

Item: 11

Investments Sub-committee: 25 February 2026.

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 Investments Sub-committee held on 25 February 2026.

Minute

Investments Sub-committee

Wednesday, 25 February 2026, 14:15.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Alexander G Cowie, P Lindsay Hall and Steven B Heddle.

Present via remote link (Microsoft Teams)

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

Clerk

- Sandra Cragie, Committees Officer.

In Attendance

- Erik Knight, Head of Finance.
- Shonagh Merriman, Service Manager (Corporate Finance).
- Katie Gibson, Team Manager (Corporate Finance).
- Michael Scott, Solicitor.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Alexander G Cowie.

1. Revenue Expenditure Monitoring

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

Noted:

1.1. The revenue financial summary statement in respect of service areas for which the Investments Sub-committee was responsible, for the period 1 April to 31 December 2025, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £14,575,400.

1.2. The revenue financial service area statement in respect of service areas for which the Investments Sub-committee was responsible, for the period 1 April to 31 December 2025, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

1.3. 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 appropriate action was being taken with regard to significant budget variances.

2. Treasury Management – Monitoring

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:

Scrutinised:

2.1. The quarterly report, attached as Appendix 1 to the report by the Head of Finance, prepared by Link Treasury Services, the Council's Treasury Adviser, which covered the following elements of treasury management, and obtained assurance that the Treasury Management Practices were operating effectively:

- An economic update for the quarter ended 31 December 2025.
- Interest rate forecasts.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- A review of prudential and treasury indicators for 2025/26, as at 31 December 2025.

2.2. The status of the temporary loans portfolio as at 31 December 2025, as detailed in section 3 of the report by the Head of Finance, and obtained assurance that the portfolio was producing an acceptable rate of return.

3. Exclusion of Public

On the motion of Councillor Alexander G Cowie, seconded by Councillor P Lindsay Hall, 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 the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

4. 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 Service Manager (Corporate Finance), the Sub-committee:

Scrutinised:

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, and obtained assurance in respect of the performance of managed funds for the quarter to 31 December 2025.

4.2. The Barings Global High Yield Credit Strategies Fund ESG report for the quarter ending 31 December 2025, attached as Appendix 2 to the report by the Head of Finance.

4.3. The Schroders Sustainable Investment report for the quarter ending 31 December 2025, attached as Appendix 3 to this report.

5. Conclusion of Meeting

At 14:43 the Chair declared the meeting concluded.

Signed: Alexander G Cowie.