

WEST DUNBARTONSHIRE COUNCIL
Report by the Executive Director of Corporate Services
Corporate and Efficient Governance Committee : 24 March 2010

Subject: Treasury Update (1 April 2009 – 15 February 2010)

1. Purpose

- 1.1** The purpose of this report is to advise Committee about interest rates and treasury transactions of the Council which have taken place during the period 1 April 2009 to 15 February 2010.

2. Background

- 2.1** In accordance with treasury management procedures, Members are required to be updated on a regular basis of the changes in interest rates, and on the treasury transactions, including debt rescheduling, undertaken by the Council.

3. Main Issues

Interest Rates

- 3.1** The bank base rate and the call rate (for short term deposits) have remained unchanged since last reported to Committee as noted in the table below.
- 3.2** There has been an increase in both the one-year PWLB rate and the 25-year PWLB rate since last reported to Committee. Both of these changes are noted in the table below.

	Rate as at 01.04.09	Rate as at 15.12.09*	Rate as at 15.02.10
Bank Base	0.50%	0.50%	0.50%
Call	0.50%	0.25%	0.25%
1 Year PWLB	0.83%	0.81%	0.89%
25 Year PWLB	4.28%	4.49%	4.69%

* As last reported to Committee

Treasury Transactions

- 3.3** Temporary borrowing is currently £460,540. Temporary investments are £12,970,357 and long term loans outstanding are £208,459,914 as noted in the table below. This is in line with balances anticipated through the Council's cashflow management process.

Treasury Transactions	1 April 2009	15 December 2009*	15 February 2010
Temporary Borrowings	£460,540	£460,540	£460,540
Temporary Investments	£27,754,692	£11,761,371	£12,970,357
Long Term Loans	£214,979,343	£208,422,676	£208,459,914

* As last reported to Committee

- 3.4** On 20 January 2010 one naturally maturing PWLB loan of £24.962m was replaced with a new PWLB loan of £25.000m. This was taken into account during the revenue budget process.
- 4. Personnel Issues**
- 4.1** There are no personnel issues.
- 5. Financial Implications**
- 5.1** Since 15 December 2009, there has been an increase in temporary investments of £1.209m. Temporary borrowings have remained the same while long term loans have marginally increased.
- 6. Risk Analysis**
- 6.1** The main risks are that changes in interest rates and the current financial climate, which could adversely affect counterparty ratings, may affect the extent to which the Council can effectively manage its investment and debt portfolio.
- 7. Equalities Impact**
- 7.1** No significant issues were identified in a screening for potential equality impact of this report.
- 8. Conclusions and Recommendations**
- 8.1** Since last reported, the bank base rate and the call rate have remained unchanged. The one-year PWLB rate and the 25-year PWLB rate have both increased since last reported.
- 8.2** To 15 February 2010, borrowings and investments are in line with balances anticipated.
- 8.3** This report is presented to the Committee for information.

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Joyce White
Executive Director of Corporate Services
Date: 22 February 2010

Person to Contact: Gillian McNeilly, Manager of Accounting, Garshake Road.
Telephone (01389) 737194
Email: gillian.mcneilly@west-dunbarton.gov.uk

Appendices: None

Background Papers: Ledger prints to 15 February 2010
Interest rate data

Wards Affected: No wards affected