

STRATEGY & RESOURCES COMMITTEE
21 JUNE 2016

TREASURY MANAGEMENT – PERFORMANCE REVIEW 2014/15

1. Internally Managed Funds

The internally managed fund for 2015/16 was:

	Balance at 31 March 16 £'000	Balance at 31 March 15 £'000	Difference £'000
Short Term Investments (less than 1 year)	15,000	0	15,000
Short Term Investments (more than 1 year)	0	0	0
Total	15,000	0	15,000

The Council made six short term investment during the year, as follows:

Banks / Building Societies	Matured in 2015/16	Value £'m	% Return Achieved Net of Fees
National Counties Building Society	No	2.5	1.10
West Brom Building Society	No	2.5	1.05
Progressive Building Society	No	2.5	1.05
Newcastle Building Society	No	2.5	1.10
Principality Building Society	No	2.5	1.07
Nottingham Building Society	No	2.5	1.03

The Council used two Money Market Funds and one special interest bearing account for all short term investments. Performance of the three funds was as follows:

	Value of investments made in 15/16 £'000	Average balance held in fund £'000	% Return Achieved from Investments	Fund Performance	
				% annual gross return	% annual return net of fees
Goldman Sachs	23,700	2,245	0.59	0.59	0.44
Deutsche Bank	46,200	1,083	0.55	0.55	0.40
RBS Special Interest Bearing Account (SIBA)	27,400	262	0.40	0.40	0.25
Total	97,300	3,590	0.56		

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The total interest received on internal temporary investments in 2014/15 was as follows:

	Average Value of Funds Invested £'000	Interest Earned £'000	% Return Gross of Fees
Internal Funds	10,300	92	0.90 %

The average rate of return achieved on money market funds and temporary internally managed funds (0.90%) exceeds the average seven day deposit rate of 0.36% by 0.54%. This compares to performance of 0.19% above the average seven day rate in 2014/15.

2. Externally Managed Funds

A summary of external fund balances 2015/16 is as follows:-

Aberdeen Asset Management	Value £'000
Fund Value at 1 April 2015	19,760
Gross interest and profit for the year	154
Net withdrawals from the fund in year	(8,500)
Fund value at 31 March 2016	11,414

Fund managers performance is assessed on the rate of return excluding prior year adjustments for unrealised profits and losses against the benchmark of the 7 day LIBID rate. Performance against benchmark for 2015/16 was:

Aberdeen Asset Management (Formerly Scottish Widows)	Value £'000
Average Value of Funds held during 2015/16	20,093
Gross interest and profit for the year	154
Percentage return for 2015/16 gross of fees	0.76 %
Benchmark Return (7 day LIBID)	0.36 %
Variance 2015/16 to 7 day LIBID rate	+0.40 %
<i>Variance 2014/15 to 7 day LIBID rate</i>	<i>+0.53 %</i>