

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Corporate and Efficient Governance Committee: 20 June 2012

Subject: Treasury Update (1 April 2012 – 30 April 2012)

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 2012 to 30 April 2012.

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 has remained unchanged since the start of the financial year, as noted in the table below.
- 3.2 The call rate (for short term deposits) has remained unchanged since last reported to Committee, as noted in the table below.
- 3.3 There has been an increase in the one-year PWLB rate and a decrease in the 25 year PWLB rate since the start of the financial year. Both of these changes are noted in the table below.

	Rate as at 01.04.12	Rate as at 30.04.12
Bank Base	0.50%	0.50%
Call	0.40%	0.40%
1 Year PWLB	1.28%	1.31%
25 Year PWLB	4.32%	4.31%

Treasury Transactions

- 3.4 Borrowings and investments as at 30 April 2012 are summarised in the table below. This is in line with balances anticipated through the Council's cashflow management process.

Treasury Transactions	01.04.12	30.04.12
Temporary Borrowings	£460,540	£460,540
Temporary Investments	£12,953,378	£7,723,634
Long Term Loans	£219,302,880	£219,302,880

Long Term Borrowing

- 3.5** No long term borrowing has taken place since the start of the financial year.

Debt Rescheduling

- 3.6** No debt rescheduling has taken place since the start of the financial year.

4. People Implications

- 4.1** There are no personnel issues.

5. Financial Implications

- 5.1** As this report is for noting, there are no financial implications.

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 Assessment

- 7.1** No equalities impact assessment was required in relation to this report.

8. Strategic Assessment

- 8.1** The Council has identified four main strategic priorities, namely Social & Economic Regeneration, Financial Strategy, Asset Management Strategy; and Fit for Purpose Services.
- 8.2** Treasury management contributes to the Financial Strategy via the interdependency that exists between pro-active treasury management and the formulation of long term financial plans.

9. Conclusions and Recommendations

- 9.1** Since the start of the financial year, the bank base rate and the call rate have remained unchanged. The one year PWLB rate has increased and the 25 year PWLB rate has decreased since last reported to Committee.
- 9.2** To 30 April 2012, borrowings and investments are in line with balances anticipated.

9.3 This report is presented to the Committee for information.

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Date: 21 May 2012

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Appendices:	None
Background Papers:	Ledger prints to 30 April 2012 Interest rate data
Wards Affected:	No wards affected