

WEST DUNBARTONSHIRE COUNCIL
Report by the Executive Director of Corporate Services
Corporate and Efficient Governance Committee: 21 March 2012

Subject: Treasury Update (1 April 2011 – 31 January 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 2011 to 31 January 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 a decrease in the one-year PWLB rate and an increase in the 25 year PWLB rate since last reported to Committee. Both of these changes are noted in the table below.

	Rate as at 01.04.11	Rate as at 30.11.11*	Rate as at 31.01.12
Bank Base	0.50%	0.50%	0.50%
Call	0.35%	0.40%	0.40%
1 Year PWLB	1.93%	1.32%	1.29%
25 Year PWLB	5.36%	3.96%	4.04%

* As last report to committee

Treasury Transactions

- 3.4** Borrowings and investments as at 31 January 2012 are summarised in the table below. This is in line with balances anticipated through the Council's cashflow management process.

Treasury Transactions	01.04.11	30.11.11*	31.01.12
Temporary Borrowings	£460,540	£460,540	£460,540
Temporary Investments	£14,307,544	£24,825,589	£16,607,987
Long Term Loans	£219,339,261	£219,321,584	£219,303,552

* As last report to committee

Long Term Borrowing

- 3.5** No long term borrowing has taken place since last reported to Committee.

Debt Rescheduling

- 3.6** 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 equalities impact assessment was required in relation to this report.

8. Strategic Assessment

- 8.1** The Council has identified four main strategic priorities for 2011/2012, 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 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 to Committee.

9.2 To 31 January 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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Angela Wilson
Executive Director of Corporate Services
Date: 23 February 2012

Person to Contact: Jennifer Ogilvie, Business Partner Finance
Council Offices, Garshake Road.
Telephone (01389) 737471
Email: Jennifer.ogilvie@west-dunbarton.gov.uk

Appendices: None

Background Papers: Ledger prints to 31 January 2012
Interest rate data

Wards Affected: No wards affected