

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Corporate and Efficient Governance Committee: 27 October 2010

Subject: Treasury Update (1 April 2010 – 30 September 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 2010 to 30 September 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 the start of the financial year, as noted in the table below.
- 3.2 There has been a decrease 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 01.04.10 | Rate as at 30.06.10* | Rate as at 30.09.10 |
|--------------|------------------------|-------------------------|------------------------|
| Bank Base | 0.50% | 0.50% | 0.50% |
| Call | 0.25% | 0.25% | 0.25% |
| 1 Year PWLB | 0.81% | 0.67% | 0.64% |
| 25 Year PWLB | 4.62% | 4.27% | 3.96% |

*As last report to committee

Treasury Transactions

- 3.3 Temporary borrowing is currently £460,540. Temporary investments are £13,379,195 and long term loans outstanding are £214,942,922 as noted in the table below. This is in line with balances anticipated through the Council's cashflow management process.

| Treasury Transactions | 01.04.10 | 30.06.10* | 30.09.10 |
|-----------------------|--------------|--------------|--------------|
| Temporary Borrowings | £460,540 | £460,540 | £460,540 |
| Temporary Investments | £11,010,910 | £21,198,627 | £13,379,195 |
| Long Term Loans | £214,959,914 | £214,942,922 | £214,942,922 |

*As last report to committee

Debt Rescheduling

3.4 No debt rescheduling has taken place since last reported to committee.

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 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 decreased since last reported.

8.2 To 30 September 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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Date: 4 October 2010

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Appendices: None

Background Papers: Ledger prints to 30 September 2010

Interest rate data

Wards Affected:

No wards affected