

## Treasury Management Annual Report 2016/17

21 August 2017

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### 1 Purpose of report

The purpose of this report is to provide an Annual Treasury Report for the financial year 2016/17.

### 2 Summary

The Board has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, an Annual Report on Treasury Management has to be submitted to the Board after the end of each financial year.

### 3 Investment Out-turn for 2016/17

3.1 The Board's Investment Strategy has been to maintain its bank account as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council, but is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Board. Interest is given on month end net indebtedness balances between the Council and the Board and for financial year 2016/17 is calculated in accordance with the recently withdrawn Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). In line with recent short term interest rates, the investment return continues to be small, but the Board gains security from its counterparty exposure being to the City of Edinburgh Council. Net end of month balances for the financial year were:

Opening	
Balance	£1,301,955.25
April	£1,273,323.07
May	£1,199,290.65
June	£1,175,096.97
July	£1,316,268.83
August	£1,165,594.12
September	£1,489,107.13
October	£1,349,645.37
November	£1,367,830.23
December	£1,507,421.63
January	£1,569,869.88
February	£1,555,369.25
March	£1,511,661.61

3.2 Interest is calculated from the average monthly balance over the opening balance and 11 months. The interest rate applied was 0.189%, giving an interest amount of £2,568.63, being payable to the board.

## **4 Recommendations**

4.1 It is recommended that the Board notes the Annual Report for 2016/17.

**HUGH DUNN,**  
Treasurer.

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**Appendix**

None

**Contact/tel**

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