

REPORT TO: TAYSIDE VALUATION JOINT BOARD 9 FEBRUARY 2026**REPORT ON: TREASURY INDICATORS 2026/27 TO 2028/29****REPORT BY: TREASURER****REPORT NO: TVJB3-2026****1 PURPOSE OF REPORT**

The purpose of this report is to introduce the Joint Board's operational boundary and limit for external debt for the four financial years from 2025/26 to 2028/29 for approval.

2 RECOMMENDATIONS

It is recommended that the Joint Board: -

- i. Approves the Joint Board's Operational boundary for the four financial years from 2025/26 to 2028/29.
- ii. Approves the Joint Board's limit for external debt for the four financial years from 2025/26 to 2028/29.

3 FINANCIAL IMPLICATIONS

3.1 None.

4 MAIN TEXT**4.1 Treasury Indicators: limits to borrowing activity**

The Joint Board has undertaken no borrowing activity and is not planning to undertake any borrowing. However, due to the adoption of IFRS16- Leases in 2024/25, the Board was required to introduce long term debt on its Balance Sheet for the first time. This debt relates to the two long-term office leases previously entered into by the Joint Board. Please note that the adoption of IFRS16, while requiring notional changes to accounting treatment, has not affected the General Reserve in any way.

The need to set an Operational Boundary and Authorised Limit therefore arises purely because of the adoption of IFRS16. As the leases mature, the value of debt on the Balance Sheet will decrease. Should new property leases be entered into, the lease liability will increase, and the indicators below will need to be revised at that point.

These indicators would apply from 31 March 2025 onwards due to the adoption of IFRS16 during 2024/25.

4.1.1 Operational boundary

This is the limit beyond which external debt is not normally expected to exceed.

Operational Boundary (£000's)			
Year	Borrowing	Adoption of IFRS16	Total
2025/26	0	150	150
2026/27	0	150	150
2027/28	0	150	150
2028/29	0	150	150

4.1.2 Authorised limit for external debt

A further key prudential indicator represents a control over the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Joint Board. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

(a) This is the statutory limit (Affordable Capital Expenditure Limit) determined under section 35 (1) of the Local Government in Scotland Act 2003.

(b) The Joint Board is asked to approve the following authorised limit:

Authorised Limit (£000's)			
Year	Borrowing	Adoption of IFRS16	Total
2025/26	0	200	200
2026/27	0	200	200
2027/28	0	200	200
2028/29	0	200	200

5 **POLICY IMPLICATIONS**

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6 **CONSULTATIONS**

The Assessor and Clerk to the Joint Board have been consulted on the content of this report.

7 **BACKGROUND PAPERS**

None

PAUL THOMSON
TREASURER
TAYSIDE VALUATION JOINT BOARD

9 FEBRUARY 2026