

TREASURY MANAGEMENT ACTIVITIES
2nd QUARTER 2015 - 2016

1. Investment Performance

1.1.1 The current performance and the rate of return being achieved continue to reflect the low interest rates available, especially when dealing with other local authorities.

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 as additional income was received after daily cash flow and investment decisions had been taken:

<u>Date</u>	<u>Bank Balance</u>	<u>Note</u>
3 Jun	£164,039	1
5-7 Jun	£184,800	1
8 Jun	£286,884	1
15 Jun	£324,983	1
16 Jun	£283,093	1
30 Jun	£208,570	1
15 Jul	£265,792	1
19 Aug	£209,607	1
28 -31 Aug	£163,271	1
1 Sep	£905,501 o/drawn	2
15 Sep	£338,810	1

Notes

- 1 Includes unexpected council tax & NDR receipts obtained after close of treasury management dealing.
2. The balance reported above is the cleared available balance at end of day. The actual ledger balance was £200,000 in credit, the difference reflecting uncleared items progressing through the clearing system. No bank charges were incurred.

1.2 Investment Performance – Portfolio Position

Quarter Ended 30.09.15.

Investments	Average Portfolio £m	Annualised Average Rate %
Call Accounts	16.30	0.21
Short Term Investments	31.12	0.47
Medium Term Investments	12.0	1.51
Long Term Investments	3.00	1.85
Sub Total Treasury Investments	62.42	0.61
Property Investments	3.90	9.09
Total Investments	66.32	1.13

Appendix 3

Market Indicators		Annualised Average Rate %
Local Authority 7 Day Deposit Index		0.51%
3 Month LIBOR		0.60%
3 Month LIBID		0.63%

Cumulative investment income for the year to 30 September 2015 is £360,434, comprising £182,461 for treasury transactions investments, and £177,973 for property investments. The return of 0.61% for treasury transactions is below the budgeted target of 0.80% but broadly equivalent to 3 month LIBOR and reflects market conditions.

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.