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Pension Fund Sub-committee:

Councillors Alexander G Cowie, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask and Mellissa-Louise Thomson.

Pension Board:

Employer Representatives:

Councillors Graham A Bevan, David Dawson and Owen Tierney, Orkney Islands Council.
Karen Ritch, Orkney Ferries Limited.

Trade Union Representatives:

Karen Kent (Unison) and Eileen Swanney (Unison).

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Gareth Waterson, Director of Enterprise and Resources.
- Erik Knight, Head of Finance.
- Robert Adamson, Service Manager (Payroll and Pensions).
- Paul Maxton, Solicitor.
- Katie Gibson, Team Manager (Corporate Finance).
- Karen Rorie, Senior Accounting Officer (Treasury).

In Attendance via remote link (Microsoft Teams)

- Julie Radcliffe, Audit Director, KPMG (for Items 1 to 4).
- Kunal Malhotra, Audit Director, KPMG (for Items 1 to 4).

Apology

Pension Fund Sub-committee:

- Councillor Heather N Woodbridge.

Not Present

Pension Board, Trade Union Representative:

- Mark Vincent (GMB).

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Alexander G Cowie.

1. Orkney Islands Council Pension Fund

Audit Report to those Charged with Governance

Due to the lateness of the papers being issued and members having insufficient time to adequately scrutinise the report, consideration of this item was deferred to a future meeting, the date and time of which would be intimated in due course.

The Chair requested that it be noted no fault was attached to Council officers who appeared to have done their level best to get the papers to members timeously.

2. Pension Fund – Annual Accounts

For the reasons detailed above, and as the Annual Accounts could not be approved until the Annual Audit Report had been scrutinised and the Letter of Representation approved, consideration of the Annual Accounts was also deferred to the meeting referred to at paragraph 1 above.

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 financial summary statement in respect of service areas for which the Pension Fund Sub-committee was responsible, for financial year 2024/25, attached as Annex 1 to the report by the Head of Finance, indicating a budget deficit position of £29,846,300.

3.2. The revenue financial detail by service area statement in respect of service areas for which the Pension Fund Sub-committee was responsible, for financial year 2024/25, attached as Annex 2 to the report by the Head of Finance.

3.3. 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.

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 Pension Fund Sub-committee was responsible, for the period 1 April to 30 June 2025, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £10,418,800.

4.2. The revenue financial detail by service area statement in respect of service areas for which the Pension Fund Sub-committee was responsible, for the period 1 April to 30 June 2025, attached as Annex 2 to the report by the Head of Finance.

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.

5. Statement of Managed Funds

On the motion of Councillor Alexander G Cowie, 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 Team Manager (Corporate Finance), the Sub-committee:

Noted:

5.1. The investment monitoring report for the Pension 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 June 2025.

5.2. The Legal and General Quarterly Engagement report for the quarter ending 30 June 2025, attached as Appendix 2 to the report by the Head of Finance.

5.3. The Legal and General Climate Impact Pledge 2025, attached as Appendix 3 to the report by the Head of Finance.

6. Conclusion of Meeting

At 11:16 the Chair declared the meeting concluded.

Signed: Alexander G Cowie.