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# Public Works Loan Board 133rd Annual Report

2007–2008



The **Public Works Loan Board** is a non-Ministerial department operating within the United Kingdom **Debt Management Office**

# **Public Works Loan Board 133rd Annual Report**

**2007-08**

Presented to Parliament pursuant to section 5 of the  
Public Works Loans Act 1875

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The Public Works Loan Board is an independent and unpaid statutory body which originated in 1793 and became permanently established in 1817. It consists of Commissioners, of whom there are a maximum of twelve at any one time, appointed by the Crown to hold office for four years. At the end of their tenure Commissioners are eligible for reappointment. The Secretary and a small team of officials based in offices in the City of London carry out the day-to-day work.

The functions of the Commissioners, derived chiefly from the Public Works Loans Act 1875 and the National Loans Act 1968, are to consider loan applications from local authorities and other prescribed bodies and, where loans are made, to collect the repayments. Nearly all borrowers are local authorities requiring loans for capital purposes. The security for money borrowed by a local authority, together with interest, is charged indifferently on all its revenues; all securities created rank equally without any priority. The Commissioners are legally required before making a loan to satisfy themselves that there is sufficient security for its repayment.

Moneys are provided by Act of Parliament from the National Loans Fund. HM Treasury is statutorily responsible for determining interest rates. The Board's accounts are audited by the Comptroller & Auditor General, whose reports on them are laid before Parliament.

Operationally, the Board is a unit of the United Kingdom Debt Management Office (DMO), an executive agency of HM Treasury. The Commissioners retain their statutory role but expect and require the Board otherwise to be subject to the same controls as apply to the DMO's operations as a whole. In so far as the Secretary relies on the effectiveness of the DMO's internal control framework, he looks to its Chief Executive, as Accounting Officer, to manage the DMO to the required standards.

During the year the Board made advances totalling £10,000,105,160. The balance of principal outstanding at 31 March 2008 was £50,745,742,031.

### The Commissioners holding office during the year were:

<i>Original appointment began</i>		<i>Current appointment ends</i>
	<i>Chairman</i>	
1996	<b>Mr John PARKES CBE DL</b> Former Treasurer and Pro-Chancellor, University of Hull Former Director, EMIH Ltd Former Chief Executive, Humberside County Council	2009
	<i>Deputy Chairman</i>	
1997	<b>Mrs Rachel TERRY</b> Independent consultant, housing finance Former Associate, Tribal Treasury Services Limited Former Partner, Touche Ross & Company	2009
1997	<b>Mr Brian TANNER CBE DL</b> Former Chairman, Taunton & Somerset NHS Trust Former Chief Executive, Somerset County Council	2009
1999	<b>Mr Lawrence NIPPERS MBE</b> Former Director of Finance and Central Services Newport City Council	2011
2000	<b>Mrs Sarah WOOD OBE</b> Former Director of Economic and Environmental Policy Local Government Association	2012
2001	<b>Miss Mei Sim LAI OBE DL</b> Principal, Lai Peters & Co. Chartered Accountants	2009
2001	<b>Mr Gordon EDWARDS</b> Corporate Director for Resources Management Aberdeen City Council	2009
2002	<b>Mrs Philippa FOSTER BACK OBE</b> Director, Institute of Business Ethics	2010
2003	<b>Mr Tony CAPLIN</b> Chairman: Ealing Hospital NHS Trust, Disenco plc Non-Executive Director: Panmure Gordon plc, Hand Picked Hotels Ltd	2011

Officials of the Board were:

*Secretary* **Mr Mark Frankel**  
*Assistant Secretary* **Mr Tony Dinnage**

Other DMO staff supporting the functions of the Board were:

*Loans Officers* **Mr Terry Field, Mr Dave Gilbert**  
*IT Manager* **Mr Chris Saunders**

## Annual Report 2007-08

The Public Works Loan Board, pursuant to section 5 of the Public Works Loans Act 1875, makes the following Report for the financial year ended 31 March 2008.

### Membership and Staff of the Board

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By virtue of the Public Works Loans Act 1946 and the Royal Warrant of appointment, the terms of office of Mr Lawrence Nippers and Mr Tony Caplin ended on 31 March 2007 and of Mrs Sarah Wood on 31 March 2008. The three were reappointed by a Royal Warrant dated May 2008, each for a term of four years.

### Statutory provisions for loans

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The loans advanced by the Board are made from funds provided under section 4(1) of the National Loans Act 1968. Amended by section 130 of the Finance Act 1990, this sets a limit of £55 billion (nominal) on the total of loans outstanding to the Board at any one time, but also contains a provision to alter the limit further to a sum not exceeding £70 billion (nominal). During the year, HM Treasury, after consulting the Board, began the procedure for increasing the limit under the terms of the Act.

At 31 March 2008, the balance of principal outstanding from borrowers, together with loans committed but not yet advanced, was £50.7 billion (£50,745,742,030.69), a 6% increase on the previous year's figure.

### Summary of transactions

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Gross advances amounted to £10.0 billion (10,000,105,160), considerably less than last year's figure of £12.4 billion. Nevertheless, the total outstanding amount increased, net advances for the year amounting to £2.8 billion (£2,836,518,923) as against last year's figure of £0.8 billion (£825,038,617). The difference between the two years is largely explained by changes in the Board's lending arrangements, detailed below, which reduced borrowers' appetite for debt-rescheduling.

A statement which shows advances made, amounts of principal repaid and interest received during the year, together with balances outstanding, analysed according to types of borrower in England, Wales and Scotland, appears on pages 6-7 (Figure 1). It includes a market valuation of the Board's portfolio, which is equivalent to the redemption value of the portfolio as at year-end.

Appendix A lists the outstanding amount of principal for each non-minor borrower at the start and end of the year. Appendix B gives historical data: the twenty days in the Board's history when the amounts advanced were highest; and the balance of principal outstanding at the end of each financial year since 1945/6 together with the average interest rate on new loans in each year. Appendix C is a note on the history of variable rate loans.

**Figure 1: Summary of transactions and balances outstanding**

	In the Year 2007-2008		
	Advances £	Repayments of principal £	Interest received £
<b>Loans on local revenues to:</b>			
<b>Local Authorities in England</b>			
County Councils	1,753,426,500	1,272,040,489	492,504,905
London Borough Councils	1,048,149,275	1,046,525,026	627,605,751
Metropolitan District Councils <sup>(a)</sup>	3,016,621,660	2,012,925,891	746,584,521
Non-Metropolitan District Councils	1,385,906,487	1,050,272,384	372,668,532
Parish and Town Councils	9,415,688	5,831,642	4,621,979
Others	1,062,206,490	173,557,342	158,054,384
	<b>8,275,726,100</b>	<b>5,561,152,774</b>	<b>2,402,040,072</b>
<b>Local Authorities in Wales</b>			
Principal Councils	623,808,764	571,878,555	212,494,480
Community Councils	523,000	220,120	170,791
Others	24,736,000	5,609,012	3,239,748
	<b>649,067,764</b>	<b>577,707,687</b>	<b>215,905,019</b>
<b>Local Authorities in Scotland</b>			
Principal Councils	1,071,811,296	997,947,772	447,172,910
Others	3,500,000	26,778,004	32,241,055
	<b>1,075,311,296</b>	<b>1,024,725,776</b>	<b>479,413,965</b>
<b>Total loans on local revenues</b>	<b>10,000,105,160</b>	<b>7,163,586,237</b>	<b>3,097,359,056</b>
<b>Loans on property to Harbour Authorities</b>			
England	0	5,765	5,812
Wales	0	0	0
Scotland	0	143,214	275,077
<b>Total loans on property</b>	<b>0</b>	<b>148,979</b>	<b>280,889</b>
<b>Total loans on local revenues and property</b>	<b>10,000,105,160</b>	<b>7,163,735,216</b>	<b>3,097,639,945</b>
<b>Add Totals from 1817 to 31 March 2007</b>	188,434,638,319	140,467,399,955	102,792,462,388
<b>Principal remitted or extinguished</b>			
To 31 March 2007		58,004,941 <sup>(c)</sup>	
In the year 2007-2008		0	
<b>Total at 31 March 2008</b>	<b>198,434,743,479</b>	<b>147,689,140,112</b>	<b>105,890,102,333</b>


(a) Includes authorities administering debt on behalf of former Metropolitan County Councils

(b) See page 15: Repayments in arrear at 31 March 2008

(c) Includes £55,013,916 extinguished on privatisation of water authorities

(d) Market valuation £59,446,882,999.25

## Balances outstanding at 31 March 2008

Due but not yet paid	Principal		Interest Due but not yet paid
	£	£	
0	9,808,392,914		0
0	8,453,308,855		0
0	11,626,058,041		0
11,374	7,023,866,432		52,498
14,836	81,012,205		8,696
0	3,390,120,387		0
<b>26,210</b>	<b>40,382,758,834</b>		<b>61,194</b>
0	3,134,322,988		0
0	3,195,257		0
0	84,985,697		0
<b>0</b>	<b>3,222,503,942</b>		<b>0</b>
0	6,806,211,624		0
0	330,337,848		0
<b>0</b>	<b>7,136,549,472</b>		<b>0</b>
<b>26,210</b>	<b>50,741,812,248</b>		<b>61,194</b>
0	121,320		0
0	0		0
0	3,782,254		0
<b>0</b>	<b>3,903,574</b>		<b>0</b>
<b>26,210<sup>(b)</sup></b>	<b>50,745,715,822</b>		<b>61,194<sup>(b)</sup></b>
<b>26,210</b>	<b>50,745,715,822</b>		<b>61,194</b>
			
50,745,742,031 <sup>(d)</sup>			

## Loans on local revenues to:

## Local Authorities in England

County Councils
London Borough Councils
Metropolitan District Councils <sup>(a)</sup>
Non-Metropolitan District Councils
Parish and Town Councils
Others

## Local Authorities in Wales

Principal Councils
Community Councils
Others

## Local Authorities in Scotland

Principal Councils
Others

## Total loans on local revenues

## Loans on property to Harbour Authorities

England
Wales
Scotland

## Total loans on property

## Total loans on local revenues and property

## Add totals from 1817 to 31 March 2007

## Principal remitted or extinguished

To 31 March 2007
In the year 2007-2008

## Total at 31 March 2008



## Review of the year

The Board’s aims continued to be to support the ‘prudential’ system of local government capital finance, and to be able to meet all of a local authority’s legitimate need for long-term borrowing.

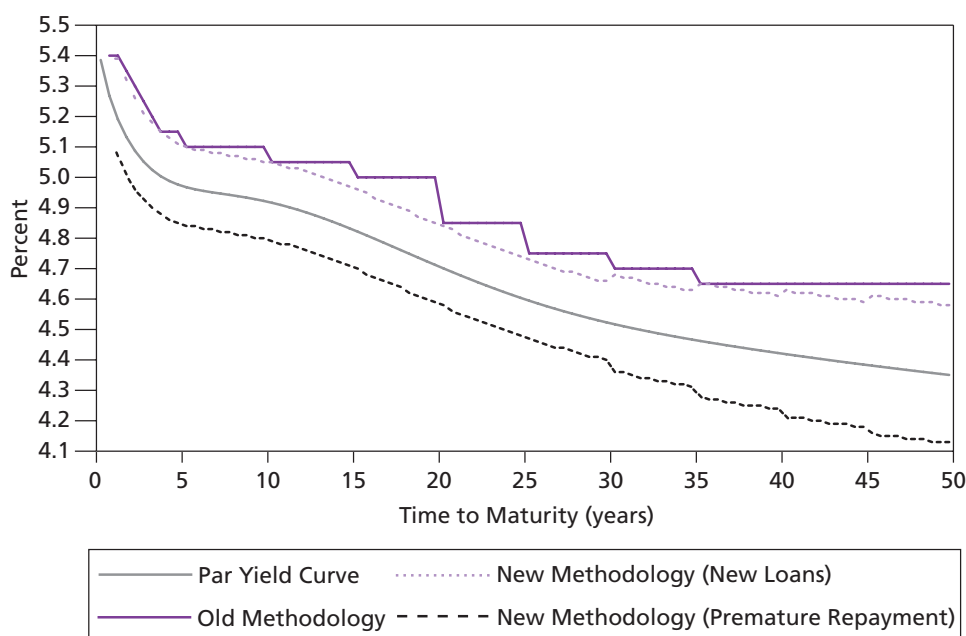
Major changes to the structure of the Board’s interest rates were introduced by Circular 140 of 16 October and 141 of 31 October. The changes, which came into effect on 1 November, were:

- Maturity brackets reduced to a uniform length of six months
- Rates expressed in increments of one basis point
- A separate set of rates for early repayments.

The impact of these changes on the Board’s rates is illustrated in Figure 2, which uses the rates in force on 2 November as an example, showing these rates relative to the gilt par yield curve on the day.

The Board announced at the time that the first two changes were expected to be advantageous to borrowers by enabling them to borrow at rates closer to the gilt yield curve and therefore closer to the Government’s own cost of borrowing. It was recognised that the third measure, a separate set of early repayment rates, would be perceived by local authorities as raising the cost of debt restructuring. The move was designed better to balance the benefits to local authorities of such activity against the impact on the Exchequer. The judgement was that the previous methodology used to set rates had inadequately reflected the value of the borrower’s option to refinance and the impact on the Exchequer of such activity. It was felt that a differential between the rates for borrowing and for early repayment would be a realistic way to achieve a balance. After the introduction of the changes, there were contacts with the local authorities and their representatives to explain the underlying policy, which is that the Board will normally permit early repayments and refinancings but not on terms which favour the borrower over the National Loans Fund.

**Figure 2: New interest rate structure**



The other major event affecting the work of the Board during the year was the so-called credit crunch, which had a marked impact on the Board's interest rates as explained below.

## Transactions

### *Applications for loans*

The Board agreed 823 applications for loans totalling £10.0 billion (£10,000,105,160). 353 authorities applied for advances including 209 non-principal authorities. Out of a total of 445 principal authorities, 301 did not apply to the Board during the year, compared with 291 the previous year. 137 principal authorities had no debt outstanding to the Board as at 31 March 2008, five fewer than as at 31 March 2007.

Advances to parishes and community councils amounted to £9,938,688. There were four advances, one to each of four drainage boards, totalling £2,920,000. There were no advances to harbours.

Figure 3 shows advances by type of borrower, comparing this year with last. Amounts are not disaggregated by fixed and variable loans, as there were so few of the latter during the year.

**Figure 3: Advances by type of borrower**

	<b>£m</b>			
	<b>2007-08</b>		<b>2006-07</b>	
<b>Local Authorities in England</b>				
County Councils	1,753.4		2,607.9	
GLA and London Borough Councils	1,048.2		1,113.8	
Metropolitan District Councils <sup>(a)</sup>	3,016.6		3,119.2	
Non-Metropolitan District Councils	1,385.9		2,010.7	
Parish and Town Councils	9.4		8.0	
Others	1,062.2		780.1	
	8,275.7	83%	9,639.7	78%
<b>Local Authorities in Wales</b>				
Principal Councils	623.8		586.3	
Community Councils	0.5		0.9	
Others	24.7		23.0	
	649.0	6%	610.2	5%
<b>Local Authorities in Scotland</b>				
Principal Councils	1,071.8		2,101.3	
Others	3.5		3.4	
	1,075.3	11%	2,104.7	17%
	<b>10,000.0</b>		<b>12,354.3</b>	

<sup>(a)</sup> includes authorities administering debt on behalf of former Metropolitan County Councils

*Types of loans and incidence of drawings*

Only one new variable rate loan was advanced, for £1m; there was only one conversion, which was from a variable-rate to a fixed-rate loan, also for £1m; and there were no conversions of variable rate loans. Because there were so few such transactions, they are not shown separately in every data figure. An historical note on variable rate loans can be found in Appendix C.

As will be seen from Figure 14 in Appendix B, three days during the year were amongst the twenty busiest in the Board's history. The monthly totals of drawings, and how this affected the Board's total portfolio, can be found in Figure 4. Fixed rates are shown in Figure 5 and variable in Figure 6. The relationship between rates of interest and the incidence of advances may be derived from Figure 7 and Figure 8. Figure 9 shows the pattern of rates and maturities in the last five years. Figure 10 confirms the perennial popularity of maturity loans with major borrowers.

**Figure 4: Balances outstanding and monthly new advances**

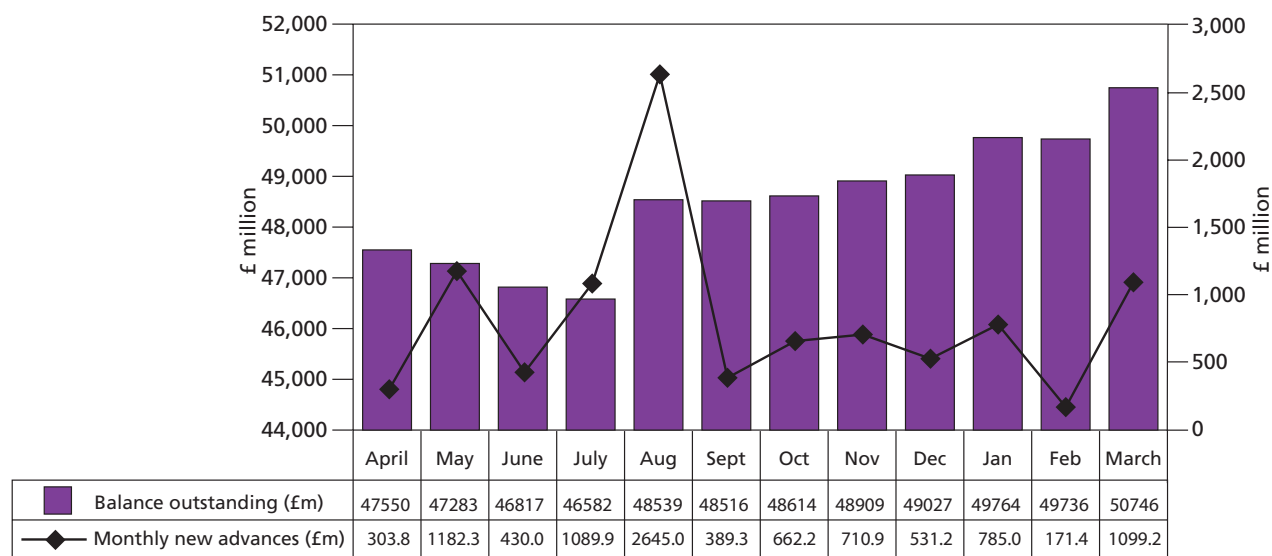


Figure 5: Fixed rates

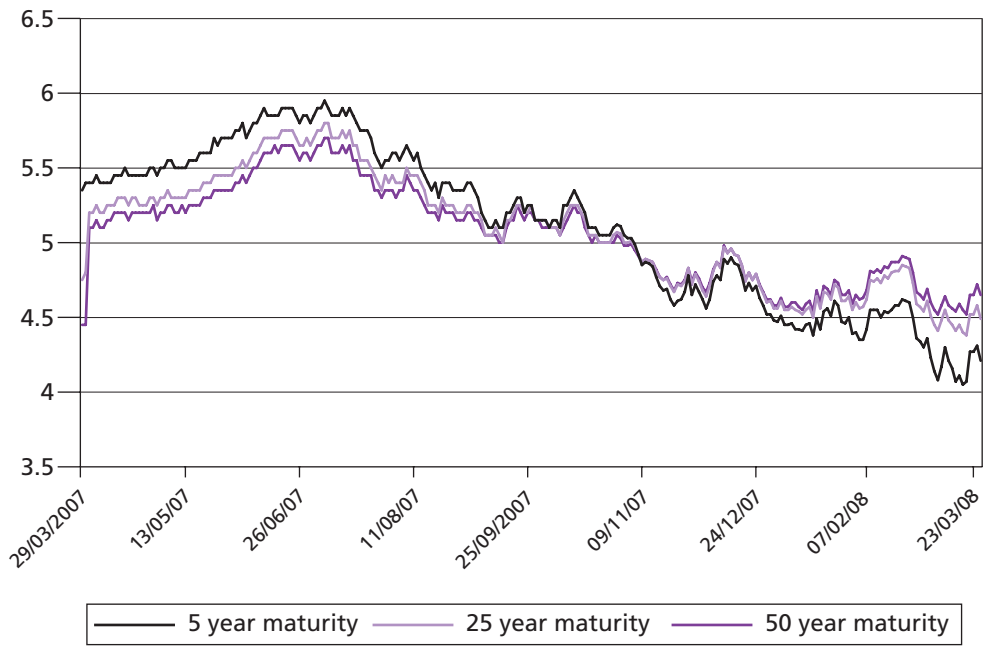


Figure 6: Bank of England Repo rate and the three-month variable rate

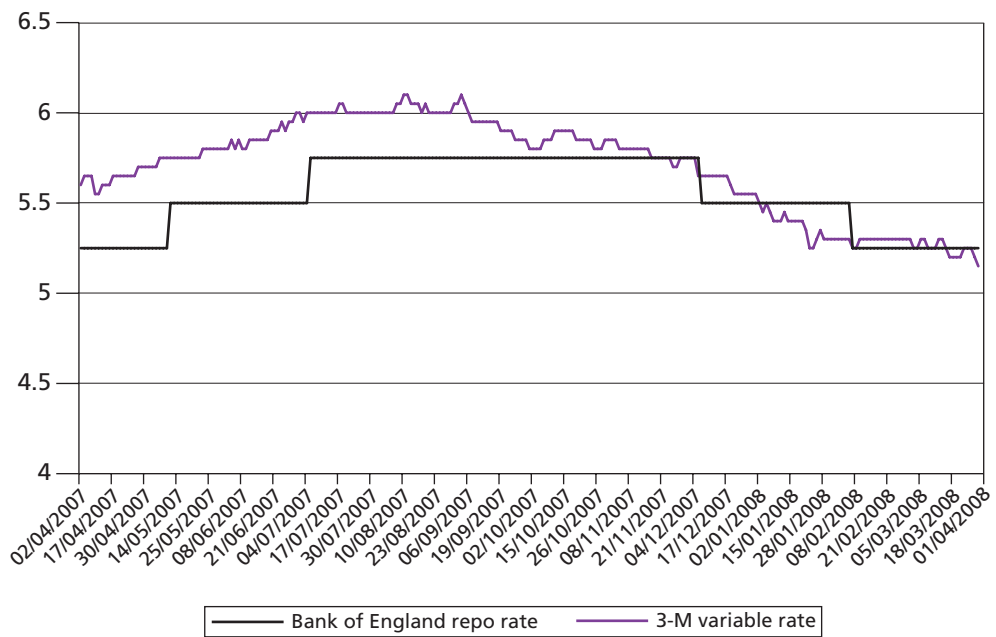


Figure 7: Average period of new advances and average interest rate

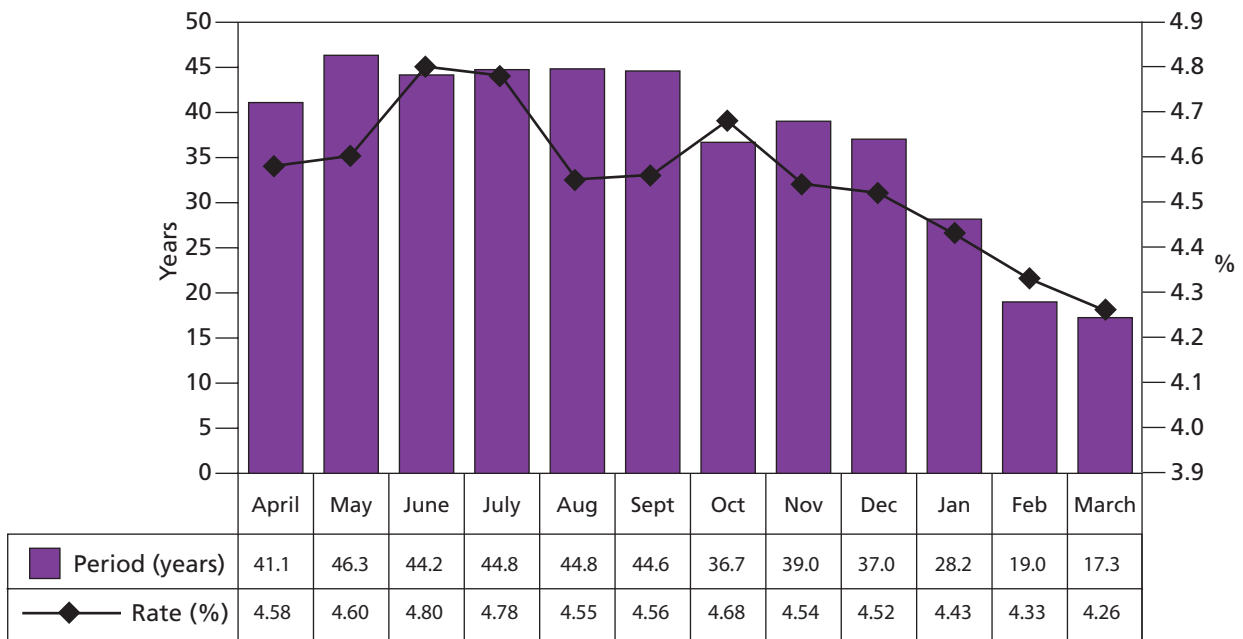


Figure 8: New fixed rate advances and average interest rate

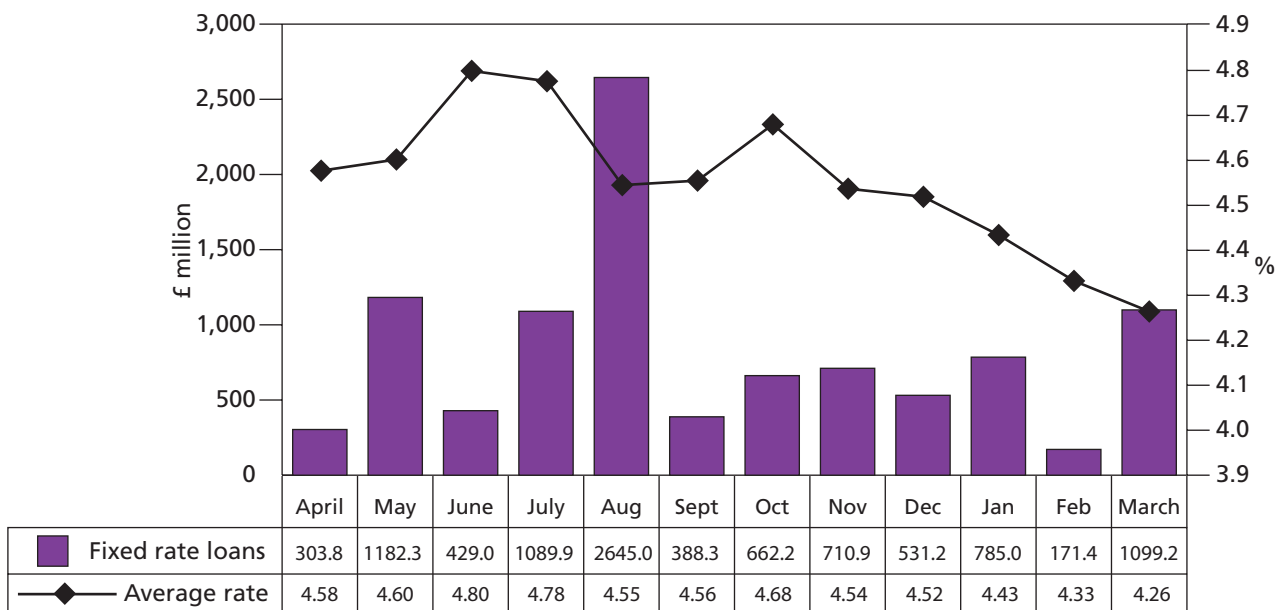


Figure 9: Average rate and period: new loans: 2003-04 to 2007-08

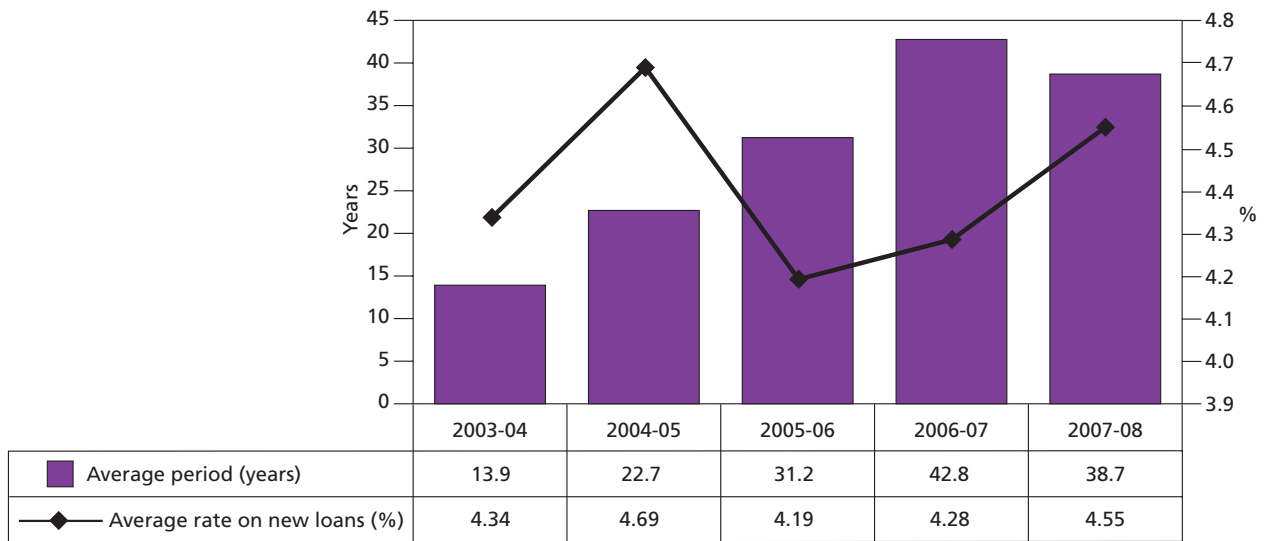
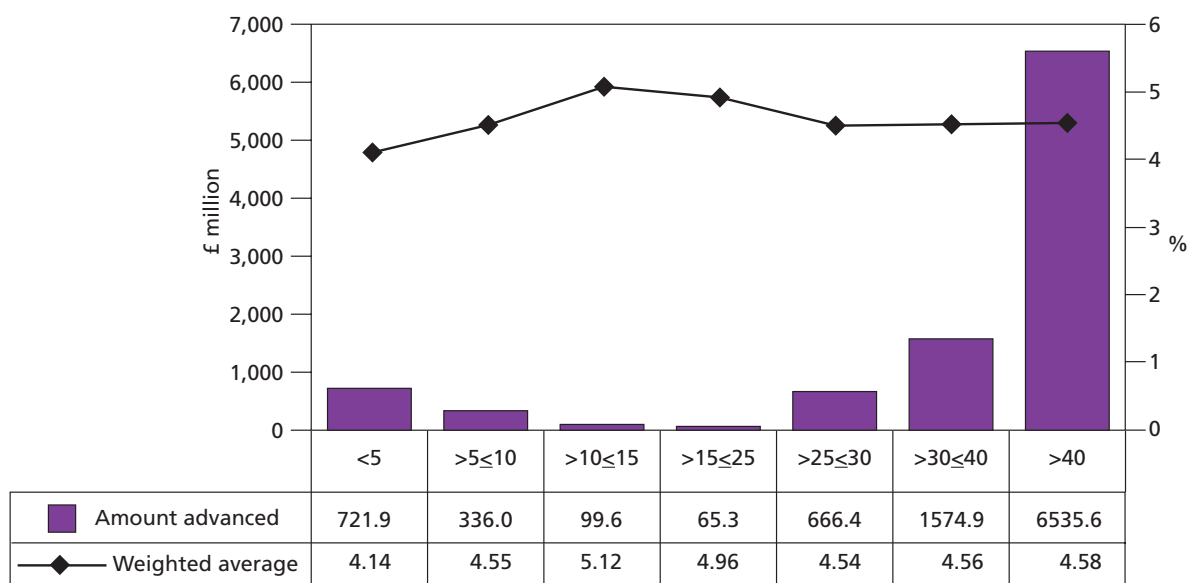


Figure 10: Amortisation type and period for repayment

Method of Repayment	£m							Total
	Period for repayment							
	Up to 5 years	Over 5 but not over 10 years	Over 10 but not over 15 years	Over 15 but not over 25 years	Over 25 but not over 30 years	Over 30 but not over 40 years	Over 40 years	
Maturity	714.0	309.1	96.8	53.1	659.7	1,573.8	6,489.5	9,896.0
Annuity	0.2	0.9	2.2	3.3	6.5	0.9	1.8	15.8
Equal instalments of principal	8.6	26.3	0.6	8.8	0	0	44.1	88.4
	722.8	336.3	99.6	65.2	666.2	1,574.7	6,535.4	10,000.1

**Figure 11: Average interest rates by maturity of new advances**



### Repayment periods

The average repayment period for new loans was 38.699 years compared with 42.758 years in 2006-07. This decrease came after two, successive annual increases, reflecting the change in the shape of the curve during the year which is mentioned below. Figure 7 reflects the appeal of short and medium term loans in the latter half of the year.

Loans amounting to £903m (£903,029,276), or 9% of the total, were taken for the maximum period of 50 years. Loans amounting to £148.3 million (£148,312,000), 1.5% of the total, were taken for the minimum period of one year.

### Scheduled repayments, early repayments and conversions

When an authority redeems a loan early, it is a matter for the treasury management policy of the authority, subject to the Board's lending arrangements, whether to replace the loan by taking out a fresh loan on the day of redemption, another day or at all. Where an authority replaces a fixed rate loan by another fixed rate loan or a variable by a variable, the Board treats the inward and outward flows as separate transactions. However, where a fixed rate loan is replaced by a variable rate loan or vice versa the Board offers a formal option to convert, to which a prescribed fee applies. Figure 12 summarises early repayments and conversions, from which will be seen that the latter are falling into disuse.

**Figure 12: Early repayments and conversions**

	<b>Principal repaid or converted</b>	<b>Number of loans repaid</b>	<b>Number of borrowers repaying</b>	<b>Number of new loans advanced</b>	<b>Premium paid</b>	<b>Discount allowed</b>	<b>Net premiums/ discounts</b>
	£k	No.	No.	No.	£k	£k	£k
EPs: fixed rate loans	6,409,243	2,963	176	n/a	336,533	243,704	92,829
EPs: variable rate loans	23,419	8	4	n/a	12	1	11
Converted to fixed	1,000	1	1	1	0	0	0
Converted to variable	0	0	0	0	0	0	0
<b>Totals</b>	<b>6,433,662</b>	<b>2,972</b>	<b>181</b>	<b>1</b>	<b>336,545</b>	<b>243,705</b>	<b>92,840</b>

The change in the interest rate structure, referred to above, reduced borrowers' appetite for early repayments, which to the extent they continued in the latter half of the year tended to be related to capital receipts from housing transfers rather than treasury management activity.

#### *Repayments in arrears*

The overdue payments as shown in Figure 1 were settled early in the following financial year.

#### Rates of interest

The Board's interest rates are determined by DMO in accordance with the National Loans Act 1968 and methodologies agreed with HM Treasury. Since 3 October 2000, variable rates have been determined by reference to gilt general collateral repo rates. Fixed rates are based on par redemption yields on gilt-edged securities (gilts), because the source of funds for lending by the Board is the National Loans Fund (NLF), into which receipts from gilts issuance are paid. The Board's rates include a margin to yields to ensure that the PWLB does not on-lend at rates lower than those at which the Government could notionally borrow by issuing gilts. The margin covers the risk of a mismatch between the liabilities (gilts) and assets (loans from the Board) of the NLF arising from the lack of simultaneity between gilt issuance and lending, gilts being issued in large amounts on pre-announced dates and the Board's loans being made on application. A negative margin is applied to the 'early repayment' set of rates, introduced in November, to achieve symmetry with the set for advances.

Rates are re-set each day. DMO and HM Treasury reserve the right to change rates intra-day or to alter the margins, depending on market circumstances. There were 5 intra-day changes, on 16 and 21 August, 18 September, 12 and 25 March. Current and past rates of interest are displayed on the Board's website, [www.pwlb.gov.uk](http://www.pwlb.gov.uk).

At the beginning of the year the slope of the yield curve was negative, as it had been for most of the decade. However, during the course of the year the slope changed so that by March 2008 it was hump-shaped, that is, positively sloped between short and medium maturities and negatively sloped between medium and long maturities. This change was due to the so-called credit crunch, which originated in the collapse of the US sub-prime mortgage market but had worldwide repercussions. In the UK markets the Bank of England acted to inject liquidity into the money markets. The gilt market initially benefited from a flight-to-quality as investors abandoned risky assets in favour of short-dated government debt, before the damage to longer-term economic growth prospects prompted the market to anticipate a spate of rate cuts by the Monetary Policy Committee. As a result, yields in the shorter-dated gilts, which are more sensitive to rate moves than longs, fell by up to 150 bps from June onwards.



The average rate payable on fixed rate loans outstanding at 31 March 2008 was 5.722%, compared with 5.969% on 31 March 2007. The average rate payable on variable rate loans outstanding at 31 March 2008 was 5.348% (5.507). The average rate on all loans, fixed and variable, was 5.722% (5.967). The average rate on new loans made during the year was 4.553% (4.288) and on new fixed rate loans was also 4.553% (4.285). The average rate on new variable rate loans was 5.802% (4.863). Figure 9 illustrates the average rate of interest and the average repayment period for new loans in each of the last 5 years.

## Miscellaneous work

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### *Transfers of debt*

Five authorities transferred debt amounting to £18,798,380.35 in respect of 24 loans to 5 other authorities.

### *Amalgamation of Repayment Dates; Loan Account Combinations*

Twenty-two authorities undertook amalgamations, and one authority undertook a loan account combination.

## Service performance

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The Board sets itself performance targets for advancing loans and arranging premature repayments. Applications are processed according to the timetable set out in the Board's circulars. There was no occasion during the year when the Board failed to meet these targets.

## Fees and Administration

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The scale of fees has remained unchanged since 1991. Fee income for the year totalled £3,500,614. DMO's Resource Accounts for the financial year 2007-08 now in preparation will include data on the operating income and expenditure of the Board.

PWLB has used 'Informix' as its IT system since 1997. During the year, PWLB and DMO staff were at work on migrating to new software, 'Tradethru', a product of OMR Systems of Princeton, USA. Other parts of DMO already use the same software so migration from Informix will reduce the need for separate support of a heritage system and facilitate synergies within DMO.

## Appendices

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Appendix A lists balances outstanding in respect of non-minor authorities at the beginning and end of the year. Appendices B and C give historical data about the Board's activities. Appendix D lists the figures in the Report.

By order of the Board  
Mark Frankel  
Secretary

PUBLIC WORKS LOAN BOARD  
UK Debt Management Office  
Eastcheap Court  
11 Philpot Lane  
London EC3M 8UD  
13 May 2008

## APPENDIX A

**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Aberdeen City Council	339,219,117	30,583,252	29,170,508	340,631,861
Aberdeenshire Council	251,461,807	22,500,000	2,289,932	271,671,874
Adur District Council	14,455,326	0	0	14,455,326
Allerdale District Council	18,197,736	0	28,349	18,169,387
Alnwick District Council	6,692,238	0	63,452	6,628,787
Amber Valley Borough Council	11,377,330	0	0	11,377,330
Angus Council	115,021,423	27,000,000	18,800,000	123,221,423
Argyll And Bute Council	131,344,105	35,000,000	31,083,749	135,260,356
Ashfield District Council	31,302,098	0	0	31,302,098
Ashford Borough Council	4,000,000	0	0	4,000,000
Avon And Somerset Police Authority	11,992,296	0	879,277	11,113,019
Babergh District Council	1,100,000	0	0	1,100,000
Barnet London Borough Council	148,000,000	0	0	148,000,000
Barnsley Borough Council	343,605,369	78,400,000	61,521,209	360,484,160
Barrow-In-Furness Borough Council	29,000,000	3,595,000	3,595,000	29,000,000
Basildon District Council	118,325,000	6,000,000	0	124,325,000
Bassetlaw District Council	4,727,500	15,000,000	607,500	19,120,000
Bath & North East Somerset District C	60,000,000	0	0	60,000,000
Bedfordshire And Luton Fire Authority	6,662,600	0	7,400	6,655,200
Bedfordshire County Council	238,667,538	22,000,000	12,011,534	248,656,004
Bedfordshire Police Authority	2,719,800	1,000,000	0	3,719,800
Berwick-Upon-Tweed Borough Council	1,000,000	0	0	1,000,000
Bexley London Borough Council	76,268,188	11,000,000	11,000,000	76,268,188
Birmingham City Council	1,042,210,000	545,000,000	40,800,000	1,546,410,000
Blaby District Council	9,787,127	2,000,000	1,110,674	10,676,453
Blackburn With Darwen Borough Council	83,774,629	29,897,614	22,897,614	90,774,629
Blackpool Borough Council	99,779,914	0	5,000,000	94,779,914
Blaenau Gwent County Borough Council	128,532,547	0	165,608	128,366,939
Blyth Valley Borough Council	89,792,344	15,500,000	30,073,344	75,219,000
Bolsover District Council	19,100,000	0	0	19,100,000
Bolton Borough Council	278,110,680	86,950,000	68,080,643	296,980,037
Bournemouth Borough Council	30,700,000	0	0	30,700,000
Bradford City Council	403,417,741	51,500,000	50,167,408	404,750,333
Braintree District Council	5,500,000	0	3,000,000	2,500,000
Brent London Borough Council	528,257,470	105,000,000	106,477,470	526,780,000
Brentwood District Council	7,137,000	0	0	7,137,000

**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bridgend County Borough Council	69,572,704	27,700,000	23,748,307	73,524,397
Brighton & Hove Council	185,938,673	25,500,000	19,524,953	191,913,719
Bristol City Council	282,411,658	10,000,000	13,517,578	278,894,080
Broads Authority	0	290,000	7,250	282,750
Broxtowe Borough Council	13,454,893	3,000,000	2,761	16,452,132
Buckinghamshire & Milton Keynes F Auth	6,452,000	0	0	6,452,000
Buckinghamshire County Council	238,182,000	0	53,862,000	184,320,000
Burnley Borough Council	24,452,550	0	1,006,452	23,446,098
Bury Borough Council	74,138,263	4,000,000	4,286,899	73,851,364
Caerphilly County Borough Council	193,145,457	48,150,000	37,010,458	204,284,999
Calderdale Borough Council	111,367,623	9,000,000	4,133,052	116,234,571
Cambridgeshire & Peterborough Fire Auth	1,700,000	1,500,000	0	3,200,000
Cambridgeshire County Council	183,710,000	0	17,000,000	166,710,000
Cambridgeshire Police Authority	8,932,335	0	304,310	8,628,025
Camden London Borough Council	280,095,584	0	663,285	279,432,299
Cannock Chase District Council	13,915,513	2,500,000	344,638	16,070,875
Canterbury City Council	23,750,000	8,250,000	5,250,000	26,750,000
Caradon District Council	6,050,000	0	1,000,000	5,050,000
Cardiff Council	339,433,778	79,601,982	67,101,982	351,933,779
Carmarthenshire County Council	258,049,420	13,000,000	4,086,553	266,962,868
Carrick District Council	22,427,718	1,000,000	0	23,427,718
Castle Morpeth Borough Council	14,165,973	6,380,000	18,545,973	2,000,000
Castle Point District Council	7,825,112	0	0	7,825,112
Ceredigion County Council	101,879,259	27,650,000	28,543,390	100,985,869
Cheltenham Borough Council	24,000,000	2,000,000	0	26,000,000
Cheshire County Council	182,938,250	45,000,000	10,012,750	217,925,500
Cheshire Fire Authority	5,541,800	1,097,000	199,800	6,439,000
Cheshire Police Authority	8,572,044	830,000	211,267	9,190,778
Chester City Council	3,950,000	0	0	3,950,000
Chesterfield Borough Council	33,446,203	0	2,027,062	31,419,142
Chester-Le-Street District Council	18,759,647	1,099,000	19,858,647	0
Chorley Borough Council	0	7,000,000	0	7,000,000
Clackmannanshire Council	75,777,684	14,000,000	73,583	89,704,101
Cleveland Fire Authority	1,500,000	0	0	1,500,000
Cleveland Police Authority	8,388,000	872,000	249,000	9,011,000
Co Durham And Darlington Fire Authority	2,143,541	0	107,677	2,035,864
Colchester Borough Council	24,400,000	3,500,000	0	27,900,000
Comhairle Nan Eilean Siar	146,076,684	32,500,000	35,579,887	142,996,798

**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007 £</b>	<b>Advances in 2007-08 £</b>	<b>Repayments in 2007-08 £</b>	<b>Balance at 31 March 2008 £</b>
Conwy County Borough Council	110,204,457	48,014,627	48,014,627	110,204,456
Cornwall County Council	160,400,000	125,000,000	80,400,000	205,000,000
Council Of The Isles Of Scilly	1,069,602	0	201,428	868,174
Coventry City Council	214,919,059	61,479,366	44,508,634	231,889,792
Craven District Council	2,988,110	4,288,110	2,288,110	4,988,110
Croydon London Borough Council	184,800,000	0	8,000,000	176,800,000
Cumbria County Council	238,700,000	30,000,000	10,000,000	258,700,000
Cumbria Police Authority	1,085,400	0	335,200	750,200
Darlington Borough Council	85,642,432	21,389,136	15,389,136	91,642,432
Denbighshire County Council	117,114,464	21,500,000	4,468,804	134,145,660
Derby City Council	322,227,763	163,800,000	117,621,646	368,406,118
Derbyshire County Council	386,174,045	33,850,000	23,880,048	396,143,997
Derbyshire Dales District Council	5,450,000	0	0	5,450,000
Derbyshire Fire Authority	6,938,125	3,000,000	318,928	9,619,197
Derbyshire Police Authority	9,473,960	975,000	513,263	9,935,698
Devon & Cornwall Police Authority	15,027,600	4,750,000	0	19,777,600
Devon & Somerset Fire & Rescue Authority	10,223,444	7,700,000	1,700,000	16,223,444
Devon County Council	508,138,935	20,000,000	10,000,000	518,138,935
Doncaster Borough Council	259,442,338	35,000,000	0	294,442,338
Dorset County Council	114,907,787	38,000,000	24,114,890	128,792,897
Dorset Fire Authority	3,725,872	2,500,000	144,470	6,081,402
Dover District Council	4,006,341	0	2,571	4,003,770
Dudley Borough Council	362,152,880	50,000,000	10,983,140	401,169,740
Dumfries And Galloway Council	142,296,632	20,000,000	12,645,976	149,650,655
Dundee City Council	261,321,359	2,250,000	354,642	263,216,717
Durham City Council	19,304,228	4,250,000	3,889,951	19,664,277
Durham County Council	176,660,897	0	2,114,723	174,546,175
Dyfed-Powys Police Authority	3,401,509	0	73,171	3,328,338
Ealing London Borough Council	374,146,310	65,000,000	2,500,000	436,646,310
Easington District Council	66,529,055	3,000,000	2,987,911	66,541,144
East Ayrshire Council	123,341,562	0	22,129	123,319,433
East Cambridgeshire District Council	0	1,000,000	0	1,000,000
East Dunbartonshire Council	90,903,609	4,000,000	5,280,241	89,623,368
East Hertfordshire District Council	1,894,056	0	0	1,894,056
East London Waste Authority	2,144,517	0	111,234	2,033,283
East Lothian Council	146,982,966	0	24,323,063	122,659,903
East Renfrewshire Council	68,521,009	5,500,000	209,789	73,811,220
East Riding Of Yorkshire Council	138,808,827	25,000,000	10,908,369	152,900,459

**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
East Staffordshire District Council	8,756,220	2,500,000	139,388	11,116,832
East Sussex County Council	253,931,784	55,461,831	45,462,575	263,931,040
East Sussex Fire Authority	8,823,000	2,350,000	0	11,173,000
Eastbourne Borough Council	23,733,333	7,520,000	33,333	31,220,000
Edinburgh, City Of, Council	716,531,805	109,500,000	57,847,685	768,184,121
Ellesmere Port & Neston Borough Council	1,000,000	0	0	1,000,000
Elmbridge Borough Council	5,500,000	0	0	5,500,000
Enfield London Borough Council	192,042,959	20,000,000	0	212,042,959
Essex County Council	286,017,970	124,000,000	127,317,138	282,700,832
Essex Fire Authority	3,174,722	23,000,000	143,333	26,031,389
Falkirk Council	134,022,139	20,500,000	21,159,103	133,363,037
Fareham Borough Council	798,000	123,000	675,000	246,000
Fenland District Council	9,462,919	0	0	9,462,919
Fife Council	236,415,103	12,000,000	166,628	248,248,475
Flintshire County Council	154,662,527	0	0	154,662,527
Fylde Borough Council	0	1,000,000	0	1,000,000
Gateshead Borough Council	312,092,598	36,220,296	2,250,613	346,062,281
Gedling Borough Council	10,000,000	2,500,000	0	12,500,000
Glasgow, City Of, Council	794,950,426	145,000,000	149,716,979	790,233,447
Gloucester City Council	16,818,556	12,500,000	110,000	29,208,556
Gloucestershire County Council	299,386,383	25,000,000	5,002,146	319,384,237
Gloucestershire Police Authority	3,986,480	0	0	3,986,480
Gosport Borough Council	8,000,000	0	0	8,000,000
Grampian Joint Fire Board	10,548,440	0	0	10,548,440
Grampian Joint Police Board	8,766,135	0	0	8,766,135
Great Yarmouth Borough Council	19,281,699	0	178,332	19,103,366
Greater Manchester Fire & Rescue Auth	6,998,000	0	0	6,998,000
Greater Manchester Passenger Transport A	80,081,000	0	0	80,081,000
Greater Manchester Passenger Transport E	17,322,000	0	0	17,322,000
Greater Manchester Police Authority	58,451,000	10,000,000	1,016,667	67,434,333
Greater Manchester Waste Disposal Auth	14,356,000	0	0	14,356,000
Greenwich London Borough Council	367,176,333	20,000,000	12,880,448	374,295,885
Gwent Police Authority	4,260,000	0	0	4,260,000
Gwynedd County Council	150,101,596	3,650,000	4,557,690	149,193,906
Hackney London Borough Council	666,123,094	0	26,353,409	639,769,685
Halton Borough Council	10,000,000	0	0	10,000,000
Hammersmith And Fulham London Borough C	378,520,100	51,064,000	41,064,000	388,520,100
Hampshire County Council	241,000,000	33,000,000	18,000,000	256,000,000

**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hampshire Fire And Rescue Authority	5,450,000	500,000	0	5,950,000
Hampshire Police Authority	3,200,000	0	0	3,200,000
Harborough District Council	5,480,000	0	4,989,940	490,060
Haringey London Borough Council	509,165,994	30,000,000	30,531,488	508,634,506
Harlow District Council	0	5,800,000	0	5,800,000
Harrogate Borough Council	15,072,011	0	5,316	15,066,695
Harrow London Borough Council	179,478,576	60,000,000	118,931,168	120,547,408
Hartlepool Borough Council	16,887,288	5,000,000	109,671	21,777,617
Hastings Borough Council	15,198,000	10,000,000	10,000,000	15,198,000
Havering London Borough Council	38,796,698	0	0	38,796,698
Hereford & Worcester Combined Fire Auth	11,314,000	3,050,000	1,311,000	13,053,000
Herefordshire Council	81,852,794	12,500,000	464,180	93,888,615
Hertfordshire County Council	213,778,383	32,000,000	21,056,652	224,721,731
Hertfordshire Police Authority	0	12,955,000	0	12,955,000
High Peak Borough Council	21,252,711	7,589,793	6,589,793	22,252,711
Highland Council	461,394,604	87,400,000	92,821,148	455,973,457
Hillingdon London Borough Council	179,693,810	0	5,193,810	174,500,000
Hinckley And Bosworth Borough Council	5,800,000	3,300,000	3,300,000	5,800,000
Horsham District Council	4,059,000	0	0	4,059,000
Hounslow London Borough Council	193,392,274	0	291,972	193,100,302
Humberside Fire Authority	12,452,493	3,100,000	440,738	15,111,755
Humberside Police Authority	10,819,117	0	854,458	9,964,659
Hyndburn Borough Council	1,600,000	5,100,000	0	6,700,000
Inverclyde Council	177,050,307	65,000,000	171,265,177	70,785,130
Ipswich Borough Council	37,153,056	0	749,971	36,403,086
Isle Of Anglesey County Council	90,209,752	20,938,400	21,018,258	90,129,893
Isle Of Wight Council	131,305,481	0	905	131,304,576
Islington London Borough Council	701,082,333	95,000,000	22,283,476	773,798,857
Kensington And Chelsea London Borough C	224,916,771	0	11,481,208	213,435,563
Kent And Medway Towns Fire Authority	8,038,600	1,811,400	0	9,850,000
Kent County Council	666,703,603	159,000,000	174,872,314	650,831,289
Kerrier District Council	1,208,567	0	373,865	834,701
Kingston Upon Hull City Council	252,193,838	20,000,000	18,574,020	253,619,818
Kingston Upon Thames London Borough C	83,499,982	23,500,000	5,181,517	101,818,465
Kirklees Borough Council	363,530,845	112,100,000	41,100,000	434,530,845
Knowsley Borough Council	101,657,195	53,110,794	53,174,138	101,593,851
Lambeth London Borough Council	675,349,583	0	0	675,349,583
Lancashire Combined Fire Authority	7,274,454	2,000,000	557,818	8,716,636

**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Lancashire County Council	528,108,152	60,000,000	19,029,281	569,078,871
Lancashire Police Authority	23,504,000	2,000,000	800,000	24,704,000
Lancaster City Council	44,800,000	23,900,000	23,900,000	44,800,000
Lee Valley Regional Park Authority	2,381,474	0	566,090	1,815,385
Leeds City Council	908,538,000	614,230,000	579,798,000	942,970,000
Leicester City Council	218,430,678	45,000,000	91,700,000	171,730,678
Leicester, Leics & Rutland Fire Auth	4,512,439	460,100	0	4,972,539
Leicestershire County Council	289,343,546	37,200,000	61,242,449	265,301,098
Leicestershire Police Authority	12,828,859	0	82,887	12,745,972
Lewes District Council	6,000,000	0	3,000,000	3,000,000
Lewisham London Borough Council	262,259,235	61,000,000	106,618,943	216,640,292
Lincoln, City Of, Council	21,362,000	0	0	21,362,000
Lincolnshire County Council	242,336,744	130,158,605	75,609,041	296,886,308
Lincolnshire Police Authority	12,096,518	6,400,000	2,564,308	15,932,210
Littlehampton Harbour Board	1,759,226	0	69,854	1,689,373
Liverpool City Council	597,434,000	92,000,000	128,878,688	560,555,312
London Development Agency	79,000,000	200,000,000	0	279,000,000
London Fire And Emergency Planning Auth	87,824,000	23,000,000	4,400,000	106,424,000
Luton Borough Council	121,512,861	0	27,612,861	93,900,000
Manchester City Council	338,018,419	50,000,000	186,118,837	201,899,582
Mansfield District Council	53,190,535	0	3,207,002	49,983,533
Medway Council	99,597,109	20,000,000	73,345	119,523,764
Melton Borough Council	6,478,000	450,000	0	6,928,000
Merseyside Fire & Rescue Authority	42,575,000	12,500,000	6,500,000	48,575,000
Merseyside Passenger Transport Authority	254,495,580	48,311,000	49,874,495	252,932,085
Merseyside Waste Disposal Authority	19,330,000	0	142,857	19,187,143
Merthyr Tydfil County Borough Council	80,075,427	14,000,000	14,012,848	80,062,579
Merton And Sutton Joint Cemetery Board	518	0	131	387
Merton London Borough Council	103,833,364	0	5,540,586	98,292,778
Metropolitan Police Authority	57,337,616	0	15,000,000	42,337,616
Mid And West Wales Fire Authority	7,738,545	965,000	366,702	8,336,844
Mid Suffolk District Council	13,677,054	10,831,140	3,937,196	20,570,997
Mid Sussex District Council	0	1,700,000	0	1,700,000
Middlesbrough Borough Council	56,000,000	8,500,000	3,500,000	61,000,000
Midlothian Council	115,446,001	30,700,000	12,720,454	133,425,547
Milton Keynes Borough Council	266,204,008	40,000,000	0	306,204,008
Monmouthshire County Council	80,806,228	10,000,000	14,070,238	76,735,991
Moray Council	109,020,822	0	0	109,020,822

**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Neath Port Talbot County Borough Council	133,493,007	25,000,000	1,346,259	157,146,748
Newark And Sherwood District Council	45,177,025	11,000,000	8,733	56,168,292
Newcastle Upon Tyne City Council	524,507,827	65,000,000	65,339,108	524,168,719
Newham London Borough Council	537,291,956	210,858,194	190,912,642	557,237,508
Newport City Council	115,479,033	0	10,000,000	105,479,033
Norfolk County Council	478,575,510	105,575,000	49,575,000	534,575,510
Norfolk Police Authority	13,510,899	2,344,000	0	15,854,899
North Ayrshire Council	151,276,475	6,500,000	10,522,432	147,254,044
North Cornwall District Council	2,000,000	0	0	2,000,000
North East Derbyshire District Council	22,254,572	6,000,000	415,506	27,839,066
North East Lincolnshire Council	39,981,836	0	715,880	39,265,956
North Hertfordshire District Council	4,505,879	0	191,833	4,314,046
North Kesteven District Council	15,800,000	1,000,000	0	16,800,000
North Lanarkshire Council	323,542,673	0	1,206,612	322,336,061
North Lincolnshire Council	107,523,740	13,000,000	5,277,138	115,246,602
North Somerset Council	102,000,000	5,950,000	0	107,950,000
North Tyneside Borough Council	205,200,000	75,000,000	64,450,000	215,750,000
North Wales Fire And Rescue Authority	8,513,428	3,000,000	0	11,513,428
North Wales Police Authority	14,444,989	5,000,000	3,322,541	16,122,448
North West Leicestershire District C	6,000,000	0	0	6,000,000
North Yorkshire County Council	284,032,610	100,000,000	65,823,939	318,208,671
North Yorkshire Fire & Rescue Authority	7,455,958	2,215,000	22,058	9,648,900
Northamptonshire County Council	179,436,726	182,000,000	62,001,997	299,434,729
Northamptonshire Police Authority	5,798,993	0	0	5,798,993
Northumberland County Council	184,000,000	0	87,000,000	97,000,000
Northumbria Police Authority	32,847,175	2,220,296	2,224,880	32,842,591
Norwich City Council	70,018,955	0	0	70,018,955
Nottingham City Council	407,348,077	93,250,000	68,220,923	432,377,154
Nottinghamshire County Council	154,534,659	0	5,492,002	149,042,657
Nottinghamshire Fire & Rescue Authority	5,883,190	0	69,197	5,813,993
Nottinghamshire Police Authority	10,141,627	0	871,062	9,270,565
Nuneaton And Bedworth Borough Council	7,750,000	6,000,000	0	13,750,000
Oadby And Wigston Borough Council	2,000,000	0	0	2,000,000
Oldham Borough Council	303,034,848	50,000,000	35,486,899	317,547,949
Oswestry Borough Council	4,261,000	0	0	4,261,000
Oxford City Council	8,383,230	0	636,419	7,746,811
Oxfordshire County Council	317,382,618	48,000,000	23,000,000	342,382,618
Peak District National Park Authority	689,536	0	15,459	674,077



**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Pembrokeshire County Council	95,958,115	0	37,578	95,920,536
Pendle Borough Council	2,384,167	7,859,166	2,384,167	7,859,166
Perth And Kinross Council	104,724,000	70,747,000	62,145,000	113,326,000
Peterborough City Council	97,134,000	25,000,000	0	122,134,000
Plymouth City Council	166,500,000	81,500,000	35,500,000	212,500,000
Poole Borough Council	21,500,000	10,000,000	0	31,500,000
Portsmouth City Council	119,740,123	94,770,000	83,418,808	131,091,315
Powys County Council	147,881,558	10,500,000	10,508,598	147,872,960
Preston City Council	9,750,373	5,000,000	4,353,909	10,396,464
Reading Borough Council	203,000,000	59,000,000	63,000,000	199,000,000
Redbridge London Borough Council	77,400,000	0	6,500,000	70,900,000
Redcar And Cleveland Borough Council	36,878,075	200,000	2,817	37,075,258
Renfrewshire Council	234,490,127	15,000,000	15,932	249,474,196
Restormel Borough Council	1,700,000	0	0	1,700,000
Rhondda Cynon Taff County Borough C	206,598,265	175,000,000	223,561,684	158,036,581
Ribble Valley Borough Council	6,686,455	1,000,000	762,187	6,924,268
Richmond Upon Thames London Borough C	33,847,895	0	2,000,000	31,847,895
Richmondshire District Council	0	1,250,000	0	1,250,000
Rochdale Borough Council	236,928,580	7,000,000	284,315	243,644,265
Rochford District Council	10,145,444	3,300,000	13,445,444	0
Rotherham Borough Council	300,296,136	97,689,000	87,676,753	310,308,383
Royal Berkshire Fire Authority	6,145,000	550,000	0	6,695,000
Rugby Borough Council	3,920,934	0	0	3,920,934
Rutland County Council	26,586,323	0	200,000	26,386,323
Salford City Council	162,447,940	50,800,000	52,793,657	160,454,283
Sandwell Borough Council	286,562,964	105,000,000	5,000,000	386,562,964
Scarborough Borough Council	8,000,384	0	145	8,000,239
Scottish Borders Council	123,061,045	50,000,000	47,929,683	125,131,362
Sedgefield District Council	18,317,416	0	33,614	18,283,801
Sedgemoor District Council	2,000,000	2,500,000	0	4,500,000
Sefton Borough Council	105,701,574	20,000,000	1,694,066	124,007,508
Selby District Council	2,068,252	0	13,106	2,055,146
Sheffield City Council	606,234,593	169,137,500	79,917,924	695,454,169
Shepway District Council	27,284,836	11,141,190	7,235,676	31,190,350
Shropshire & Wrekin Fire Authority	5,110,000	500,000	0	5,610,000
Shropshire County Council	205,717,693	13,000,000	0	218,717,693
Slough Borough Council	38,679,458	0	92,572	38,586,887
Solihull Borough Council	159,250,000	46,500,000	25,500,000	180,250,000
Somerset County Council	114,285,000	15,000,000	790,000	128,495,000

**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
South Ayrshire Council	144,006,864	27,150,000	27,288,419	143,868,445
South Bedfordshire District Council	1,292,000	646,000	0	1,938,000
South Gloucestershire Council	70,424,276	30,000,000	1,048,889	99,375,386
South Kesteven District Council	4,500,000	0	500,000	4,000,000
South Lakeland District Council	8,500,000	6,000,000	0	14,500,000
South Lanarkshire Council	505,511,279	206,811,044	160,463,234	551,859,090
South Ribble Borough Council	3,308,000	0	0	3,308,000
South Somerset District Council	2,000,000	0	0	2,000,000
South Tyneside Borough Council	197,676,033	61,000,000	42,547,738	216,128,295
South Wales Fire Authority	14,161,861	14,100,000	496,424	27,765,437
South Wales Police Authority	13,338,376	1,671,000	1,350,174	13,659,202
South West Middlesex Crematorium Board	20,705	0	2,495	18,210
South Yorkshire Fire & Rescue Authority	23,668,000	0	0	23,668,000
South Yorkshire Passenger Transport Auth	25,000,000	0	0	25,000,000
South Yorkshire Passenger Transport E	192,375,000	0	0	192,375,000
South Yorkshire Police Authority	32,130,000	0	0	32,130,000
Southampton City Council	116,800,000	41,000,000	32,800,000	125,000,000
Southend-On-Sea Borough Council	125,274,208	0	25	125,274,184
Southwark London Borough Council	693,708,967	236,000,000	200,000,000	729,708,967
St Helens Borough Council	101,263,585	9,250,000	18,571,113	91,942,472
Staffordshire County Council	383,060,377	60,000,000	35,033,962	408,026,415
Staffordshire Police Authority	16,600,000	7,500,000	0	24,100,000
Stirling Council	144,128,333	0	150,000	143,978,333
Stockport Borough Council	189,442,336	0	4,286,899	185,155,437
Stockton-On-Tees Borough Council	216,910,350	34,853,338	47,765,313	203,998,375
Stoke-On-Trent & Staffordshire Fire Auth	9,300,000	2,500,000	250,000	11,550,000
Stoke-On-Trent City Council	208,330,000	11,000,000	0	219,330,000
Strathclyde Fire Board	47,853,484	0	1,214,285	46,639,199
Suffolk County Council	129,769,881	10,000,000	19,675,062	120,094,819
Sunderland City Council	128,500,000	0	0	128,500,000
Surrey County Council	440,718,248	125,481,064	115,481,064	450,718,248
Sussex Police Authority	4,500,000	0	0	4,500,000
Sutton London Borough Council	55,168,483	0	5,188,637	49,979,845
Swansea City And County Council	241,601,707	66,000,000	30,894,442	276,707,265
Swindon Borough Council	70,135,994	30,000,000	15,123,222	85,012,773
Tameside Borough Council	337,224,275	70,475,000	65,605,761	342,093,514
Tamworth Borough Council	20,442,194	2,000,000	0	22,442,194
Taunton Deane Borough Council	18,011,703	2,000,000	5,764	20,005,938
Tayside Fire Board	4,750,000	3,500,000	3,850,000	4,400,000

**Figure 13: Balances outstanding: major authorities**

<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Teesdale District Council	3,914,827	687,000	2,513,056	2,088,771
Telford And Wrekin Council	120,025,407	27,000,000	37,000,460	110,024,947
Tendring District Council	22,878,033	0	203,066	22,674,967
Tewkesbury Borough Council	5,000,000	0	0	5,000,000
Thames Valley Police Authority	29,234,153	12,568,074	4,936,227	36,866,000
Thanet District Council	18,146,530	4,000,000	148	22,146,383
Thurrock Borough Council	66,392,127	69,012,140	41,019,381	94,384,885
Torbay Borough Council	87,837,000	8,000,000	2,000,000	93,837,000
Torfaen County Borough Council	63,915,587	27,103,755	27,155,190	63,864,152
Torridge District Council	5,850,941	0	3,615,471	2,235,470
Tower Hamlets London Borough Council	358,152,733	23,500,000	124,215,399	257,437,334
Trafford Borough Council	61,534,473	5,000,000	183,033	66,351,440
Transport For London	675,296,354	488,170,836	100,000	1,163,367,190
Tyne And Wear Passenger Transport Auth	62,100,000	65,000,000	9,540,000	117,560,000
Vale Of Glamorgan County Borough Council	95,192,805	6,000,000	1,575,853	99,616,952
Wakefield City Council	166,682,575	6,000,000	43,922	172,638,653
Walsall Borough Council	97,281,631	18,000,000	0	115,281,631
Waltham Forest London Borough Council	207,754,035	36,227,081	698,014	243,283,102
Wandsworth London Borough Council	8,084,762	0	1,097,648	6,987,114
Wansbeck District Council	14,770,067	16,285,000	31,055,067	0
Warrington Borough Council	24,581,697	0	581,697	24,000,000
Warwickshire County Council	258,348,379	47,000,000	22,310,930	283,037,449
Warwickshire Police Authority	15,077,181	3,000,000	1,159,264	16,917,917
Waveney District Council	15,452,133	24,500,000	12,440,236	27,511,897
Wealden District Council	10,544,649	0	1,001,753	9,542,896
Wear Valley District Council	31,624,157	4,000,000	2,133,203	33,490,954
Wellingborough Borough Council	0	9,300,000	9,300,000	0
West Berkshire District Council	27,170,491	0	3,165,000	24,005,491
West Devon Borough Council	0	2,100,000	0	2,100,000
West Dorset District Council	2,500,000	2,000,000	2,500,000	2,000,000
West Dunbartonshire Council	137,411,108	7,170,000	7,194,049	137,387,059
West Lothian Council	227,097,029	25,000,000	15,501,740	236,595,289
West Mercia Police Authority	800,000	10,000,000	0	10,800,000
West Midlands Passenger Transport Auth	125,193,924	10,583,380	10,583,380	125,193,924
West Midlands Police Authority	48,667,000	0	0	48,667,000
West Somerset District Council	0	3,000,000	0	3,000,000
West Sussex County Council	278,899,000	52,200,000	0	331,099,000
West Yorkshire Fire & Rescue Authority	28,687,278	9,959,700	2,863,092	35,783,885
West Yorkshire Passenger Transport Auth	84,000,000	30,000,000	30,000,000	84,000,000

**Figure 13: Balances outstanding: major authorities**

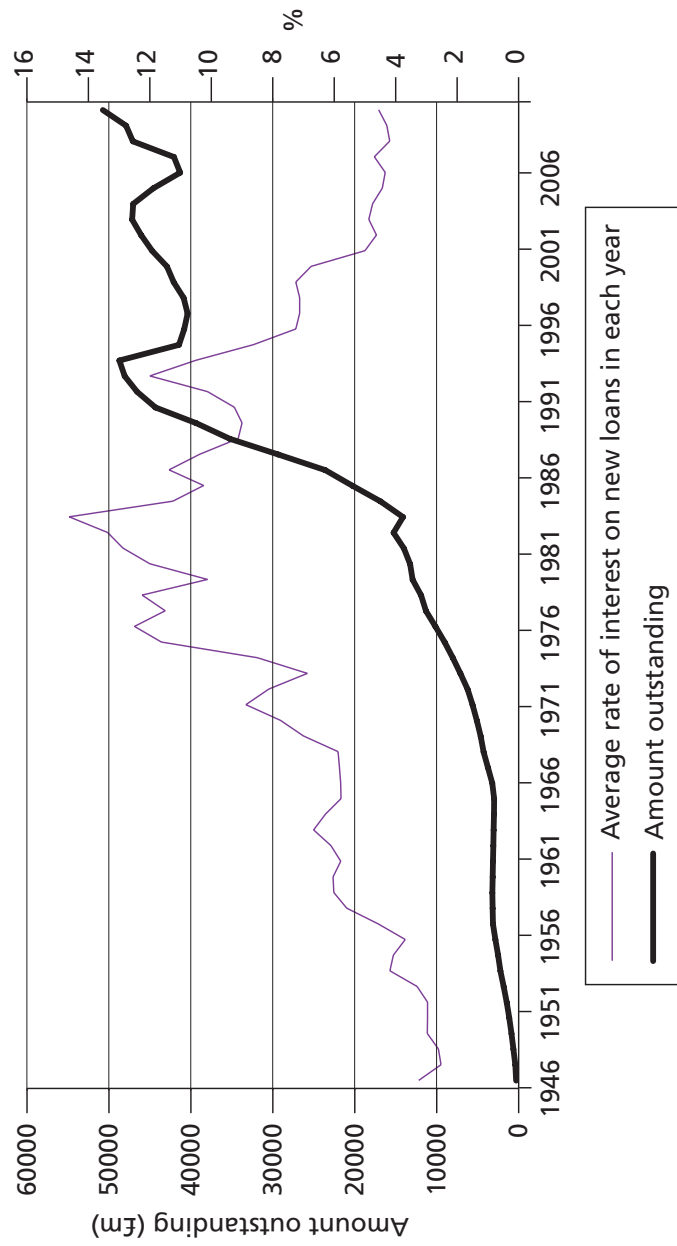
<b>Borrower</b>	<b>Balance at 31 March 2007</b>	<b>Advances in 2007-08</b>	<b>Repayments in 2007-08</b>	<b>Balance at 31 March 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
West Yorkshire Police Authority	60,472,232	37,944,000	22,179,539	76,236,694
Western Riverside Waste Authority	1,500,000	0	500,000	1,000,000
Westminster City Council	133,377,118	0	919,905	132,457,213
Weymouth And Portland Borough Council	2,500,000	0	0	2,500,000
Wigan Borough Council	366,993,350	0	752,513	366,240,837
Wiltshire And Swindon Fire Authority	4,993,000	500,000	0	5,493,000
Wiltshire County Council	132,296,399	0	5,414,510	126,881,888
Windsor And Maidenhead Borough Council	45,174,400	0	625,000	44,549,400
Wirral Borough Council	94,277,828	23,000,000	3,474,510	113,803,318
Woking Borough Council	34,000,000	9,000,000	0	43,000,000
Wokingham District Council	48,389,720	10,000,000	10,000,000	48,389,720
Wolverhampton City Council	280,686,714	261,000,000	185,736,714	355,950,000
Worcester City Council	2,628,317	0	429	2,627,888
Worcestershire County Council	219,870,443	25,500,000	3,765,715	241,604,728
Worthing Borough Council	0	1,800,000	0	1,800,000
Wrexham County Borough Council	108,485,086	0	188	108,484,898
Wycombe District Council	7,000,000	0	0	7,000,000
Wyre Borough Council	0	2,552,000	0	2,552,000
York City Council	93,364,956	0	4,000,000	89,364,956

## APPENDIX B: Historical data

**Figure 14: Days of largest total advances**

1	23 January 2006	£1,295,324,200
2	02 August 2007	£1,261,540,022
3	21 November 2005	£904,746,000
4	08 March 2007	£862,278,325
5	20 May 2005	£708,457,643
6	08 May 1996	£702,950,000
7	23 November 2000	£686,403,774
8	19 May 2006	£657,538,713
9	30 May 2007	£656,634,402
10	11 November 1999	£602,783,678
11	16 January 2007	£595,542,518
12	13 October 1997	£564,777,242
13	21 December 1995	£554,422,000
14	22 May 1997	£511,670,000
15	25 January 2007	£494,700,000
16	28 September 1998	£478,494,335
17	12 November 1999	£470,693,798
18	28 September 2006	£465,508,000
19	23 August 2007	£462,698,000
20	15 January 2007	£454,241,722

Figure 15: Amount outstanding and rates of interest from 1946



## APPENDIX C: Variable Rate Loans: an historical note

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As noted in the body of the Report, the appetite for variable rate loans has declined to almost nothing. However, it was not always so. Variable rate loans were made available for the first time in 1982 as a result of representations from the local authority associations. They were included in a package of modernising measures implemented in July and August of that year, for which amendments to s5 National Loans Act 1968 had been needed. The pressure from the associations reflected the high level of fixed interest rates, which were in double figures at the time. In the initial package of measures, borrowers were offered loans with interest payable quarterly, on which the rate of interest was variable at three-monthly intervals. Two methods of repayment, or types of amortisation, were available: EIP and maturity. Interest rates were the appropriate London Interbank Offered Rate (LIBOR) plus a margin. The margin was initially fixed at 3/8% but reduced to 1/8% the following December. The Board offered borrowers a facility to convert a variable rate loan to a fixed rate loan. Initially, such conversions could take place on an interest-payment day only, which meant that no transfer of moneys was required and conversions could be effected merely by an amendment to the Board's books.

From time to time the margin was varied in respect of certain types of variable rate loan. For example, from January to March 1985 the margin in respect of loans variable at six months was changed no less than ten times.

In October 1984, the Board extended the terms for variable rate loans by allowing loans on which the rate of interest would be variable at one month and six months intervals in addition to the existing period of three months. The method of calculating interest was changed from a fixed proportion of the annual rate to a daily basis, in line with market practice. The first payment on a variable rate loan would be due one month, three months or six months from the date of advance according to the choice of interest payment period.

In August 1985 the Board changed the rate formula to one that was largely based on eligible bank bills rather than LIBOR. Eligible bank bills are those commercial bills which are accepted by a bank and appear on a list maintained by the Bank of England as meeting a number of criteria.

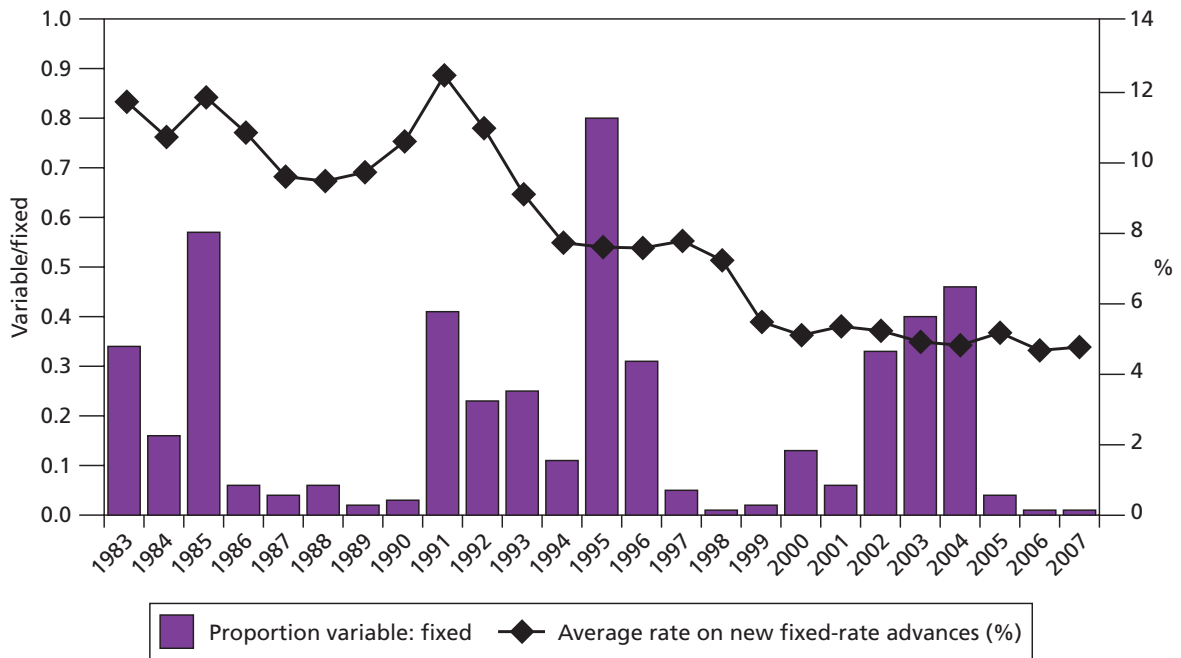
In April 1992 the Board's lending arrangements were extended to permit early repayments of variable rate loans on an interest payment day, and the conversion of a fixed rate loan to a variable rate loan. From April 1997 premature repayments were allowed on any banking day, which meant that the transmission of funds between the borrower and the Board became necessary.

In October 2000 the basis of the setting of variable rates was changed for new loans to the general collateral repo rate, expressed as a yield and rounded up to the nearest 1/16th, to which a margin of 1/8th was added.

By April 2005 data from eligible bank bills had ceased to be available to enable the calculation of rates for variable rate loans advanced before 3 October 2000. Accordingly, thereafter the rates for all variable rate loans were to be derived from a single set based on the general collateral repo rate and were expressed to two decimal places.

Figure 16 shows the proportion by amounts of variable- to fixed-rate loans against interest rates for new fixed rate loans. It makes clear that the popularity of variable rate loans diminishes as interest rates fall and borrowers show a preference for fixed rates. The data tends to substantiate the expectation that variable rate loans will be at their most popular when fixed rates are high but perceived to be on the decline.

**Figure 16: Ratio of variable to fixed rate loans and relationship with interest rates from 1983**





## APPENDIX D

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*Figures in this Report (Totals may not sum due to rounding)*

Figure 1	Summary of transactions and balances outstanding	6-7
Figure 2	New interest rate structure	8
Figure 3	Advances by type of borrower	9
Figure 4	Balances outstanding and monthly new advances	10
Figure 5	Fixed rates	11
Figure 6	Bank of England Repo rate and the three-month variable rate	11
Figure 7	Average period of new advances and average interest rate	12
Figure 8	New fixed rate advances and average interest rate	12
Figure 9	Average rate and period: new loans: 2003-04 to 2007-08	13
Figure 10	Amortisation type and period for repayment	13
Figure 11	Average interest rates by maturity of new advances	14
Figure 12	Early repayments and conversions	15
Figure 13	Balances outstanding: major authorities	17-27
Figure 14	Days of largest total advances	28
Figure 15	Amount outstanding and rates of interest from 1946	29
Figure 16	Ratio of variable to fixed rate loans and relationship with interest rates from 1983	31



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