

**Annual Treasury Report 2013-14**

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**1. INTRODUCTION**

1.1 This report outlines the Council's Treasury Management position for 2013-14.

**2. RECOMMENDATIONS**

2.1 Note the contents of the report highlighting any comments Performance and Scrutiny Committee wishes to draw to the attention of the Council.

**3. BACKGROUND**

3.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities and the actual prudential and treasury indicators and submit this to Council. The report at Appendix 1 meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code.

3.2 The report will be submitted to the Council on 26 June 2014. There may be some minor changes to the final report to reflect any matters arising in completing the Councils unaudited accounts. The Performance Review and Scrutiny Committee has a role to scrutinise treasury matters and is being given the opportunity to comment on the draft report prior to submission to the Council.

3.3 The key points to note from the annual report are:

- Reporting requirements under the Code were met during 2013-14.
- Borrowing remained unchanged from 31 March 2013 at £161m with an average rate of 6.1%.
- The Capital Financing Requirement (excluding NPDO commitments) was £180m leading to under borrowing of £19m (up from £16m).
- Investments at 31 March 2014 were £44m at a rate of 0.77% compared to £34m at a rate of 1.4% for 31 March 2013.
- The average investment rate for 2013-14 was 0.812% compared to the average 7 day rate of 0.354%

**4. CONCLUSION**

4.1. This report meets the Code requirement for a treasury annual report. The Council remains under borrowed (around 10% of the CFR is not supported by borrowing) but current borrowing and investment rates mean additional costs would be incurred to address this. No significant new borrowing took place during the year and whilst investment rates are low we exceeded our

benchmark.

## **5. IMPLICATIONS**

5.1 Policy – None

5.2 Legal – None

5.3 Human Resources – None

5.4 Financial – None

5.5 Equal Opportunities – None

5.6 Risk – None

5.7 Customer Service – None

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