

EX75. TREASURY MANAGEMENT INTERIM REVIEW 2015/16

The Executive considered a report by the Director of Corporate and Housing Services presenting the mid-term review of the Treasury Management function.

Council approved its Treasury Management Strategy for 2015/16 on 13 May 2015 (ref FC8)

A summary of the mid-term review was provided together with the Treasury Management Prudential Indicators.

The report provided an update in regard to:-

- the economic and interest rate outlook;
- the borrowing strategy;
- the investment strategy;
- the Scottish Government's review of local authority borrowing; and
- elected member training.

In regard to the Investment Strategy, Council has been granted authority to borrow to on-lend to Registered Social Landlords to fund investment in new affordable housing. The loan can be funded by prudential borrowing or cash backed reserves.

The Scottish Government's loans fund review will require a change to the methodology for calculating the debt repayment chargeable to the Revenue Budget and will come into effect in 2021/2022.

Decision

The Executive:-

- (1) noted the progress of the Council's Treasury Management Strategy for 2015/16;**
- (2) noted the potential to on-lend to Registered Social Landlords;**
- (3) noted the potential revenue impact of the loans fund review;**
- (4) noted that the recommendations from Scrutiny Committee in regard to training had been agreed by Council; and**
- (5) agreed to refer the report to Council for consideration.**