

REPORT TO EXECUTIVE			
PORTFOL			
PORTFOLIO AREA: FINANCE AND RESOURCES			
Date of Meeting:	27 January 2003		
Public			
Key Decision:	No	Recorded in Forward Plan:	No
Inside Policy Framework			

Title: **TREASURY TRANSACTIONS**
1 OCTOBER – 31 DECEMBER 2002

Report of: **The Head of Finance**

Report reference: **FS8/02**

Summary:

To provide the quarterly report on Treasury Transactions, as required under Financial Regulations.

Recommendations:

That this report be received.

Contact Officer: David Steele

Ext: 7288

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CITY OF CARLISLE

To: The Executive FS8/02

27 January 2003

TREASURY TRANSACTIONS

1. INTRODUCTION

1. The purpose of this report is to inform Members on various Treasury Management issues. Appendix A to this report sets out the schedule of Treasury Transactions for the period 1 October 2002 – 31 December 2002.

2. CONSULTATION

1. Consultation to Date.

None.

2. Consultation proposed.

None.

3. STAFFING/RESOURCES COMMENTS

Not Applicable

4. FINANCIAL COMMENTS

Included within the report

5. LEGAL COMMENTS

Not Applicable

6. CORPORATE COMMENTS

Not Applicable

7. RISK MANAGEMENT ASSESSMENT

Not Applicable

8. EQUALITY ISSUES

Not Applicable

9. ENVIRONMENTAL IMPLICATIONS

Not Applicable

10. CRIME AND DISORDER IMPLICATIONS

Not Applicable

11. RECOMMENDATIONS

11.1 It is recommended that this report be received.

12. REASONS FOR RECOMMENDATIONS

As per the report.

ANGELA BROWN

Head of Finance

Contact: David Steele Ext: 7288

City Treasury

Carlisle

13 January 2003

DKS/CH/FS8-02

APPENDIX A

TREASURY TRANSACTIONS

1 OCTOBER TO 31 DECEMBER 2002

1. LOANS

Raised % Repaid %

£ £

P.W.L.B Nil 22,310,000 4 – 10¹/₄Local Bonds Nil 1,000 5³/₄ – 6³/₄

Short Term Loans 15,000 4 3,900 4

 15,000 22,314,900

This provides a summary of loans that have been raised or repaid, analysed by type, since the previous report. The transfer of the housing stock on 9 December 2002 gave rise to a PWLB repayment of almost £18m. A further £4.25m of debt matured on 31 October 2002.

2. INVESTMENTS

Made Repaid

£ % £ %

Short Term Investments 54,925,000 2¹¹/₁₆ – 4⁹/₁₆ 58,725,000 2¹¹/₁₆ – 4⁹/₁₆

Other - -

 54,925,000 58,725,000

3. BOND TRANSACTIONS

Period: October 2002 to December 2002

Bonds Repaid: £1,000 Balance remaining: £101,600

This section details repayments of market bonds held by the City Council.

Repayments now refer only to the periodic repayments on bonds inherited from the former Border RDC.

4. CAPITAL BORROWING STATEMENT

£

Loans Fund overdrawn 1 April 2002 (2,083,000)

Deduct:

New Borrowing Approvals 2002/03 (1,140,000)

Repaid Debt to 31 December 2002 (22,387,000)

(25,610,000)

Add:

Repayments by borrowing accounts 18,545,000

2002/03

New Loans taken up to 31 December 2002 5,900

Loans Fund overdrawn 31 December 2002 (£7,059,100)

The Capital Borrowing Statement gives an indication of the extent to which the City Council is under or over borrowed in relation to its capital debt. It is Council policy for all capital debt to be funded by external long-term loans. At 31 December 2002 the City Council was under-funded by just over £7m.

5. LOANS DUE FOR REPAYMENT

PWLB Local Bonds Total

£ £ £

February 2003 Nil Nil Nil

March 2003 Nil Nil Nil

April 2003 Nil 1,000 1,000

May 2003 Nil Nil Nil

June 2003 – January 2004 Nil 1,000 1,000

Nil 2,000 2,000

Short Term Debt at 31 December 2002 41,100

£43,100

Shown here is a calendar of future loan repayments which can be a useful aid to cash flow management. The next PWLB repayment is scheduled for April 2004.

6. REVENUES COLLECTED

To: 31 December Collected % of Amount

Collectable

£ %

2002/03 Council Tax 25,628,604 84.5

NNDR 23,703,330 88.8 TOTAL 49,331,934 86.7

2001/02 Council Tax 23,326,245 84.3

NNDR 23,981,919 86.2

TOTAL 47,308,164 85.3

2000/01 Council Tax 21,989,789 84.0

NNDR 20,154,919 84.0

TOTAL 42,144,708 84.0

Collection rates in 2002/03 have continued to improve on the previous years' performance.

7. INTEREST RATES

Date PWLB Maturity (Higher Quota Rates)

1 Year 10 Years 25 Years

01 October 2002 $3\frac{3}{4}$ $4\frac{3}{4}$ $4\frac{3}{4}$

08 October 2002 $3\frac{7}{8}$ $4\frac{7}{8}$ $4\frac{7}{8}$

15 October 2002 4 $4\frac{7}{8}$ $4\frac{7}{8}$

17 October 2002 $4\frac{1}{8}$ $5\frac{1}{8}$ $5\frac{1}{8}$

22 October 2002 4 5 5

29 October 2002 $3\frac{7}{8}$ 5 5

05 November 2002 $3\frac{7}{8}$ 5 5

12 November 2002 4 $4\frac{7}{8}$ $4\frac{7}{8}$

19 November 2002 $4\frac{1}{8}$ 5 5

26 November 2002 $4\frac{1}{8}$ 5 $5\frac{1}{8}$

03 December 2002 $4\frac{1}{4}$ $5\frac{1}{8}$ $5\frac{1}{8}$

10 December 2002 $4\frac{1}{8}$ $4\frac{7}{8}$ 5

17 December 2002 $4\frac{1}{8}$ $4\frac{7}{8}$ 5

24 December 2002 4 $4\frac{7}{8}$ 5

31 December 2002 4 $4\frac{3}{4}$ $4\frac{7}{8}$

The regular changes in PWLB rates are shown here. Rates for all periods have shown a degree of volatility within the last quarter but the end of December position was generally little changed from that at the beginning of October.

8. INTEREST RECEIPTS

To 31 December 2002

Estimate Actual Variance

£000s £000s £000s

Interest Receivable 1,393 1,527 134

Less Rechargeable to non General (136) (136) 0

Fund Accounts

Net Balance 1,257 1,391 134

The estimate column to 31 December 2002 is shown as three-quarters of the revised annual estimate. Interest receipts are still above the revised estimate due mainly to continued beneficial cash flow. However the last quarter of the year normally sees a net outflow of cash as the bulk of local taxation is collected by early January but substantial commitments e.g. precepts remain to be funded. Therefore I would expect over 75% of investment income to be received by 31 December each year. Furthermore General Fund debt servicing costs, which are excluded from this analysis, will be higher than those forecast at revised estimate time and prior to the final outcome of LSVT. These increased costs will be an offset to any investment income gains.

9. BANK BALANCE

At 31 December 2002 £3,730 overdrawn.

This simply records the Council's bank balance at the end of the last day covered by the report. One aim of cash management is to keep the daily bank balance as close to zero as possible though there are days when this is not always very practical. Interest on any overdraft is charged at Base Rate plus 1%. At present no allowance is given when the account is in credit.

ANGELA BROWN

Head of FinanceContact Officer: David Steele Ext: 7288

Financial Services

Carlisle City Council

14 January 2003

DKS/CH/FS8-02

APPENDIX A1

INVESTMENT TRANSACTIONS 1 OCTOBER 2002 TO 31 DECEMBER 2002

INVESTMENTS MADE £ INVESTMENTS REPAID £

West Bromwich B/Soc 1,000,000 Nottingham B/Soc 1,000,000

Chelsea B/Soc 1,000,000 West Bromwich B/Soc 1,000,000

HSBC 1,000,000 Cheshire B/Soc 1,000,000

Coventry B/Soc 2,990,000 Cumberland B/Soc 1,000,000

Market Harborough B/Soc 1,000,000 Nottingham B/Soc 1,000,000

Britannia B/Soc 1,000,000 Loughborough B/Soc 500,000

Leeds & Holbeck B/Soc 1,250,000 Lambeth B/Soc 500,000

Loughborough B/Soc 500,000 Progressive B/Soc 1,000,000

Lambeth B/Soc 1,000,000 West Bromwich B/Soc 1,000,000

Coventry B/Soc 760,000 Staffordshire B/Soc 500,000

Northern Rock 1,000,000 Derbyshire B/Soc 500,000

Skipton B/Soc 1,000,000 Manchester B/Soc 1,000,000

Leek United B/Soc 1,000,000 Ipswich B/Soc 1,000,000

National Counties B/Soc 1,000,000 Northern Rock 1,000,000

Manchester B/Soc 1,000,000 Market Harborough B/Soc 1,000,000

Nationwide B/Soc 1,000,000 Kent Reliance B/Soc 1,000,000

Skipton B/Soc 1,500,000 Tipton & Coseley B/Soc 500,000

Coventry B/Soc 1,500,000 Dudley B/Soc 500,000

Britannia B/Soc 1,000,000 Leeds & Holbeck B/Soc 1,250,000

Ipswich B/Soc 1,000,000 National Counties B/Soc 2,000,000

Britannia B/Soc 1,000,000 Skipton B/Soc 1,550,000

Britannia B/Soc 1,000,000 Coventry B/Soc 1,000,000

Coventry B/Soc 1,000,000 Chelsea B/Soc 1,000,000

Nationwide B/Soc 1,000,000 HSBC 1,000,000

Britannia B/Soc 1,000,000 Britannia B/Soc 1,000,000

Britannia B/Soc 1,000,000 Coventry B/Soc 760,000

Britannia B/Soc 1,000,000 Northern Rock 1,000,000

Nationwide B/Soc 1,000,000 Skipton B/Soc 1,000,000

Skipton B/Soc 1,500,000 National Counties B/Soc 1,000,000

Cheshire B/Soc 1,000,000 Nationwide B/Soc 1,000,000

Skipton B/Soc 1,500,000 Skipton B/Soc 1,500,000

HSBC 5,760,000 Coventry B/Soc 1,500,000

Skipton B/Soc 2,000,000 Britannia B/Soc 1,000,000

Nationwide B/Soc 1,000,000 Britannia B/Soc 1,000,000

Britannia B/Soc 1,000,000 Britannia B/Soc 1,000,000

Britannia B/Soc 1,000,000 Coventry B/Soc 1,000,000

Tipton & Coseley B/Soc 500,000 Nationwide B/Soc 1,000,000

TRANSACTIONS 1 OCTOBER TO 31 DECEMBER 2002

INVESTMENT MADE £ INVESTMENTS REPAID £

Skipton B/Soc 1,000,000 Britannia B/Soc 1,000,000

Skipton B/Soc 1,000,000 Britannia B/Soc 1,000,000

Skipton B/Soc 1,000,000 Britannia B/Soc 1,000,000

Dudley B/Soc 500,000 Nationwide B/Soc 1,000,000

Britannia B/Soc 1,000,000 Skipton B/Soc 1,500,000

Kent Reliance B/Soc 1,000,000 Coventry B/Soc 2,990,000

Cumberland B/Soc 1,000,000 Skipton B/Soc 1,500,000

Coventry B/Soc 575,000 HSBC 5,760,000

Britannia B/Soc 840,000 Skipton B/Soc 2,000,000

Coventry B/Soc 335,000 Skipton B/Soc 1,000,000

Britannia B/Soc 915,000 Skipton B/Soc 1,000,000

Britannia B/Soc 1,000,000

Coventry B/Soc 575,000

Britannia B/Soc 840,000

_____ 54,925,000 58,725,000

Financial Services

Carlisle City Council

14 January 2003

DKS/CH/FS8-02

APPENDIX A2**OUTSTANDING INVESTMENTS AS AT 31 DECEMBER 2002**

Date Borrower Amount Terms Rate %

£

Ongoing Dresdner Global Investment 14,781,000 No Fixed Term 4.0000

Ongoing Nat. Savings Income Bond 200,000 No Fixed Term 3.8500

Ongoing Cumbria County Council 194,000 No Fixed Term 4.0000

25/01/02 Lambeth B/Soc 1,000,000 To 24 Jan 2003 4.4900

07/03/02 Cheshire B/Soc 500,000 To 6 Mar 2003 4.6300

22/03/02 Cheshire B/Soc 1,000,000 To 21 Mar 2003 4.81250

02/04/02 Norwich & Peterborough B/Soc 1,000,000 To 24 Mar 2003 4.8000

01/05/02 Norwich & Peterborough B/Soc 1,000,000 To 30 Apr 2003 4.6000

15/05/02 Kent Reliance B/Soc 1,000,000 To 25 Feb 2003 4.5000

05/06/02 Leek United B/Soc 1,000,000 To 5 Mar 2003 4.6500

11/06/02 Norwich & Peterborough B/Soc 1,000,000 To 10 Jun 2003 4.7500

14/06/02 Progressive B/Soc 500,000 To 14 Mar 2003 4.5500

04/07/02 Loughborough B/Soc 500,000 To 3 Jan 2003 4.2500

26/07/02 Tipton & Coseley B/Soc 500,000 To 24 Jan 2003 4.0300

01/10/02 West Bromwich B/Soc 1,000,000 To 20 Jan 2003 3.8400

02/10/02 Market Harborough B/Soc 1,000,000 To 27 Jan 2003 3.8800

03/10/02 Leeds & Holbeck B/Soc 1,250,000 To 27 Jan 2003 3.8500

04/10/02 Loughborough B/Soc 500,000 To 4 Apr 2003 3.8800

08/10/02 Lambeth B/Soc 1,000,000 To 24 Mar 2003 3.8700

23/10/02 Leek United B/Soc 1,000,000 To 21 May 2003 4.0000
31/10/02 Manchester B/Soc 1,000,000 To 31 Jan 2003 3.9375
07/11/02 Ipswich B/Soc 1,000,000 To 7 May 2003 3.9375
09/12/02 Cheshire B/Soc 1,000,000 To 8 Dec 2003 4.1500
12/12/02 Nationwide B/Soc 1,000,000 To 3 Feb 2003 3.8700
12/12/02 Britannia B/Soc 1,000,000 To 13 Jan 2003 3.84375
12/12/02 Britannia B/Soc 1,000,000 To 15 Jan 2003 3.84375
13/12/02 Tipton & Coseley B/Soc 500,000 To 13 Jun 2003 3.9375
17/12/02 Skipton B/Soc 1,000,000 To 7 Jan 2003 3.8800
18/12/02 Dudley B/Soc 500,000 To 19 Mar 2003 3.9600
20/12/02 Kent Reliance B/Soc 1,000,000 To 20 Mar 2003 3.9400
20/12/02 Cumberland B/Soc 1,000,000 To 22 Apr 2003 3.9500
30/12/02 Coventry B/Soc 335,000 To 2 Jan 2003 4.1250
31/12/02 Britannia B/Soc 915,000 To 7 Jan 2003 4.1250

TOTAL 41,175,000

Weighted Average 4.0996

Weighted Average 4.1554

(Less Dresdner Global Investments)