

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Executive Director of Corporate Services

Corporate and Efficient Governance Committee : 27 January 2010

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**Subject: Treasury Update (1 April 2009 – 15 December 2009)**

### 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 December 2009.

### 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 a decrease in the one-year PWLB rate since last reported to Committee, however, the 25-year PWLB rate has increased. Both of these changes are noted in the table below.

	Rate as at 01.04.09	Rate as at 15.10.09*	Rate as at 15.12.09
Bank Base	0.50%	0.50%	0.50%
Call	0.50%	0.25%	0.25%
1 Year PWLB	0.83%	0.84%	0.81%
25 Year PWLB	4.28%	4.21%	4.49%

\* As last reported to Committee

#### Treasury Transactions

- 3.3 Temporary borrowing is currently £460,540. Temporary investments are £11,761,371 and long term loans outstanding are £208,422,676 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 October 2009*	15 December 2009
Temporary Borrowings	£460,540	£460,540	£460,540
Temporary Investments	£27,754,692	£20,297,070	£11,761,371
Long Term Loans	£214,979,343	£208,439,011	£208,422,676

\* As last reported to Committee

## Debt Rescheduling

3.4 No debt rescheduling has taken place since the last report to Committee.

### 4. Personnel Issues

4.1 There are no personnel issues.

### 5. Financial Implications

5.1 Since 15 October 2009, there has been a decrease in temporary investments of £8.536m, in line with the movement anticipated from cashflow projections. Temporary borrowings have remained the same while long term loans have marginally decreased.

### 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. Conclusions and Officers' Recommendations

7.1 Since last reported, the bank base rate and the call rate have remained unchanged. The one-year PWLB rate has decreased and the 25-year PWLB rate has increased since last reported.

7.2 To 15 December 2009, borrowings and investments are in line with balances anticipated.

7.3 This report is presented to the Committee for information.

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**Joyce White**  
**Executive Director of Corporate Services**  
**Date: 11 January 2010**

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**Appendices:** None

**Background Papers:** Ledger prints to 15 December 2009  
Interest rate data

**Wards Affected:** No wards affected