

ANNUAL TREASURY REPORT 2015/16

1 Purpose of report

The purpose of this report is to provide an Annual Treasury Report for the financial year 2015/16.

2 Summary

The Partnership 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 2015/16

- 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	-1,006,324.88
30 April 2015	290,497.49
31 May 2015	254,794.23
30 June 2015	73,203.01
31 July 2015	-37,070.07
31 August 2015	11,695.74
30 September 2015	-8,422.11
31 October 2015	149,028.09
30 November 2015	-228,744.30
31 December 2015	279,278.49
31 January 2016	-40,246.91
29 February 2016	-145,350.81
31 March 2016	-572,561.36

Negative figures above reflect balances the Partnership owes to the City of Edinburgh Council. Interest is calculated from the average monthly balance over the opening balance and 11 months. The interest rate applied was 0.362%. The amount of interest charged to the Partnership was £126.64.

- 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 two Bus Investment Fund grant claims in the process of being settled as at 31 March 2016, with a total value of £0.768m.

4 Recommendations

4.1 It is recommended that the Board notes the Annual Report for 2015/16.

HUGH DUNN
Treasurer

Appendix None

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Policy Implications	None
Financial Implications	As outlined in the report
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None.
Climate Change Implications	None