

Minute

Investments Sub-committee

Wednesday, 26 February 2025, 14:00.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Alexander G Cowie, P Lindsay Hall, Steven B Heddle, Rachael A King, Kristopher D Leask and Heather N Woodbridge.

Present via Remote Link (Microsoft Teams)

Councillor Mellissa-Louise Thomson.

Clerk

- Sandra Craigie, 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 2024, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £4,465,000.

1.2. 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 31 December 2024, 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 Service 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 Treasury Management Practices were operating effectively:

- An economic update for the quarter ended 31 December 2024.
- Interest rate forecasts.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- A review of prudential and treasury indicators for 2024/25, as at 31 December 2024.

2.2. The status of the temporary loans portfolio as at 31 December 2024, as detailed in section 3 of the report by the Head of Finance report, and obtained assurance that Treasury Management Practices were operating effectively and the portfolio was producing an acceptable rate of return.

3. Statement of Managed Funds

On the motion of Councillor Alexander G Cowie, seconded by Councillor Heather N Woodbridge, 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 Service Manager (Corporate Finance), the Sub-committee:

Scrutinised:

3.1. 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, relating to the performance of managed funds for the quarter to 31 December 2024.

3.2. The Barings Global High Yield Credit Strategies Fund ESG report for the quarter ending 31 December 2024, attached as Appendix 2 to the report by the Head of Finance.

3.3. The Schroders Sustainable Investment report for the quarter ending 31 December 2024, attached as Appendix 3 to the report by the Head of Finance.

4. Conclusion of Meeting

At 14:29 the Chair declared the meeting concluded.

Signed: Alexander G Cowie.