

ANNUAL TREASURY REPORT 2014/15

1 Purpose of report

The purpose of this report is to provide an Annual Treasury Report for the financial year 2014/15.

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 2014/15

3.1 During the financial year the Partnership maintained its bank account as part of the City of Edinburgh Council's group of bank accounts. Cash balances were effectively lent to the Council, but were offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is calculated on the month end net indebtedness balances between the Council and the Board in accordance with the Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). The Board gains security from its counterparty exposure being to the City of Edinburgh Council. The monthly balances held within the Council's funds were:

	£
Opening Balance	-325,368.00
30 April 2014	-523,513.89
31 May 2014	-370,887.04
30 June 2014	-175,672.68
31 July 2014	-325,272.60
31 August 2014	-194,167.97
30 September 2014	-269,733.49
31 October 2014	-293,940.31
30 November 2014	-614,363.31
31 December 2014	-460,714.07
31 January 2015	-630,665.12
28 February 2015	-493,872.25
31 March 2015	-1,006,324.88

Interest is calculated from the average monthly balance over 11 months. The interest rate applied was 0.353%. The amount of interest charged was £1,067.00.

3.2 The month end indebtedness between the Partnership and City of Edinburgh Council principally reflects the cash flow timing differences of funded projects. This arises from payment of costs for projects by SEStran, in advance of receipt of grant. There are eight European grant claims (excluding RTPI) in the process of being settled as at 31 March 2015, with a total value of £0.091m. In addition, RTPI income of £0.446m and Bus

Investment Fund (BIF) income of £0.475m were both due at 31 March 2015 and in the process of being settled.

4 Recommendations

- 4.1 It is recommended that the Partnership's Performance and Audit Committee notes the Annual Report for 2014/15 and refers it to the Board.

HUGH DUNN
Treasurer

Appendix None

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