
TREASURY MANAGEMENT MID-YEAR REPORT 2015/16

Report by Chief Financial Officer

SCOTTISH BORDERS COUNCIL

17 December 2015

1 PURPOSE AND SUMMARY

- 1.1 **This report presents the mid-year report of treasury management activities for 2015/16, in line with the requirements of the CIPFA Code of Practice and seeks approval for the revised Prudential and Treasury Management indicators.**
- 1.2 The report is required as part of the Council's treasury management control regime. It provides a mid-year report on the Council's treasury activity during the six month period to 30 September 2015 and demonstrates that Treasury activity in the first six months of 2015/16 has been undertaken in full compliance with the approved Treasury Strategy and Policy for the year.
- 1.3 Appendix 1 contains an analysis of the performance against the targets set in relation to Prudential and Treasury Management Indicators, and revised estimates of these indicators in light of the 2014/15 out-turn and the latest projected out-turn for 2015/16 and seeks approval of these.

2 RECOMMENDATIONS

- 2.1 **It is recommended that Scottish Borders Council:**
 - a) **Notes that treasury management activity in the six months to 30 September 2015 was carried out in compliance with the approved Treasury Management Strategy and Policy**
 - b) **Approves the revised Prudential and Treasury Management Indicators as detailed in Appendix 1.**

3 BACKGROUND

- 3.1 The Council approved the Annual Treasury Management Strategy (the Strategy) for 2015/16 at the Council on 12 February 2015. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 3.2 As set out in the Strategy, the Audit and Risk Committee has a role to scrutinise the Mid Year Report before submission to Council for final approval. This scrutiny was undertaken at the Audit and Risk Committee on 23 November.

4 TREASURY MANAGEMENT MID-YEAR REPORT 2015/16

- 4.1 The Treasury Management Mid-Year Report for 2015/16 (the Mid-Year Report) is contained in Appendix 1. All of the 2015/16 target indicators reported upon are based on the indicators agreed as part of the Strategy approved by Council on 12 February 2015.
- 4.2 The Mid-Year Report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:
 - (a) An economic update for the first six months of 2015/16
 - (b) A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - (c) The Council's capital expenditure (prudential indicators)
 - (d) A review of the Council's investment portfolio for 2015/16
 - (e) A review of the Council's borrowing strategy for 2015/16
 - (f) A review of compliance with Treasury and Prudential Limits for 2015/16
- 4.3 The Mid-Year Report at Appendix 1 contains revised Prudential and Treasury Management Indicators reflecting the changes in the profile of the capital plan since the strategy was set in February 2015. An additional indicator has been included for PI-3 to show the Ratio of Financing Costs to Net Revenue including the PPP financing and repayment costs. A summary of all the indicators are shown in Annex A of Appendix 1.
- 4.4 The Mid-Year Report indicates that the Council's Treasury Management activities are being managed and monitored within the agreed boundaries and indicators approved by the Council.

5 IMPLICATIONS

5.1 Financial

There are no further financial implications relating to this report. The outcomes from the Council's treasury management activities are explained in detail within Appendix 1.

5.2 Risk and Mitigations

This report is an account of the outcomes delivered at the six month stage from the tightly risk controlled work that the Council's Treasury staff. The report is an important element of the overall risk management environment but has no specific risk implications of its own.

5.3 Equalities

It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report which would affect the Council's sustainability policy.

5.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

5.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

6 CONSULTATION

6.1 The Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and any comments received on the report have been incorporated.

6.2 The Audit and Risk Committee has a role to scrutinise the Mid-Year Report before submission to Council for final approval. This scrutiny was undertaken by the Audit and Risk Committee at its meeting on 23 November 2015.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

Name	Designation and Contact Number
Kirsty Robb	Capital and Investment Manager

Background Papers:

Previous Minute Reference:

Audit and Risk Committee, 23 November 2015

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Contact us at: Treasury & Capital Team, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA Tel: 01835 825016 Fax 01835 825166.
email: treasuryteam@scotborders.gov.uk