

Report to: **Executive**
Date: **22 November, 2005**
Report of: **Director of Finance and Corporate Services**
Subject: **Loans Diary:- Transactions for the quarter ended 30th September, 2005**
Ward: **All**

1.0 Purpose of Report

1.1 To report to members information on the loans transactions for the period.

2.0 Consultation

2.1 In preparing the report I have consulted with the Head of Financial Management and Principal Accountant.

3.0 Background

3.1 As part of the CIPFA's Treasury Management Code of Practice, which was adopted by this Council on 29th January 2002, it is required that I report to members on a regular basis on activities that have taken place during the year.

4.0 Transactions

4.1 Short Term Lending/Borrowing

4.1.1 These transactions are generally made to clear daily surpluses/shortages of balances held in the Councils bank accounts. The optimum situation is where the balance is nil.

4.2 Short Term Lending

4.2.1 During this quarter the Council invested £24,000,000 made up of eleven separate transactions for varying amounts and periods, the interest rates receivable ranged from 4.46% to 4.74%.

In addition we have the following reserve accounts

Abbey National Reserve £1,533,895.10 interest is paid annually. Can withdraw at anytime, interest rate at 30th June, 2005 was 4.75% and at 30th September, 2005 was 4.5%

Bank of Scotland Business call account balance as at 30th September, 2005 was £1,026,117.30 interest is paid monthly, can withdraw at anytime, interest rate at 30th June, 2005 was 4.75% and at 30th September, 2005 was 4.5%.

4.3 Short Term Borrowing

4.3.1 During this quarter it was necessary to borrow overnight on three occasions the average amount being £463,000, the rate ranged from 4.65% to 4.68%.

4.4 Treasury Account's

4.4.1 The Council operates two further call accounts whereby surplus monies are held earning interest until required by the authority the current interest rates on these accounts are:-

	Co-op	Bank of Scotland	
Base Rate 5 th August 2005	4.5%	4.5%	
Up to £50,000	2% below base)		£50,000
to £250,000	1.25% below base)	0.25 % below	
£250,000 to £500,000	1% below base)	base rate i.e.	
£500,000 to £1,000,000	0.75% below base)	4.25 %	
£1 million plus	0.5% below base)		

4.4.2 The rate for the Bank of Scotland is significantly higher than the Co-op and is therefore the main call account used. There are transaction charges incurred when using the Bank of Scotland account therefore on occasions the Co-op is used if transaction charges are expected to exceed the additional interest receivable.

4.4.3 During this quarter the Council invested 40 times in the Bank of Scotland account the average amount was £294,000 and made 16 withdrawals the average amount being £814,000 the balance on the account at the 30th June, 2005 was £1,706,932 and at the 30th September, 2005 was £462,669.

4.4.4 During this quarter the Co-operative account was not used, the balance on the account at 30th September, 2005 was nil.

5.0 Long Term Borrowing

5.1 No long term borrowing took place in this quarter.

6.0 Implications

6.1 Financial Implications

There are no financial implications resulting from this report.

6.2 Legal Implications

There are no legal implications in connection with this report.

6.3 Policy Implications

This report is submitted in line with the approved policy as agreed by members on 29th January 2002.

6.4 Risk Implications

This report is to inform members of transactions incurred as part of the Treasury Management Process and there are no risks impending in connection with this report.

6.5 Communications

The report is for information only.

6.6 Corporate

6.6.1 Corporate plan and priorities

This report accords with the Councils objectives and agreed priorities. In particular it assists in the following:-

SFE3 To ensure the corporate health of the council through sound and prudent financial management.

6.6.2 Equality and Diversity

This report has no equality and diversity issues.

6.6.3 This report has no e. government issues.

6.6.4 There are no procurement issues.

7.0 Recommendations

7.1 The report is for information.

Background Papers/Documents referred to in preparing the report

Finance Units Loans Diary
Spreadsheet