

Appendix 3

TREASURY MANAGEMENT ACTIVITIES 1st QUARTER 2015 - 2016

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 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 being received after the daily cash flow and investment decisions had been taken:

<u>Date</u>	<u>Bank Balance</u>	<u>Note</u>
1 April	£380,245	1
15 April	£176,416	1
16 April	£1,211,502	2
29 April	£484,635	1
5 May	£1,362,794	3
13 May	£603,490	1
18 May	£638,626	4
8 June	£286,883	1
15 June	£324,983	1
16 June	£283,092	1

Notes

- 1 Balances included unexpected council tax/NDR receipts
2. Only £7.1m was invested out of £8.2m receipts, due to investments committed in advance of day on an estimated basis to pre-empt no TM cover available on the actual day.
3. Balance included unexpected receipt of £883,654 from Hyde Martlett Homes which was received too late to invest.
4. Balance included unexpected receipt of £532,625 from Glanvilles which was received too late to invest.

1.2 Investment Performance

Quarter Ended 30.06.15.

Investments	Average Portfolio £m	Annualised Average Rate %
Call Accounts	7.22	0.54
Short Term Investments	32.03	0.44
Medium Term Investments	9.10	1.70
Long Term Investments	-	-
Total Investments	48.35	0.69
Market Indicators		
Local Authority 7 Day Deposit Index		0.48
3 Month LIBOR		0.59
3 Month LIBID		0.42

The investment income over the quarter was £82,357, some £24,478 less than the amount accrued in the same period last year, but £25,384 more than would have been achieved had the Council invested at 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 for the quarter was AA-, which is above the A+ target contained in the treasury management strategy.

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