

NORTH LANARKSHIRE COUNCIL

REPORT

To: POLICY & RESOURCES (FINANCE) SUB-COMMITTEE		Subject: TREASURY MANAGEMENT
From: DIRECTOR OF FINANCE		
Date: 13 th August, 2001	Ref: GC/DD/1021	

1. Purpose of Report / Introduction

At the Finance Committee on 21st October, 1999 it was agreed that the Treasury Management Monitoring Report be produced at quarterly intervals. The content of the report has been reviewed to ensure consistency with the Treasury Policy Statement approved by the Committee in November, 1996.

2. Background

The Public Works Loan Board will continue to be the prime source of long term funds. No new long term borrowing has taken place as yet from the PWLB (See Appendix 1). The average value of Long Term Debt maturity is considerably above seven years, the minimum recognized as good practice.

It is also a requirement of Treasury Policy that neither long term variable rate loans nor temporary loans should exceed 25 % of total borrowing. There are currently no variable rate loans and the total temporary loans outstanding are £ 1,200,000. The Loan Debt outstanding as at 30th June, 2001 is shown in Appendix 1.

Appendix 2 shows details of long term borrowing and repayments in the period, together with temporary borrowing and on lending. Of the new temporary loans taken between 1st April, 2001 and 30th June, 2001 no individual loan of over £ 5 million was taken out with any one lender (See Appendix 3).

The PWLB Interest Rates movement to 3rd July, is shown in Appendix 4 and a comparison of PWLB v Market Interest Rates in Appendix 5. This shows that PWLB rates have risen slightly in this period, whereas the market rates have fallen.

3. Proposals/Considerations

Leasing

In accordance with the Director of Finance's delegated powers under Section 8 of the Financial Regulations and the Treasury Policy Statement as adopted by the Council, the Car Lease Scheme was retendered and Arnold Clark Finance Limited, First National Vehicle Contracts, Interleasing and Lex Vehicle Leasing were appointed along with Appleyard Vehicle Contracts as a reserve. The contracts will run from June, 2001 for a period of three years.

4. Recommendation

The Finance Committee is asked to approve this report and note the compliance of Treasury activity with the approved Policy statement.

A handwritten signature in cursive script, appearing to read "Abner Cohen".

DIRECTOR OF FINANCE

LOANS & INVESTMENTS AS AT 30th JUNE, 2001

	BALANCE 01-Apr-01	NEW BORROWING/LENDING	REPAYMENTS	BALANCE 30-Jun-01
<u>LONG-TERM LOANS</u>				
PWLB	411,088,978.46	0.00	182,019.06	410,906,959.40
MORTGAGES	63,750,000.00	0.00	500,000.00	63,250,000.00
COVENANTS	9,047,942.56	0.00	0.00	9,047,942.56
OTHER LOCAL AUTHORITIES	3,480,308.50	0.00	0.00	3,480,308.50
	487,367,229.52	0.00	682,019.06	486,685,210.46
<u>SHORT-TERM LOANS</u>				
TEMPORARY	3,300,000.00	37,650,000.00	39,750,000.00	1,200,000.00
MUNICIPAL BANK TEMPORARY	19,621,220.02	0.00	771,823.46	18,849,396.56
INTERNAL LOANS	6,280.00	0.00	0.00	6,280.00
	22,927,500.02	37,650,000.00	40,521,823.46	20,055,676.56
<u>TOTAL LOANS O/STANDING</u>	510,294,729.54	37,650,000.00	41,203,842.52	506,740,887.02
<u>INVESTMENTS</u>				
OUTSIDE AGENCIES	69,500,000.00	56,000,000.00	57,500,000.00	68,000,000.00
CLYDESDALE BANK	220,000.00	53,199,071.47	53,269,071.47	150,000.00
<u>TOTAL INVESTMENTS O/STANDING</u>	69,720,000.00	109,199,071.47	110,769,071.47	68,150,000.00
<u>NET BORROWING</u>	440,574,729.54	(71,549,071.47)	(69,565,228.95)	438,590,887.02

LONG TERM BORROWING TRANSACTIONS 1st APRIL, 2001 TO 30th JUNE, 2001**LONG-TERM REPAYMENTS 1st APRIL, 2001 TO 30th JUNE, 2001**

REPAYMENT DATE	LENDER	AMOUNT £	INTEREST RATE %
15-Apr-01	PWLB	9,088.72	9.000
15-May-01	PWLB	128,615.88	7.875 - 10.000
15-Jun-01	PWLB	44,314.46	9.750 - 10.625
		<u>182,019.06</u>	

LONG-TERM BORROWING 1st APRIL, 2001 TO 30th JUNE, 2001

START DATE	END DATE/ NOTICE	LENDER	AMOUNT £	INTEREST RATE %
			<u>0.00</u>	

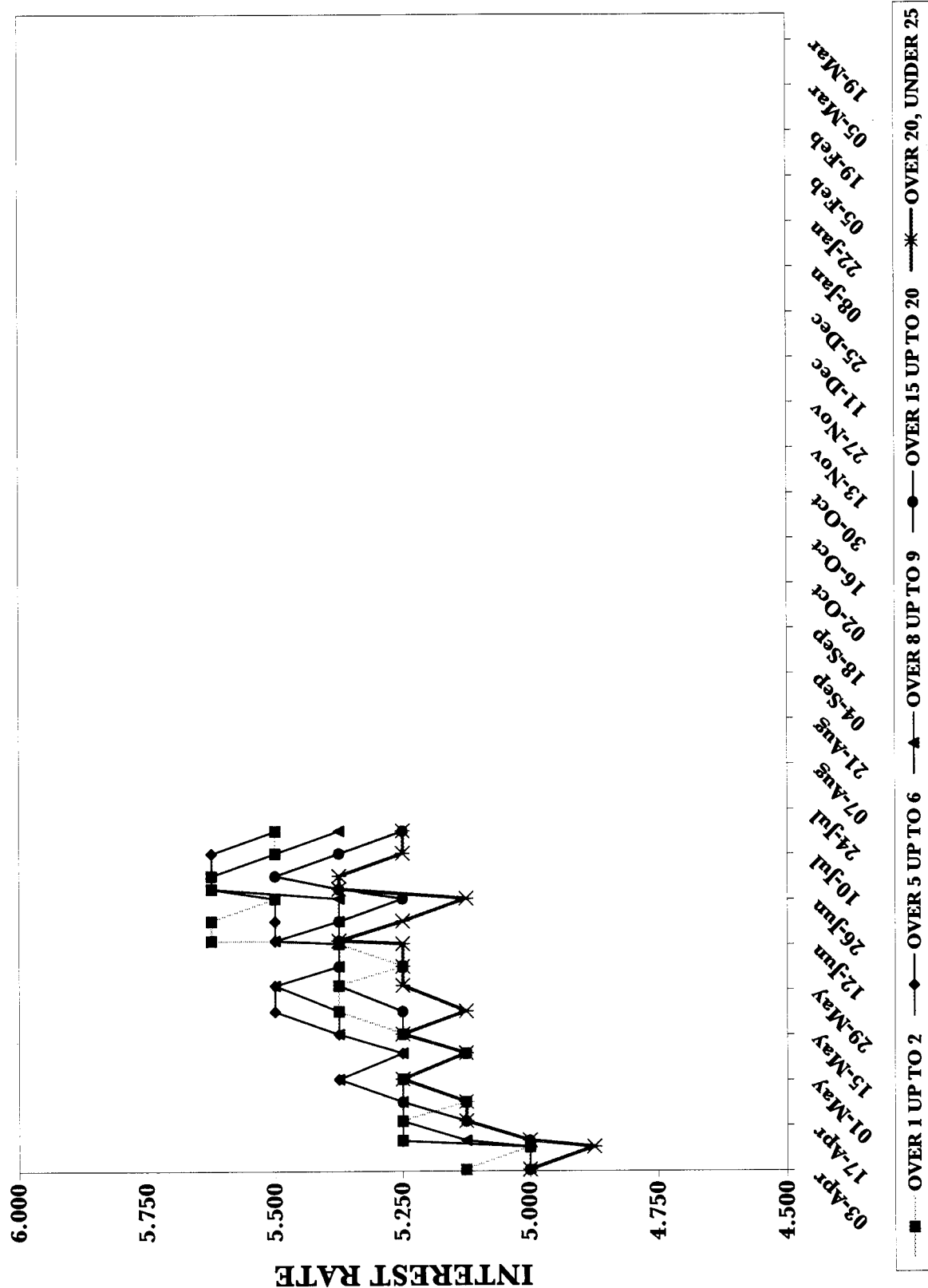
SHORT TERM BORROWING TRANSACTIONS FROM 1st APRIL, 2001 TO 30th JUNE 2001**TEMPORARY ON-LENDING FROM 1st APRIL, 2001 TO 30th JUNE, 2001**

<u>START DATE</u>	<u>END DATE/ NOTICE</u>	<u>LOAN REF</u>	<u>BORROWER</u>	<u>AMOUNT £</u>	<u>INTEREST RATE %</u>
03-May-01	15-May-01	1 549	Ulster Bank, Dublin	3,000,000	5.3750%
08-May-01	24-May-01	1 550	Bank of Ireland	4,000,000	5.2500%
09-May-01	11-Jun-01	1 551	Halifax	5,000,000	5.2000%
15-May-01	18-May-01	1 552	Ulster Bank, Dublin	4,000,000	5.4375%
15-May-01	19-Jun-01	1 553	Ulster Bank Markets	2,000,000	5.1875%
16-May-01	19-Jun-01	1 554	Ulster Bank, Belfast	3,000,000	5.1563%
29-May-01	16-Jul-01	1 555	Northern Rock	4,000,000	5.1500%
30-May-01	17-Aug-01	1 556	Northern Rock	3,000,000	5.1563%
30-May-01	15-Aug-01	1 557	Derbyshire BS	2,000,000	5.1250%
30-May-01	03-Sep-01	1 558	Dunfermline BS	1,000,000	5.1563%
06-Jun-01	17-Aug-01	1 559	Staffordshire BS	5,000,000	5.1100%
07-Jun-01	14-Sep-01	1 560	Northern Rock	1,500,000	5.1400%
07-Jun-01	14-Sep-01	1 561	Coventry BS	2,000,000	5.1250%
11-Jun-01	18-Sep-01	1 562	Bank of Scotland	5,000,000	5.1200%
11-Jun-01	13-Jun-01	1 563	Halifax	4,000,000	4.7500%
15-Jun-01	15-Nov-01	1 564	Nationwide BS	4,000,000	5.2300%
19-Jun-01	15-Oct-01	1 565	Bank of Ireland	3,500,000	5.1800%
				<u>56,000,000</u>	

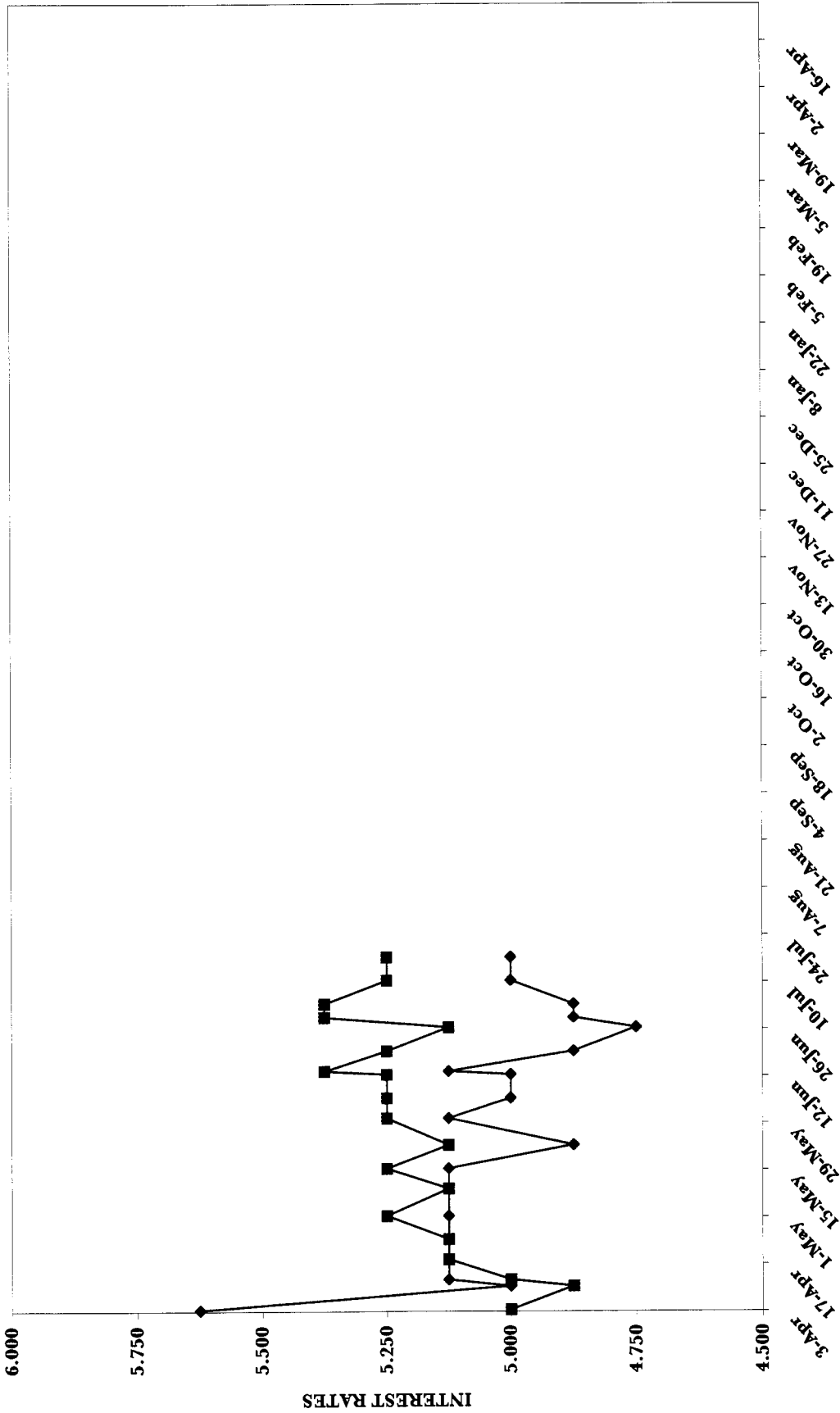
TEMPORARY BORROWING FROM 1st APRIL, 2001 TO 30th JUNE 2001

<u>START DATE</u>	<u>END DATE/ NOTICE</u>	<u>LOAN REF</u>	<u>LENDER</u>	<u>AMOUNT £</u>	<u>INTEREST RATE %</u>
02-Apr-01	11-Apr-01	T 741	Inverclyde Council	1,300,000	5.6250%
02-Apr-01	11-Apr-01	T 742	City of Edinburgh	2,000,000	5.8750%
04-Apr-01	18-Apr-01	T 743	CRND Nifia	2,000,000	5.3750%
04-Apr-01	04-May-01	T 744	CRND Nifia	2,000,000	5.3750%
04-Apr-01	18-Apr-01	T 745	CRND Nifia	2,600,000	5.3750%
05-Apr-01	11-Apr-01	T 746	Dumfries & Galloway Council	600,000	5.5625%
06-Apr-01	11-Apr-01	T 747	CRND Nifia	300,000	5.2500%
10-Apr-01	04-May-01	T 748	East Renfrewshire Council	400,000	5.2500%
12-Apr-01	18-Apr-01	T 749	Angus Council	2,100,000	4.6250%
19-Apr-01	25-Apr-01	T 750	Noble Gossart	2,000,000	4.8750%
19-Apr-01	25-Apr-01	T 751	CRND Nifia	2,000,000	4.9375%
19-Apr-01	25-Apr-01	T 752	Chelsea BS	750,000	5.0625%
23-Apr-01	25-Apr-01	T 753	CRND Nifia	800,000	5.1875%
24-Apr-01	02-May-01	T 754	City of Edinburgh	400,000	5.3125%
25-Apr-01	02-May-01	T 755	Scarborough BS	2,100,000	5.1875%
26-Apr-01	10-May-01	T 756	City of Edinburgh	4,000,000	5.3125%
26-Apr-01	10-May-01	T 757	City of Edinburgh	5,000,000	5.3125%
27-Apr-01	02-May-01	T 758	Housing Corporation	500,000	5.1250%
18-May-01	23-May-01	T 759	Dumfries & Galloway Council	1,000,000	5.0000%
24-May-01	29-May-01	T 760	Noble Gossart	2,000,000	4.8125%
04-Jun-01	06-Jun-01	T 761	CRND Nifia	200,000	5.0000%
26-Jun-01	27-Jun-01	T 762	CRND Nifia	2,400,000	4.5000%
28-Jun-01	04-Jul-01	T 763	City of Edinburgh	700,000	4.8125%
29-Jun-01	04-Jul-01	T 764	Dumfries & Galloway Council	500,000	5.0000%
				<u>37,650,000</u>	

PWLB INTEREST RATES FROM 3rd APRIL, 2001 UNTIL 3rd JULY, 2001



PWLB -v- MARKET INTEREST RATES FROM 3rd APRIL, 2001 UNTIL 3rd JULY, 2001



■ 25 YR PWLB ◆ 7 DAY RATE