

TREASURY MANAGEMENT ACTIVITIES  
4th QUARTER 2014 - 2015

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**1. Investment Performance**

1.1.1 There was limited scope for achieving better than average returns on investments due to the continued low interest rates.

1.1.2 The Base rate remained at 0.50%

1.1.3 Whilst the investment portfolio was mainly kept short, an opportunity was taken to invest longer, as the rate offered was more beneficial. Details as follows:

- TI 3416 - 27 November 2014. £2m was placed with Glasgow City Council for 1 year at 1.10%

1.1.4 Breaches of Treasury Management Practices (TMPs) in the quarter were as follows:

(a) To maximise income from investments, the treasury management policy aims to maintain combined daily current bank balances below £150,000. This limit was exceeded on the following days due to additional income, mainly from NNDR, being received after the daily cash flow and investment decisions had been taken:

<u>Date</u>	<u>Bank Balance</u>
1 January	£763,475
2-4 January	£323,360
8 January	£152,697
13 January	£154,910
15 January	£211,450
12 February	£267,973
13-15 February	£194,255
6-8 March	£156,952

For most occasions the balance in excess of the limit of £150k was insignificant for investment purposes, excepting the period 1-4 January, which arose due to the Council's office closure over the xmas and new year period.

## 1.2 Investment Performance

Quarter Ended 31.03.15.

<b>Investments</b>	<b>Actual Portfolio £m</b>	<b>Annualised Average Rate %</b>
Call Accounts	10.70	0.50
Short Term Investments	21.00	0.56
Medium Term Investments	8.00	1.75
Long Term Investments	1.00	3.00
<b>Total Investments</b>	<b>40.70</b>	<b>0.89</b>
<b>Market Indicators</b>		
Local Authority 7 Day Deposit Index		0.35
3 Month LIBOR		0.58
3 Month LIBID		0.51

The investment income for the quarter was £84,630 which was £47,863 more than would have been achieved using the Local Authority 7 Day Rate.

### Year 2014-15

<b>Investments</b>	<b>Average Portfolio £m</b>	<b>Interest Earned £'000</b>	<b>Annualised Rate %</b>
Call Accounts	7.36	40.68	0.55
Short Term Investments	27.97	155.12	0.56
Medium Term Investments	9.87	176.03	1.79
Long Term Investments	1.00	30.00	3.00
<b>Total Investments</b>	<b>46.20</b>	<b>401.83</b>	<b>0.87</b>
<b>Market Indicators</b>			
Local Authority 7 Day Deposit Index			0.35
3 Month LIBOR			0.58
3 Month LIBID			0.50

The investment income over the year was £401,831 which (based on average funds of £46.2m over the year) was £240,240 more than would have been achieved using the Local Authority 7 Day Rate.

## 1.3 Borrowing & Debt Repayment Activities

- Borrowing - None

#### **1.4 Additional Performance Measures**

- Investment Guidelines were adhered to.
- Daily cash flows were calculated, and forecasts of large payments were maintained.
- The External Debt Borrowing Limits for the Authorised Limit and the Operational Boundary were not exceeded.
- Weekly reports on investments were produced.
- The average credit rating attained for Quarter 4 and the full year was AA- compared to a target rate of A+.