

## NORTH LANARKSHIRE COUNCIL

### REPORT

To: POLICY & RESOURCES (FINANCE) SUB-COMMITTEE		Subject: TREASURY MANAGEMENT MONITORING REPORT
From: DIRECTOR OF FINANCE		
Date: 9 <sup>th</sup> October, 2002	Ref: GC/DD/1021	

#### 1. Purpose of Report / Introduction

At the Finance Committee on 21<sup>st</sup> 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 as amended by the Committee in January, 2001.

#### 2. Background

The Public Works Loan Board and Long-term Money Market will 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 or temporary loans should exceed 25 % of total borrowing. There are currently no variable rate loans outstanding and £ 5 million of temporary loans outstanding. The Loan Debt outstanding as at 30<sup>th</sup> September, 2002 is shown in Appendix 1.

Appendix 2 shows details of long term borrowing and repayments in the period, and Appendix 3 shows temporary borrowing and on lending. Of the new temporary loans taken between 1st June, 2002 and 30<sup>th</sup> September, 2002 no individual loan of over £ 5 million was taken out with any one lender. The temporary On-Lending is in line with our current Counterparty Report, as approved at the Committee in August, 2002.

The PWLB Interest Rates movement to 24<sup>th</sup> September, 2002, is shown in Appendix 4 and a comparison of PWLB v Market Interest Rates in Appendix 5. This shows that PWLB rates have fallen by 0.5 % and Market rates have slightly fallen by 0.125 % in this period.

#### 3. Recommendation

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

**4. Department Contact**

Any queries about the report can be made to George Carson, Treasury Manager, Ext. 2791

A handwritten signature in black ink, appearing to read "Alberto L. ...", written in a cursive style.

**DIRECTOR OF FINANCE**

**LOANS & INVESTMENTS AS AT 30th SEPTEMBER, 2002**

APPENDIX 1

	<b>BALANCE 30-Jun-02</b>	<b>NEW BORROWING/LENDING</b>	<b>REPAYMENTS</b>	<b>BALANCE 30-Sep-02</b>
<b><u>LONG-TERM LOANS</u></b>				
PWLB	409,266,054.59	0.00	435,141.01	408,830,913.58
MORTGAGES	73,250,000.00	0.00	0.00	73,250,000.00
COVENANTS	8,103,942.56	0.00	0.00	8,103,942.56
OTHER LOCAL AUTHORITIES	2,851,568.94	0.00	175,411.37	2,676,157.57
	493,471,566.09	0.00	610,552.38	492,861,013.71
<b><u>SHORT-TERM LOANS</u></b>				
TEMPORARY	0.00	13,850,000.00	8,850,000.00	5,000,000.00
MUNICIPAL BANK TEMPORARY	21,367,839.08	0.00	85,735.57	21,282,103.51
INTERNAL LOANS	6,280.00	0.00	0.00	6,280.00
	21,374,119.08	13,850,000.00	8,935,735.57	26,288,383.51
<b><u>TOTAL LOANS O/STANDING</u></b>	<b>514,845,685.17</b>	<b>13,850,000.00</b>	<b>9,546,287.95</b>	<b>519,149,397.22</b>
<b><u>INVESTMENTS</u></b>				
OUTSIDE AGENCIES	76,900,000.00	128,500,000.00	112,500,000.00	92,900,000.00
CLYDESDALE BANK	450,000.00	102,233,705.28	92,026,000.00	10,657,705.28
<b><u>TOTAL INVESTMENTS O/STANDING</u></b>	<b>77,350,000.00</b>	<b>230,733,705.28</b>	<b>204,526,000.00</b>	<b>103,557,705.28</b>
<b>NET BORROWING</b>	<b>437,495,685.17</b>	<b>-216,883,705.28</b>	<b>-194,979,712.05</b>	<b>415,591,691.94</b>

**LONG TERM BORROWING TRANSACTIONS 1st JULY, 2002 TO 30th SEPTEMBER, 2002****LONG-TERM REPAYMENTS 1st JULY, 2002 TO 30th SEPTEMBER, 2002**

REPAYMENT <u>DATE</u>	<u>LENDER</u>	AMOUNT <u>£</u>	INTEREST <u>RATE %</u>
15-Jul-02	PWLB	153,213.86	8.875 - 10.250
07-Aug-02	GLASGOW CITY COUNCIL	175,411.37	8.2800
15-Aug-02	PWLB	31,441.18	9.500 - 12.625
15-Sep-02	PWLB	250,485.97	7.250 - 9.875
		<u>610,552.38</u>	

**LONG-TERM BORROWING 1st JULY, 2002 TO 30th SEPTEMBER, 2002**

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

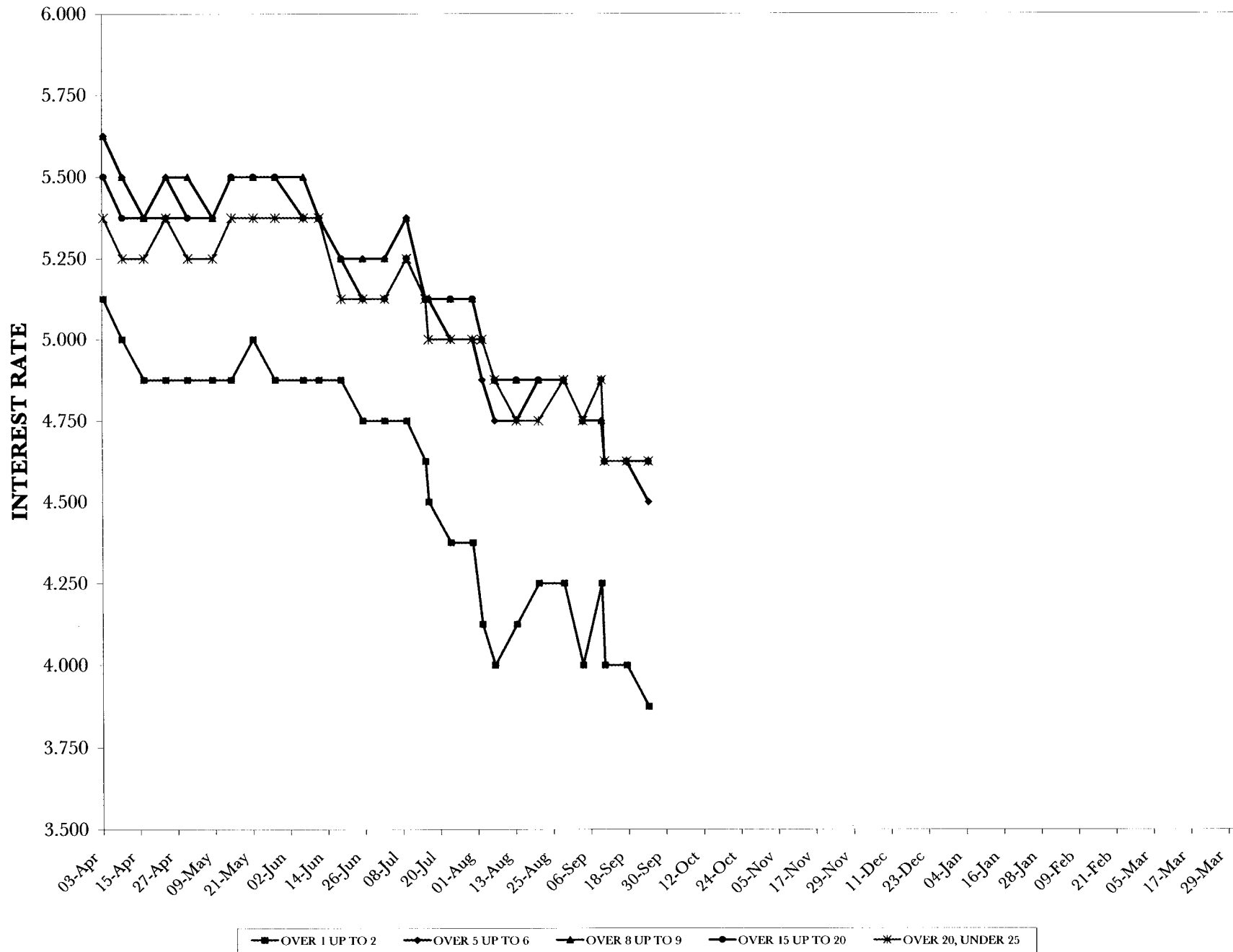
**SHORT TERM BORROWING TRANSACTIONS FROM 1st JULY, 2002 TO 30th SEPTEMBER, 2002****TEMPORARY ON-LENDING FROM 1st JULY, 2002 TO 30th SEPTEMBER, 2002**

<u>START DATE</u>	<u>END DATE/ NOTICE</u>	<u>LOAN REF</u>	<u>BORROWER</u>	<u>AMOUNT £</u>	<u>INTEREST RATE %</u>
16-Jul-02	23-Jul-02	I 681	Hamburgische Landesbank Hessen	3,000,000	3.6250%
30-Jul-02	19-Aug-02	I 682	Standard Life Bank	4,000,000	3.8125%
01-Aug-02	20-Aug-02	I 683	HBOS	3,000,000	3.8000%
07-Aug-02	18-Oct-02	I 684	Bradford & Bingley	7,000,000	3.8700%
22-Aug-02	23-Aug-02	I 685	Britannia BS	3,000,000	4.4375%
05-Sep-02	13-Sep-02	I 686	First Active Plc	4,500,000	4.0000%
09-Sep-02	13-Sep-02	I 687	Britannia BS	2,500,000	3.9063%
13-Sep-02	19-Sep-02	I 688	First Active Plc	2,000,000	3.6875%
01-Jul-02	31-Jul-02	E 124	HBOS	4,500,000	3.9100%
02-Jul-02	02-Aug-02	E 125	Bradford & Bingley	3,000,000	3.8750%
05-Jul-02	05-Aug-02	E 126	ICON	1,500,000	3.8125%
08-Jul-02	09-Sep-02	E 127	Stroud & Swindon BS	5,000,000	3.9500%
08-Jul-02	09-Sep-02	E 128	Staffordshire BS	4,000,000	3.9500%
08-Jul-02	09-Sep-02	E 129	Ulster Bank, Belfast	4,000,000	3.9500%
12-Jul-02	12-Sep-02	E 130	ICON	2,500,000	3.8750%
17-Jul-02	17-Sep-02	E 131	Skipton BS	5,000,000	3.8600%
23-Jul-02	23-Sep-02	E 132	Portman BS	3,000,000	3.8800%
23-Jul-02	23-Sep-02	E 133	Nationwide BS	5,000,000	3.8600%
31-Jul-02	01-Oct-02	E 134	Northern Rock Plc	2,500,000	3.8800%
31-Jul-02	01-Oct-02	E 135	Derbyshire BS	2,000,000	3.8700%
31-Jul-02	01-Oct-02	E 136	HBOS	4,500,000	3.8700%
02-Aug-02	02-Oct-02	E 137	Bradford & Bingley	3,000,000	3.8400%
05-Aug-02	06-Aug-02	E 141	Britannia BS	1,500,000	4.5625%
06-Aug-02	19-Aug-02	E 142	Britannia BS	1,500,000	3.7500%
19-Aug-02	21-Oct-02	E 143	Britannia BS	1,500,000	3.8750%
19-Aug-02	21-Oct-02	E 144	Standard Life Bank	5,500,000	3.9063%
19-Aug-02	21-Oct-02	E 145	Portman BS	1,500,000	3.8800%
20-Aug-02	21-Oct-02	E 146	Chelsea BS	3,000,000	3.9000%
28-Aug-02	28-Oct-02	E 147	Coventry BS	5,000,000	3.9100%
28-Aug-02	28-Oct-02	E 148	Northern Rock Plc	1,000,000	3.9100%
28-Aug-02	28-Oct-02	E 149	Ulster Bank, Belfast	1,000,000	3.9000%
09-Sep-02	08-Nov-02	E 150	Irish Life Permanent	10,000,000	3.9375%
09-Sep-02	08-Nov-02	E 151	Ulster Bank, Belfast	3,000,000	3.9100%
12-Sep-02	12-Dec-02	E 152	Leeds & Holbeck BS	2,500,000	3.9300%
16-Sep-02	16-Dec-02	E 153	Standard Life Bank	4,500,000	3.9200%
16-Sep-02	18-Nov-02	E 154	Northern Rock Plc	3,500,000	3.9100%
17-Sep-02	19-Dec-02	E 155	Landesbank Berlin	5,000,000	3.9400%
				128,500,000	

**TEMPORARY BORROWING FROM 1st JULY, 2002 TO 30th SEPTEMBER, 2002**

<u>START DATE</u>	<u>END DATE/ NOTICE</u>	<u>LOAN REF</u>	<u>LENDER</u>	<u>AMOUNT £</u>	<u>INTEREST RATE %</u>
23-Jul-02	24-Jul-02	T 781	CRND Nifia	800,000	3.5625%
25-Jul-02	31-Jul-02	T 782	CRND Nifia	2,900,000	3.6250%
26-Jul-02	29-Jul-02	T 783	CRND Nifia	1,800,000	3.4375%
13-Aug-02	14-Aug-02	T 784	CRND Nifia	600,000	3.3750%
20-Aug-02	21-Aug-02	T 785	Falkirk Council	500,000	4.2500%
19-Sep-02	25-Sep-02	T 786	City of Edinburgh	2,100,000	3.8750%
20-Sep-02	23-Sep-02	T 787	CRND Nifia	150,000	3.3750%
26-Sep-02	02-Oct-02	T 788	City of Edinburgh	5,000,000	3.8125%
				13,850,000	

### PWLB INTEREST RATES FROM 3rd APRIL, 2002 UNTIL 24th SEPTEMBER, 2002



PWLB -v- MARKET INTEREST RATES FROM 3rd APRIL, 2002 UNTIL 24th SEPTEMBER, 2002

