

EX8. Treasury Management Strategy

The Executive considered a report by the Director of Corporate and Housing Services which set out the framework for Treasury Management reporting over the course of a financial year. The framework required a Treasury Management Strategy Report, an Interim Review Report and an Annual Review Report. The report presented the Treasury Management Strategy Report for 2021/22. The Code of Practice required that, following consideration by the Executive, the report was referred to Council for approval. The Treasury Management Strategy Report was a forward looking report which included information on:-

- Economic Outlook
- Capital plans
- The Loans Fund
- A borrowing strategy for 2021/22
- An investment strategy for 2021/22

The key messages from the report were that whilst there was optimism in improvements to the economy, that was predicated on the rapid rollout of the vaccination programme and the effectiveness of the vaccine to manage the Covid-19 pandemic. It was considered likely that interest rates would remain low for the next 2 to 3 years. However, there was the potential for volatility in rates, not least due to the pandemic. The approved Capital Strategy and capital programmes set out an ambitious level of investment by Falkirk Council over the next five years - £692m in total. It was important to ensure that Treasury Management arrangements were robust in helping to support the level of investment through good management of cashflows and effective decision making on borrowing. The Council's Treasury Management Advisors, Link Asset Services, would be a key part of that work.

Decision

The Executive agreed to refer the report to Council for consideration and recommended that Council:-

- (1) adopts the Borrowing Strategy for 2021/22 as set out in section 7 of the report;**
- (2) approves the Treasury Indicators as set out in sections 7 and 8 of the report, and**
- (3) adopts the Investment Strategy for 2021/22 and approves the list of "Permitted Investments" as set out in section 8 of the report.**