

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Corporate Services Committee: 28 March 2007

Subject: Interest Rate Report (1 April 2006 – 15 February 2007)

1. Purpose

- 1.1 The purpose of this report is to advise the Committee about interest rates during the period from 1 April 2006 to 15 February 2007.

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.

3. Main Issues

- 3.1 The Bank Base rate increased to 5.00% on 9 November 2006 and to 5.25% on 8 February. Call (for short term deposits) increased to 4.95% mid-November 2006 and has since increased to 5.25% as at 15 February 2007.
- 3.2 The Bank of England's PWLB one-year funding rate continues to increase to the current level of 5.70%. The PWLB 25-year continues to have periodic fluctuations, marked by a fall to 4.40% on 31 October 2006 before gradually increasing to the current level of 4.80%.

4. Personnel Issues

- 4.1 There are no personnel issues.

5. Financial Implications

- 5.1 There are no financial implications.

6. Risk Analysis

- 6.1 There are no risk implications.

7. Conclusions

- 7.1 The Bank Base Rate and Call rate have both increased. The PWLB is showing a gradual increase in interest rate for one-year funding while the 25-year rate, although experiencing periodic fluctuations, has increased slightly overall.

8. Recommendations

8.1 This report is presented to the Committee for information.

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Date: 14 March 2007

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Appendix: Interest Rate Update 2006/07

Background Papers: No background papers

Wards Affected: No wards directly affected