

Treasury Management Annual Report

3rd September 2012

1 Introduction

To report on the Treasury Management activity undertaken by the Valuation Joint Board and the performance in investing the Board's surplus funds during 2011/12.

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. A separate mid-term report will also be produced during the financial year and therefore, no update on the current year is included in this report.

3. Investment Out-turn for 2011/12

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 in accordance with the 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 first half of the year were:

Opening Balance	£607,666.36
April	£483,978.05
May	£653,785.02
June	£729,594.97
July	£668,213.72
August	£842,270.86
September	£815,353.79
October	£713,215.11
November	£695,520.69
December	£765,996.54
January	£852,031.73
February	£844,761.81
March	£750,090.21

3.2 The interest given is calculated from the average monthly balance over 11 months. The interest rate applied was 0.481%, giving an interest amount of £3,476.18.

4. Recommendations

It is recommended that the Board notes the Annual Report for 2011/12.

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Interim Treasurer.

Appendix None

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