

Item: 16

Investments Sub-committee: 20 November 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 Investments Sub-committee held on 20 November 2025.

Minute

Investments Sub-committee

Thursday, 20 November 2025, 14:15.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Alexander G Cowie, Steven B Heddle, Rachael A King, Mellissa-Louise Thomson and Heather N Woodbridge.

Present via remote link (Microsoft Teams)

Councillors P Lindsay Hall and Kristopher D Leask.

Clerk

- Sandra Cragie, Committees Officer.

In Attendance

- Gareth Waterson, Director of Enterprise and Resources.
- Erik Knight, Head of Finance.
- Shonagh Merriman, Service Manager (Corporate Finance).
- Katie Gibson, Team Manager (Corporate Finance).
- Michael Scott, Solicitor.

Hymans Robertson:

- Chris King, Investment Consultant.

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 30 September 2025, attached as Annex 1 to the report by the Head of Finance, indicating a budget surplus position of £11,732,300.

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 30 September 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 obtain assurance that appropriate action was being taken with regard to significant budget variances.

2. Treasury Management – Mid-Year Update

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 the mid-year update for 2025/26, 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 first half of financial year 2025/26.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- The Council's capital expenditure, as set out in the Capital Strategy and prudential indicators.
- A review of the Council's investment portfolio for 2025/26.
- A review of the Council's borrowing strategy for 2025/26.
- A review of compliance with Treasury and Prudential Limits for 2025/26.

3. Exclusion of Public

On the motion of Councillor Alexander G Cowie, seconded by Councillor Heather N Woodbridge, 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. Strategic Reserve Fund – Private Debt Allocation

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 6 and 9 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:

Resolved, in terms of delegated powers, what action should be taken with regard to private debt allocation.

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.

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 Team Manager (Corporate Finance), the Sub-committee:

Scrutinised:

5.1. 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 30 September 2025.

5.2. The Barings Global High Yield Credit Strategies Fund ESG report for the quarter ending 30 September 2025, attached as Appendix 2 to the report by the Head of Finance.

5.3. The Schroders Sustainable Investment report for the quarter ending 30 September 2025, attached as Appendix 3 to the report by the Head of Finance.

6. Conclusion of Meeting

At 14:34 the Chair declared the meeting concluded.

Signed: Alexander G Cowie.