

To:	POLICY & RESOURCES (FINANCE) SUB-COMMITTEE	Subject:	TREASURY MANAGEMENT MONITORING REPORT
From:	DIRECTOR OF FINANCE		PERIOD 1 ST JANUARY TO 31 ST MARCH 2005
Date:	9 May, 2005	Ref:	KH/JQ/Q4

1. Introduction

- 1.1 The purpose of this report is to inform Committee on the quarterly activity (1st January 2005 to 31st March 2005) of the Council's loans and investment portfolios.

2. Background

- 2.1 In keeping with the Treasury Policy Statement, the Public Works Loan Board and Long- term Money Market are the prime source of long-term funds. In addition, it is a requirement of Treasury Policy that neither long term variable rate loans or temporary loans should exceed 25 % of total borrowing. In terms of investment activity all temporary lending is conducted with approved financial institutions.
- 2.2 The Treasury Management Activity reflects the above key requirements.

3. Quarterly Activity

3.1 Summary Position

- 3.1.1 The net overall borrowing position to the 31st March 2005 is shown in Appendix 1. The balance of £390.6m represents a reduction of £1.5m from the position as at 1st January 2005.
- 3.1.2 Principal repayments on long term borrowing of £1.2m were made during the quarter, including £0.6m in respect of Covenants held and £0.6m of PWLB and Other Local Authority loans maturing. In addition, an increase of £1.2m in the investment balances accumulated as a result of positive cashflows, resulted in the overall net borrowing position falling at the end of the quarter. This decrease was partly offset by increasing Municipal Bank deposits of £0.9m utilised on short-term borrowing basis by the Council during the quarter under review.

3.2 Debt Restructuring

- 3.2.1 During the quarter under review the department monitored the economic climate in conjunction with its financial targets and Treasury Management strategy, and concluded that there were little opportunities to undertake any additional review exercises.
- 3.2.2 As a result of the restructuring exercise undertaken during the year, interest savings of £300,000 have been achieved for 2004/05, with full year savings of £700,000 accruing from 2005/06 to 2012/13. Further reports regarding future activity will be presented to committee as appropriate.

3.3 Borrowing

- 3.3.1 There were repayments of principal for long-term loans of £1.2m made during the period with no additional long-term borrowing undertaken. Appendix 2 details the loans repaid during the period.
- 3.3.2 As at the 31st March 2005, short-term borrowing amounted to £17.4m, which represented an increase of £0.9 million to reflect the increase in borrowing from the Municipal Bank. During the normal course of business, day to day cash flow needs are examined and this resulted in cash movements both in terms of cash received and cash repaid amounting to £22.3m. The period of any individual borrowing during the quarter ranged from overnight to a maximum of eight days. A breakdown in the short-term borrowing and repayment transactions is shown in appendix 3.

3.4 Short Term Investments

- 3.4.1 In the fourth quarter of 2004/2005, positive cashflows enabled short-term investments of almost £201.9m to be undertaken. During the same period, approximately £201m of short-term investments carried forward from prior periods matured.
- 3.4.2 The net effect of these transactions was a £0.9m increase in investment balances as a result of timing differences and positive cashflows during the period under review. A breakdown of the short-term investment transactions for the quarter ended 31st March 2005 is shown in Appendix 4.

3.5 Interest Rate Movements

- 3.5.1 The longer term PWLB rates have risen by 0.10 % over the quarter, reaching a peak of 4.95% towards the end of the quarter, then falling to 4.80%. For the first two months of the quarter they were significantly lower ranging between 4.55% and 4.65% but shown a steady increase by the end of the quarter.
- 3.5.2 The 7-day market rates ranged between 4.73% to 4.90% fluctuating continually between these levels, steadying at 4.80% by the end of the quarter.
- 3.5.3 During the period under review the Bank of England base rate remained at 4.75%. It has been seven months since the last change, a 0.25% increase that took place in August. In simple terms, the gap between interest rates payable in the short-term compared to the medium to longer term has tightened, being in equilibrium at the end of the quarter under review.
- 3.5.4 Continuing underlying volatility expected within the financial markets has lead to economic commentators being undecided as to which direction the base rate will move next although the most confident predictors believe there will be no change in the immediate future.
- 3.5.5 The Treasury section will continue to monitor interest rate movements and their impact upon the council's investment and borrowing activity.

4 The Prudential Code for Capital Finance in Local Authorities

- 4.1 The Local Government in Scotland Act 2003 came into force in April 2003, and resulted in the introduction of The Prudential Code for Capital Finance in Local Authorities. This brought about a change to the controls placed on the Council's capital spending from 1st April 2004.

- 4.2 The Treasury Strategy Statement, 2004/05 approved by Committee on 23rd March 2004 highlighted the requirements of the Prudential Code and detailed the mandatory prudential indicators essential for ensuring that Council's capital programmes are affordable, prudent and sustainable.
- 4.3 The Council subsequently approved a variety of indicators, which are regularly monitored to ensure compliance with the requirements of the Prudential Code. Appendix 5 details the performance against key indicators for 2004/05, which are conducive to monitoring on an ongoing basis.
- 4.4 The Council will wish to note the following salient points:-
- (i) Indicator 1(a) illustrates that based on provisional information available as at 31st March, and subject to variation pending final accounts completion, investment on capital expenditure is projected to be marginally higher than that initially estimated. Movements in capital expenditure are monitored in detail as part of the Council's capital programme reporting mechanisms.
 - (ii) The Prudential Code requires the Council's capital investments to be affordable and prudent. To demonstrate this a Prudential Margin (the need to borrow versus actual borrowing) is calculated. Indicator 1(b) demonstrates a healthy projected prudential margin at 31st March, 2005. Net borrowing increased as expected during the final quarter of 2004/05, due to funding large cash-flow payments such as the employee pay-award arrears during January and February 2005 and increased capital expenditure profile.
 - (iii) Indicator 2 illustrates that both authorised and borrowing limits have not been exceeded, with the maximum borrowing undertaken within the period being well below the approved boundaries. Indicator 2 also highlights new movement in other long-term liabilities following the introduction of finance leases as a method of funding projects
 - (iv) Upper limits on both fixed and variable loans were initially approved at 95% and 25% respectively. Due to investment interest received being higher than interest paid in the early part of the year, these rates fluctuated. Given that this trend was expected to continue during the remainder of the year, members were asked to approve new limits of 105% and -5% respectively. Indicator 3(a) illustrates that performance remains in line with these revised limits.
 - (v) Indicator 3(b) illustrates that the level of fixed debt due to mature remains in line with the upper limits set for each category at the beginning of the financial year.
- 4.5 Generally speaking, the provisional prudential indicators are in accordance with those approved by members on 23rd March 2004. Current projections illustrate a healthy prudential margin, and borrowing levels that are below sustainable limits. Both of which should ensure that the marginally higher capital investment level anticipated is affordable and sustainable. Additionally, debt maturity levels and interest rate exposures remain in line with the current upper limits.

5 Recommendation

- 5.1 The Finance Committee is asked to note the contents of the report and the positive steps being taken to reduce overall interest costs.



Director of Finance

LOANS & INVESTMENTS AS AT 31ST MARCH, 2005

APPENDIX 1

	BALANCE 01-Jan-05	DEBT RESTRUCTURING		NEW BORROWING	PRINCIPAL REPAYMENTS	NET INVESTMENT MOVEMENTS	BALANCE 31-Mar-05
		EARLY REDEMPTION	REFINANCING				
<u>LONG-TERM LOANS</u>							
PWLB	316,244,366	0	0	0	(463,286)	0	315,781,081
MONEY MARKET LOANS	112,250,000	0	0	0	0	0	112,250,000
MUNICIPAL BANK	10,000,000	0	0	0	0	0	10,000,000
COVENANTS	5,571,943	0	0	0	(600,000)	0	4,971,943
OTHER LOCAL AUTHORITIES	814,867	0	0	0	(109,880)	0	704,987
	444,881,176	0	0	0	(1,173,165)	0	443,708,010
<u>SHORT-TERM LOANS</u>							
TEMPORARY	0	0	0	22,300,000	(22,300,000)	0	0
MUNICIPAL BANK	16,529,222	0	0	901,139	0	0	17,430,361
INTERNAL LOANS	6,280	0	0	0	0	0	6,280
	16,535,502	0	0	23,201,139	(22,300,000)	0	17,436,641
<u>TOTAL LOANS OUTSTANDING</u>	461,416,678	0	0	23,201,139	(23,473,165)	0	461,144,652
<u>INVESTMENTS</u>							
OUTSIDE AGENCIES	69,100,000	0	0	0	0	900,000	70,000,000
CLYDESDALE BANK - TELEBANK INVESTMENT A/C	185,000	0	0	0	0	320,000	505,000
<u>TOTAL INVESTMENTS O/STANDING</u>	69,285,000	0	0	0	0	1,220,000	70,505,000
<u>NET BORROWING</u>	392,131,678	0	0	23,201,139	(23,473,165)	£1,220,000.00	390,639,652

LONG TERM BORROWING TRANSACTIONS 1st JANUARY 2005 TO 31st MARCH 2005**OTHER LONG-TERM REPAYMENTS : 1st JANUARY 2005 TO 31st MARCH 2005**

REPAYMENT DATE	TYPE	LENDER	AMOUNT £	INTEREST RATE %
<u>PWLB</u>				
17-Jan-05	Annuity	PWLB - 455046	45,014.89	10.250%
17-Jan-05	Annuity	PWLB - 456512	91,648.77	10.250%
17-Jan-05	EIP	PWLB - 472436	46,769.41	8.875%
15-Feb-05	Annuity	PWLB - 465200	15,226.16	9.500%
15-Feb-05	EIP	PWLB - 468894	13,755.71	11.625%
15-Mar-05	Annuity	PWLB - 368778	1,532.66	7.375%
15-Mar-05	Annuity	PWLB - 371016	696.42	8.500%
15-Mar-05	EIP	PWLB - 471403	33,333.33	9.875%
15-Mar-05	EIP	PWLB - 471744	70,154.11	9.875%
15-Mar-05	EIP	PWLB - 471758	23,384.71	9.750%
15-Mar-05	EIP	PWLB - 473588	46,769.41	7.250%
15-Mar-05	EIP	PWLB - 475305	75,000.00	8.875%
			463,285.58	

OTHER LOCAL AUTHORITIES

10-Feb-05	EIB	Glasgow City Council - 10000013	41,371.91	8.850%
10-Feb-05	EIB	Glasgow City Council - 10000014	34,253.94	8.650%
10-Feb-05	EIB	Glasgow City Council - 10000015	34,253.94	7.450%
			109,879.79	

COVENANTS

04-Mar-05	Covenant	Dunfermline BS - 40394	200,000.00	5.598%
29-Mar-05	Covenant	Dunfermline BS - 270391	200,000.00	6.597%
31-Mar-05	Covenant	Dunfermline BS - 310393	200,000.00	5.495%
			600,000.00	

		TOTAL	1,173,165.37	
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SHORT TERM BORROWING TRANSACTIONS FROM 1st JANUARY 2005 TO 31st MARCH 2005**NEW SHORT TERM BORROWING UNDERTAKEN FROM 1st JANUARY 2005 TO 31st MARCH 2005**

<u>START DATE</u>	<u>END DATE/ NOTICE</u>	<u>LOAN REF</u>	<u>LENDER</u>	<u>AMOUNT £</u>	<u>INTEREST RATE %</u>
24-Jan-05	26-Jan-05	856	East Renfrewshire Council	500,000	4.6500%
25-Jan-05	26-Jan-05	857	Essex County Council	5,000,000	4.6500%
18-Feb-05	23-Feb-05	858	South Ayrshire Council	1,100,000	4.7700%
22-Feb-05	23-Feb-05	859	Norfolk County Council	1,600,000	4.8000%
24-Feb-05	02-Mar-05	860	City of Edinburgh Council	3,800,000	4.7700%
25-Feb-05	02-Mar-05	861	City of Edinburgh Council	250,000	4.7500%
28-Feb-05	01-Mar-05	862	Britannia BS	2,200,000	5.3000%
01-Mar-05	09-Mar-05	863	Post Office	6,000,000	4.7300%
01-Mar-05	09-Mar-05	864	Post Office	1,400,000	4.7300%
04-Mar-05	08-Mar-05	865	South Lakeland	150,000	4.6500%
17-Mar-05	18-Mar-05	866	East Ayrshire Council	300,000	4.7000%
				22,300,000	

SHORT TERM BORROWING MATURING DURING 1st JANUARY 2005 TO 31st MARCH 2005

<u>START DATE</u>	<u>END DATE/ NOTICE</u>	<u>LOAN REF</u>	<u>BORROWER</u>	<u>AMOUNT £</u>	<u>INTEREST RATE %</u>
24-Jan-05	26-Jan-05	856	East Renfrewshire Council	500,000	4.6500%
25-Jan-05	26-Jan-05	857	Essex County Council	5,000,000	4.6500%
18-Feb-05	23-Feb-05	858	South Ayrshire Council	1,100,000	4.7700%
22-Feb-05	23-Feb-05	859	Norfolk County Council	1,600,000	4.8000%
24-Feb-05	02-Mar-05	860	City of Edinburgh Council	3,800,000	4.7700%
25-Feb-05	02-Mar-05	861	City of Edinburgh Council	250,000	4.7500%
28-Feb-05	01-Mar-05	862	Britannia BS	2,200,000	5.3000%
01-Mar-05	09-Mar-05	863	Post Office	6,000,000	4.7300%
01-Mar-05	09-Mar-05	864	Post Office	1,400,000	4.7300%
04-Mar-05	08-Mar-05	865	South Lakeland	150,000	4.6500%
17-Mar-05	18-Mar-05	866	East Ayrshire Council	300,000	4.7000%
				22,300,000	
NET BORROWING MOVEMENTS				0	

NET INVESTMENT MOVEMENTS FROM 1st JANUARY, 2005 TO 31st MARCH, 2005**NEW SHORT TERM INVESTMENTS 1st JANUARY, 2005 TO 31st MARCH, 2005**

<u>START DATE</u>	<u>END DATE/ NOTICE</u>	<u>LOAN REF</u>	<u>BORROWER</u>	<u>AMOUNT £</u>	<u>INTEREST RATE %</u>
05-Jan-05	27-Jan-05	1001079	HSH Nordbank	9,500,000	4.750%
06-Jan-05	07-Jan-05	1001080	Dexia BIL	1,300,000	4.750%
07-Jan-05	10-Jan-05	1001081	Dexia BIL	5,500,000	4.630%
10-Jan-05	11-Jan-05	1001082	Dexia BIL	1,900,000	4.580%
11-Jan-05	24-Mar-05	1001083	Irish Life & Permanent	2,000,000	4.800%
12-Jan-05	14-Jan-05	1001084	Dexia BIL	6,000,000	4.700%
17-Jan-05	18-Jan-05	1001085	Britannia BS	1,700,000	4.500%
17-Jan-05	14-Mar-05	1001086	Irish Life & Permanent	1,000,000	4.790%
17-Jan-05	14-Mar-05	1001087	Derbyshire BS	1,000,000	4.770%
17-Jan-05	24-Mar-05	1001088	Coventry BS	5,000,000	4.760%
18-Jan-05	17-Jan-05	1001089	Coventry BS	1,500,000	4.800%
19-Jan-05	20-Jan-05	1001090	Irish Intercontinental Bank	2,800,000	4.650%
26-Jan-05	01-Feb-05	1001091	Dexia BIL	1,900,000	4.680%
27-Jan-05	26-Jan-05	1001092	Dunfermline BS	5,000,000	4.900%
27-Jan-05	26-Jan-05	1001093	Irish Intercontinental Bank	4,500,000	4.900%
28-Jan-05	01-Feb-05	1001094	Skipton BS	4,000,000	4.680%
31-Jan-05	29-Mar-05	1001095	Bradford & Bingley	2,500,000	4.780%
01-Feb-05	29-Mar-05	1001096	Bradford & Bingley	2,500,000	4.770%
02-Feb-05	03-Feb-05	1001097	HSH Nordbank	4,500,000	4.600%
02-Feb-05	19-Apr-05	1001098	Coventry BS	3,000,000	4.775%
03-Feb-05	04-Feb-05	1001099	HSH Nordbank	3,500,000	4.750%
04-Feb-05	19-Apr-05	1001100	Nationwide BS	2,000,000	4.770%
07-Feb-05	08-Feb-05	1001101	Dexia BIL	3,200,000	4.680%
08-Feb-05	07-Feb-05	1001102	Leeds & Holbeck	2,600,000	4.940%
09-Feb-05	10-Feb-05	1001103	HSH Nordbank	9,200,000	4.750%
10-Feb-05	11-Feb-05	1001104	HSH Nordbank	5,500,000	4.800%
11-Feb-05	14-Feb-05	1001105	HSH Nordbank	4,400,000	4.650%
14-Feb-05	04-Apr-05	1001106	HSH Nordbank	1,500,000	4.760%
15-Feb-05	15-Aug-05	1001107	Newcastle BS	1,500,000	4.880%
16-Feb-05	15-Feb-05	1001108	Standard Life	2,000,000	5.010%
16-Feb-05	17-Feb-05	1001109	HSH Nordbank	7,500,000	4.600%
17-Feb-05	18-Feb-05	1001110	HSH Nordbank	4,750,000	4.600%
23-Feb-05	24-Feb-05	1001111	Irish Intercontinental Bank	4,600,000	4.870%
02-Mar-05	03-Mar-05	1001112	Dexia BIL	3,000,000	4.600%
03-Mar-05	04-Mar-05	1001113	Ulster Bank	1,000,000	5.000%
03-Mar-05	08-Mar-05	1001114	Ulster Bank	3,200,000	4.780%
07-Mar-05	09-Mar-05	1001115	Irish Intercontinental Bank	500,000	4.600%
08-Mar-05	09-Mar-05	1001116	Irish Intercontinental Bank	2,400,000	4.630%
09-Mar-05	10-Mar-05	1001117	Britannia BS	1,500,000	4.500%
11-Mar-05	21-Mar-05	1001118	Irish Intercontinental Bank	3,000,000	4.700%
11-Mar-05	31-Mar-05	1001119	Irish Intercontinental Bank	1,400,000	4.760%
11-Mar-05	17-Mar-05	1001120	Irish Intercontinental Bank	3,000,000	4.670%
14-Mar-05	15-Mar-05	1001121	HSH Nordbank	1,100,000	4.550%
15-Mar-05	18-Mar-05	1001122	HSH Nordbank	3,000,000	4.650%
16-Mar-05	18-Mar-05	1001123	Irish Intercontinental Bank	2,400,000	4.660%
16-Mar-05	28-Apr-05	1001124	Bank of Ireland	4,000,000	4.820%
21-Mar-05	22-Mar-05	1001125	Irish Life & Permanent	2,700,000	4.800%
23-Mar-05	24-Mar-05	1001126	HSH Nordbank	5,000,000	4.850%
23-Mar-05	24-Mar-05	1001127	HSH Nordbank	3,000,000	4.850%
23-Mar-05	22-Jun-05	1001128	Bolton MBC	2,000,000	4.920%
24-Mar-05	29-Mar-05	1001129	HSH Nordbank	3,800,000	4.600%
29-Mar-05	30-Mar-05	1001130	HSH Nordbank	3,500,000	4.600%
30-Mar-05	31-Mar-05	1001131	Barclays Bank	13,600,000	4.600%
31-Mar-05	01-Apr-05	1001132	Barclays Bank	10,000,000	4.700%
31-Mar-05	11-Apr-05	1001133	HSH Nordbank	8,000,000	4.750%
31-Mar-05	11-Apr-05	1001134	Irish Intercontinental Bank	1,400,000	4.720%
				<u>201,850,000</u>	

SHORT TERM INVESTMENTS MATURING 1st JANUARY, 2005 TO 31st MARCH, 2005

<u>START DATE</u>	<u>END DATE/ NOTICE</u>	<u>LOAN REF</u>	<u>BORROWER</u>	<u>AMOUNT £</u>	<u>INTEREST RATE %</u>
23-Dec-04	04-Jan-05	1001073	HSH Nordbank	2,600,000	4.750%
29-Dec-04	04-Jan-05	1001074	HSH Nordbank	3,000,000	4.750%
06-Jan-05	07-Jan-05	1001080	Dexia BIL	1,300,000	4.750%
07-Jan-05	10-Jan-05	1001081	Dexia BIL	5,500,000	4.630%
26-Nov-04	10-Jan-05	1001045	Irish Life & Permanent	2,000,000	4.750%
10-Jan-05	11-Jan-05	1001082	Dexia BIL	1,900,000	4.580%
02-Nov-04	13-Jan-05	1001033	Bradford & Bingley	3,500,000	4.790%
12-Jan-05	14-Jan-05	1001084	Dexia BIL	6,000,000	4.700%
17-Jan-05	18-Jan-05	1001085	Britannia BS	1,700,000	4.500%
12-Dec-04	19-Jan-05	1001060	Ulster Bank	1,700,000	4.750%
19-Jan-05	20-Jan-05	1001090	Irish Intercontinental Bank	2,800,000	4.650%
31-Dec-04	27-Jan-05	1001078	Britannia BS	2,000,000	4.760%
05-Jan-05	27-Jan-05	1001079	HSH Nordbank	9,500,000	4.750%
14-Dec-04	27-Jan-05	1001064	Bank of Ireland	2,500,000	4.750%
14-Dec-04	27-Jan-05	1001063	Portman BS	3,000,000	4.750%
25-Nov-04	27-Jan-05	1001044	Ulster Bank	3,200,000	4.770%
01-Dec-04	31-Jan-05	1001049	Britannia BS	3,000,000	4.750%
01-Nov-04	01-Feb-05	1001032	Bradford & Bingley	1,500,000	4.830%
26-Jan-05	01-Feb-05	1001091	Dexia BIL	1,900,000	4.680%
28-Jan-05	01-Feb-05	1001094	Skipton BS	4,000,000	4.680%
02-Feb-05	03-Feb-05	1001097	HSH Nordbank	4,500,000	4.600%
03-Feb-05	04-Feb-05	1001099	HSH Nordbank	3,500,000	4.750%
07-Feb-05	08-Feb-05	1001101	Dexia BIL	3,200,000	4.680%
09-Feb-05	10-Feb-05	1001103	HSH Nordbank	9,200,000	4.750%
10-Feb-05	11-Feb-05	1001104	HSH Nordbank	5,500,000	4.800%
11-Feb-05	14-Feb-05	1001105	HSH Nordbank	4,400,000	4.650%
16-Feb-05	17-Feb-05	1001109	HSH Nordbank	7,500,000	4.600%
17-Feb-05	18-Feb-05	1001110	HSH Nordbank	4,750,000	4.600%
27-Aug-04	18-Feb-05	1000979	Irish Life & Permanent	1,900,000	5.010%
18-Aug-04	18-Feb-05	1000972	Standard Life	2,200,000	5.010%
01-Dec-04	21-Feb-05	1001050	Standard Life	2,000,000	4.780%
02-Dec-04	24-Feb-05	1001051	Derbyshire BS	1,100,000	4.750%
23-Feb-05	24-Feb-05	1001111	Irish Intercontinental Bank	4,600,000	4.870%
18-Aug-04	24-Feb-05	1000973	Irish Life & Permanent	3,800,000	5.020%
03-Dec-04	01-Mar-05	1001052	Standard Life	1,800,000	4.800%
02-Mar-05	03-Mar-05	1001112	Dexia BIL	3,000,000	4.600%
03-Mar-05	04-Mar-05	1001113	Ulster Bank	1,000,000	5.000%
21-Dec-04	07-Mar-05	1001070	Portman BS	3,000,000	4.790%
03-Mar-05	08-Mar-05	1001114	Ulster Bank	3,200,000	4.780%
07-Mar-05	09-Mar-05	1001115	Irish Intercontinental Bank	500,000	4.600%
08-Mar-05	09-Mar-05	1001116	Irish Intercontinental Bank	2,400,000	4.630%
09-Mar-05	10-Mar-05	1001117	Britannia BS	1,500,000	4.500%
17-Jan-05	14-Mar-05	1001087	Derbyshire BS	1,000,000	4.770%
17-Jan-05	14-Mar-05	1001086	Irish Life & Permanent	1,000,000	4.790%
14-Mar-05	15-Mar-05	1001121	HSH Nordbank	1,100,000	4.550%
11-Mar-05	17-Mar-05	1001120	Irish Intercontinental Bank	3,000,000	4.670%
15-Mar-05	18-Mar-05	1001122	HSH Nordbank	3,000,000	4.650%
16-Mar-05	18-Mar-05	1001123	Irish Intercontinental Bank	2,400,000	4.660%
29-Dec-04	18-Mar-05	1001077	Portman BS	2,000,000	4.790%
29-Dec-04	18-Mar-05	1001076	Standard Life	1,000,000	4.810%
11-Mar-05	21-Mar-05	1001118	Irish Life & Permanent	3,000,000	4.700%
21-Mar-05	22-Mar-05	1001125	Irish Life & Permanent	2,700,000	4.800%
17-Jan-05	24-Mar-05	1001088	Coventry BS	5,000,000	4.760%
23-Mar-05	24-Mar-05	1001126	HSH Nordbank	5,000,000	4.850%
23-Mar-05	24-Mar-05	1001127	HSH Nordbank	3,000,000	4.850%
11-Jan-05	24-Mar-05	1001083	Irish Life & Permanent	2,000,000	4.800%
31-Jan-05	29-Mar-05	1001095	Bradford & Bingley	2,500,000	4.780%
01-Feb-05	29-Mar-05	1001096	Bradford & Bingley	2,500,000	4.770%
24-Mar-05	29-Mar-05	1001129	HSH Nordbank	3,800,000	4.600%
21-Dec-04	29-Mar-05	1001069	Irish Life & Permanent	1,300,000	4.810%
29-Mar-05	30-Mar-05	1001130	HSH Nordbank	3,500,000	4.600%
30-Mar-05	31-Mar-05	1001131	Barclays Bank	13,600,000	4.600%
11-Mar-05	31-Mar-05	1001119	Irish Life & Permanent	1,400,000	4.760%

200,950,000

NET INVESTMENT MOVEMENTS

900,000

1. Capital Expenditure, Capital Financing Requirement and Prudential Margin

(a)

Capital Expenditure	Original 2004/2005 Estimate (000s)	Projected Out-turn 2004/05 (000s)
Total spend	92,758	109,561
Financed By:		
Borrowing	36,563	33,665
Capital receipts	30,043	38,781
Cash grants	11,742	20,756
Capital from Current Revenue	14,410	16,359

(b)

Prudential Margin Calculation	Original 2004/2005 Estimate (000s)	Projected Out-turn 2004/2005 (000s)
Capital Financing Requirement	417,391	433,313
Net borrowing requirement	374,721	422,313
Prudential Margin	42,670	11,000

2. Authorised Limit and Operational Boundary

	2004/05 Authorised Limit Estimate (£m)	2004/05 Operational Boundary Estimate (£m)	Maximum borrowing level during Q4 2004/05 (£m)
Borrowing	600	570	467
Other long term liabilities	0	0	0.02
Totals	600	570	467.02

3. Treasury Management Indicators

(a) *Interest Rate Exposures*

	2004/05 Upper Limits	2004/05 Actual Held, Q4
Fixed interest rates	105%	108%
Variable interest rates	-5%	-8%

(b) *Maturity Structure of Borrowing*

Maturity Structure of fixed borrowing	< 12 month s	12 months to 2 years	2 to 5 years	5 to 10 years	10 years + above
Upper limit maturing	25%	25%	25%	25%	90%
Amount expected to mature in Period	0.35%	2.64%	2.98%	12.44%	81.59%