

West Dunbartonshire Council
Report by Chief Executive
Audit and Performance Review Committee – 20 September 2006

Subject : Treasury Management Annual Report 2005/2006

1. Purpose

- 1.1 The purpose of this report is to provide Members with an update on treasury management during 2005/06.

2. Background

- 2.1 In accordance with the Treasury Policy governing the Council's treasury management activities during 2005/06, the Head of Finance is required to provide an Annual Report to Members regarding the Treasury function.

3. Main Issues

- 3.1 A copy of the report is attached (Appendix 1).
- 3.2 The report gives details of loans borrowed and loans repaid during the course of the year, interest rates and debt rescheduling which was undertaken.
- 3.3 Borrowing has increased from £198.505m at the beginning of the year to £203.616m at the end of the year. This is mainly due to in-year movement of General Services and HRA capital expenditure levels.
- 3.4 The average interest rate on long-term debt decreased from 5.67% to 5.55%.
- 3.5 Investments have reduced from £10.730m at the beginning of the year to £4.419m at the year-end. This is mainly due to the timing of capital receipts.
- 3.6 During 2005/06, the Treasury function undertook rescheduling of the Council debt portfolio, which resulted in an overall interest saving of £0.460m over the next ten years, shared between the General Fund and the HRA.
- 3.7 All year end actual indicators advised within Appendix 1 of this report are within the limits previously report to and set by Council.

4. Personnel Issues

- 4.1 There are no personnel issues.

5. Financial Implications

- 5.1 There are no financial implications.

6. Conclusions

- 6.1 As a consequence of the capital programme, the 2005/06 debt position has increased. However, the Council's average interest rate on long term borrowing has decreased.
- 6.2 Year end prudential indicators as advised within the appendix are within the limits previously agreed by Council.

7. Recommendations

- 7.1 Members are requested to:
- (a) Note the treasury management stewardship information within the report, and
 - (b) Note the 2005/06 actual prudential indicators as advised within the report (Tables 2, 3, 4 and 5).

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Background Papers:	Loans register and portfolio; Debt rescheduling schedules; Prudential Indicators 2005/06 to 2007/08 and Treasury Management Strategy 2005/2006 (Council 30 March 2005).
Wards Affected:	All wards.