Wiltshire Council

Cabinet

10 September 2012

Subject:	**Report on Treasury Management Strategy 2012-13 – First Quarter ended 30 June 2012**
Cabinet Member:	**Councillor John Brady - Finance, Performance and Risk**
Key Decision:	**No**

Executive Summary

The Council has adopted a Treasury Management Strategy and an Annual Investment Strategy (AIS) for 2012-13.

In addition to Annual and Interim Reports, the policy also requires quarterly reports reviewing the Treasury Management Strategy (TMS). This report covers the first quarter of 2012-13, 1 April to 30 June 2012.

Proposal

The Cabinet is asked to note the contents of this report in line with the Treasury Management Strategy.

Reasons For Proposals

The report is a requirement of the Council's Treasury Management Strategy.

Michael Hudson
Service Director, Finance

Wiltshire Council

Cabinet

10 September 2012

Subject:	**Report on Treasury Management Strategy 2012-13 – First Quarter ended 30 June 2012**
Cabinet Member:	**Councillor John Brady - Finance, Performance and Risk**
Key Decision:	**No**

Background & Purpose of Report

1. The Council adopted a Treasury Management Strategy for 2012-13 at its meeting on 28 February 2012, incorporating Prudential Indicators (PrIs), Treasury Management Indicators (TrIs) and an Annual Investment Strategy, in accordance with the Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

2. The Council agreed that in addition to an Annual Treasury Report reviewing the year as a whole, quarterly reports would be submitted to Cabinet reviewing the Treasury Management Strategy. This report covers the first quarter of 2012-13, ended 30 June 2012.

Main Considerations for the Cabinet

3. This report reviews management actions in relation to:

   a) the PrIs and TrIs originally set for the year and the position at 30 June 2012;

   b) other treasury management actions during the period; and

   c) the agreed Annual Investment Strategy.

Review of Prudential and Treasury Management Indicators and Treasury Management Strategy for 2012-13

4. The following is a review of the position on the key prudential and treasury indicators for the three months to 30 June 2012.

5. A full listing of the indicators required by the CIPFA Prudential Code, Treasury Management Code and Treasury Management Guidance Notes are given in Appendix 1.

Key Prudential Indicators

PrI 2 – Ratio of Financing Costs to Net Revenue Stream

	2011-12 Actual Outturn	2012-13 Original Estimate	2012-13 Revised Estimate
General Fund	6.2%	8.2%	6.9%
Housing Revenue Account	0.6%	19.9%	14.6%

6. The revised estimate for 2012-13 is marginally lower than the original due to a reduction in financing cost estimates due to lower than anticipated borrowing to fund the capital borrowing, as well as a small increase in the amount to be met from Government grant and local taxation figure. It is higher than the 2011-12 actual, mainly due to the decrease in the level of expected grant income.

PrI 4 – Net Borrowing compared to Capital Financing Requirement (CFR)

	2011-12 Actual Outturn £ million	2012-13 Original Estimate £ million	2012-13 Revised Estimate £ million
CFR – General Fund	342.2	389.3	395.7
CFR – HRA	122.6	122.6	122.6
Net Borrowing – General Fund	195.5	268.2	250.5
Net Borrowing – HRA	118.8	118.8	118.8
CFR not funded by net borrowing – General Fund	**146.7**	**121.1**	**145.2**
CFR not funded by net borrowing – HRA	**3.8**	**3.8**	**3.8**

7. PrI 4 measures the so called “Golden Rule” which ensures that over the medium term net borrowing is only for capital purposes.

8. The main reasons for the difference in the 2012-13 revised and original estimates are: the movement in the capital financing requirement due in part to a lower level of borrowing undertaken since the original estimate was formulated; and the revision of the level of short term investments likely to be held at the end of 2012-13.

Key Treasury Management Indicators within the Prudential Code

9. The Operational Boundary and Authorised Limit detailed below are control limits and do not compare with actual borrowing figures as capital funding requirements are not automatically taken as loans and may be funded from cash balances.

TrI 1 – Authorised Limit for External Debt

Authorised Limit	2012-13 £ million	2013-14 £ million	2014-15 £ million
Borrowing – General Fund	418.5	417.6	426.8
Borrowing – HRA	122.6	122.6	122.6
Other Long Term Liabilities	0.2	0.2	£0.2
TOTAL	**541.3**	**540.4**	**549.6**

10. The External Debt limit includes a margin above the Operational Boundary to allow for any unusual or unpredicted cash movements. The limit has not been exceeded in the reporting period.

TrI 2 – Operational Boundary for External Debt

Operational Boundary	2012-13 £ million	2013-14 £ million	2014-15 £ million
Borrowing – General Fund	408.5	407.6	416.5
Borrowing – HRA	122.6	122.6	122.6
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	**531.3**	**530.4**	**539.3**

11. The Operational Boundary is set at a limit that facilitates the funding of the Council's entire financing requirement through loans, if this was the most cost effective approach. The limit was set to anticipate expected expenditure and has not been exceeded during the reporting period (maximum borrowing during the quarter was £364.0 million).

TrI 3 – External Debt

	31/03/12 Actual £ million	30/06/12 Actual £ million	31/03/13 Expected £ million
Borrowing – General Fund	245.2	245.2	315.3
Borrowing – HRA	118.8	118.8	118.8
Total Borrowing	**364.0**	**364.0**	**434.1**
Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	**364.2**	**364.2**	**434.3**

12. TrI 3 shows the gross External Debt outstanding, both long-term loans and temporary borrowing. No long term loans were repaid in first three months of 2012-13. The figure for actual borrowing at 31 March 2012 is stated at the amount that reflects actual outstanding external borrowing at the end of 2011-12 (i.e. excluding accounting adjustments, such as accrued interest and effective interest rate adjustments).

13. The increase of £70.1 million in borrowing between the end of June 2012 and the expected position at the end of the current financial year is the anticipated additional borrowing required to fund planned capital expenditure.

Key Treasury Management Indicators within the Treasury Management Code

TrI 6 – Principal Sums invested for periods of longer than 364 days

14. This TrI is now covered by the Annual Investment Strategy for 2012-13, which set a limit of £30 million. During the first three months of 2012-13 no cost effective investments have been identified. The Authority however currently holds on-call deposit accounts and money market funds, which offer both an attractive interest rate and instant access for flexibility of cash management.

TrI 7 - Local Prudential Indicator

15. In addition to the main maturity indicators it was agreed no more than 15% of long term loans should fall due for repayment within any one financial year. The maximum in any one year is currently 6.3% (£23 million) in 2015-16, however, this includes £11 million in LOBO loans based on (as recommended by CIPFA) the earliest date on which the lender can require payment (i.e. the next 'call date'). The likelihood that the lender exercises the right to change (increase) the interest rate, leading to a loan repayment, will depend on market rates at the time of the call option. A summary maturity profile is shown in Appendix 2.

Other Debt Management Issues

Debt Rescheduling

16. No opportunities to reschedule PWLB debt have been identified during the period, mainly because of the high level of premiums payable for early repayment of debt. This is continually monitored and any opportunities to reschedule cost effectively will be considered, should they arise.

Cash Surpluses and Deficits

Short Term Surpluses and Deficits

17. Any short term cash surpluses or deficits have been managed through temporary deposits or loans, respectively. Temporary deposits outstanding at 30 June 2012 amounted to £90.4 million, including outstanding Icelandic bank deposits, shown at their current estimated recoverable amounts (less any repayments received to date), as detailed in Appendix 3.

18. In terms of the position, at 30 June 2012, in respect of the £12 million investment caught up in the collapse of the Icelandic banks, Heritable (£9 million) and Landsbanki (£3 million), the Council has so far received eleven interim payments, totalling circa £6.5 million, from Heritable and two repayments totalling circa £1.3 million from Landsbanki.

19. A further repayment of £0.257 million was received from the administrators of Heritable Bank in July 2012, bringing the total recovered to date of around £8.1 million, from both of the Icelandic banks (£6.5 + 1.3 + 0.3 million).

20. Current indications are that the Council will recover 95% of its deposits with Heritable and 100% of its deposit in Landsbanki. However, repayments, particularly from Landsbanki, are likely to be completed over several more years.

Longer Term Cash Balances

21. Interest rate movements in the period have not provided many opportunities for an increased return by longer term investment of the more permanent cash surpluses, such as reserves and balances. Funds have been invested ‘short’ during the period, in the light of the continuing uncertainty of the current financial climate, particularly the ongoing Euro zone/sovereign debt issues. However, there have been opportunities to invest, within the Councils approved Treasury Management Strategy in (UK) banks which have offered “special tranche rates” for twelve months.

22. During the first three months of 2012-13 a “special tranche rate” investment was placed with National Westminster Bank for 12 months, adding to a previous “special tranche rate” investment held with Lloyds Banking Group, originally (also) for 12 months. Further details are shown in Appendix 3.

<u>Investment Strategy</u>

23. All investments have been conducted within the agreed Annual Investment Strategy and made only to authorised lenders within the Council’s high credit rating policy.

24. Our treasury advisers provide a weekly credit rating document and updates on any changes in ratings between one weekly credit rating document and the next. Ratings are monitored and any changes reflected in a revised lending list and any action considered appropriate is taken. The advisers also provide details of credit default swap spreads, which indicate default risk, if any. These are also taken into account in preparing and updating the Council’s lending list.

25. The credit worthiness service uses a sophisticated modelling approach, with credit ratings from all three rating agencies – Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as ‘overlays’:

a) credit watches (typically resolved over a relatively short period) and credit outlooks (indicates the direction a rating is likely to move over a one to two-year period) from credit rating agencies;

b) CDS spreads to give early warning of likely changes in credit ratings; and

c) sovereign ratings to select counterparties from only the most creditworthy countries

26. This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system, which generates a series of colour coded bands, indicating the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its investments. It is also a service which the Council would not be able to replicate using in house resources.

27. The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within the weekly credit list of worldwide potential counterparties provided by the Council's treasury advisers. The Council, where it is considered appropriate and in line with its whole investment strategy, will therefore use counterparties within the following durational bands:

    a) Yellow – 5 years (a new category introduced by the treasury advisers late in 2010 to cover AAA rated Government debt or its equivalent, including a new investment instrument – collateralised deposits, where the investment is secured only against local authority debt, namely LOBOs, making them effectively government exposure);

    b) Purple – 2 years;

    c) Blue – 1 year (only applies to nationalised or semi nationalised UK Banks and their subsidiaries);

    d) Orange – 1 year;

    e) Red – 6 months;

    f) Green – 3 months; and

    g) No Colour – not to be used.

28. While markets continue to be volatile, particularly in relation to the Euro Zone/ 'sovereign debt worries', Sector continue to recommend that investments are kept short. All ratings (**with the exception of those covered by the Blue, one year rating, which only applies to nationalised or semi nationalised UK Banks and their subsidiaries**) are currently limited to Green, with a maximum duration of three months. All of the investments are within the suggested maturity period. Members will note some have no fixed maturity date, in these instances we take advantage of the market rate and recall these within the maturity period dictated to by our advisers rating. This allows flexibility as ratings change to be balanced against the opportunity to gain higher rates.

29. Ratings outside this structure include those that apply to local authorities, which are rated as AAA and Money Market Funds the Council may place investment in, also rated AAA.

30. The above ratings are incorporated within the approved Investment Strategy as detailed within the Treasury Management Strategy 2012-13 and the current ratings have been shown against the deposits outstanding in Appendix 3.

Environmental and Climate Change Considerations

31. a) to d) None have been identified as arising directly from this report.

Equalities Impact of the Proposal

32. None have been identified as arising directly from this report

Risk Assessment and Financial Implications

33. All investment has been at fixed rates during the period. The Council's current average interest rate on long term debt is 3.722%, which remains one of the lowest rates amongst UK local authorities.

Legal Implications

34. None have been identified as arising directly from this report.

Options Considered

35. Further consideration was given to the option of alternative investments such as UK Government gilts and treasury bills (T Bills), together with certificate of deposits (CDs). CDs are deposits, mainly with banks (some not offering fixed term deposits through the market), which can either be retained until maturity or traded through a secondary market. CDs are, therefore, more liquid than a normal fixed term deposit, which (usually) must be retained until maturity and give access to additional counterparties, leading to increased diversification of investments and, therefore, increased security. These types of investments cannot be placed by the Council directly and, therefore, an account was opened with a custodian (with no set up fees). At the end of June 2012 the Council deposited funds via the custodian in the form of a CD. Further details are contained within Appendix 3.

36. Interest rates are expected to remain low for the short to medium term, with current indications that there will not be a rise in the Bank Rate until March 2014 (Source: Sector Treasury Services Limited – U.K. Interest Rate Forecasts June 2012). Consequently, longer term investments have been considered as an enhancement to the Council's investment portfolio, resulting in the placing of funds, at an extremely competitive interest rate, with Lloyds Banking Group.

37. PWLB rates were monitored for opportunities to take out loans in advance of need. However, as there was no immediate necessity to borrow and forward borrowing would incur a 'cost of carry' no loans were taken out during this reporting period.

Conclusion

38. The Cabinet is asked to note the contents of this report in line with the Treasury Management Strategy.

Michael Hudson
Service Director, Finance

Report Author:

Keith Stephens, Business Analyst (Cash and Treasury), Tel: 01225 713603, email: keith.stephens@wiltshire.gov.uk

Background Papers

The following unpublished documents have been relied on in the preparation of this Report: NONE

Appendices

Appendix 1 Prudential and Treasury Indicators for 2012-13, 2013-14 & 2014-15
Appendix 2 Summary of Long Term Borrowing 1 April 2012 – 30 June 2012
Appendix 3 Summary of Temporary Loans and Deposits 1 April – 30 June 2012

APPENDIX 1

Prudential and Treasury Indicators for 2012-13, 2013-14 & 2014-15

Prudential Indicators

PrI 1 – Capital Expenditure

1. The table below shows the revised figures for capital expenditure based on the current capital approved budget.

	2011-12 Actual Outturn £ million	2012-13 Original Estimate £ million	2012-13 Revised Estimate £ million	2012-13 Actual To date 30/06/12 £ million
General Fund	91.8	113.9	144.4	8.0
HRA	4.0	9.4	9.6	0.9

2. The revised estimate for 2012-13 is higher than the original estimate largely because of major reprogramming of schemes from 2011-12 into 2012-13 since the previous estimate was formulated. It is likely that during the monitoring process there will be more reprogramming of expenditure from 2012-13 into 2013-14 as larger schemes are pushed back into later years.

3. The Capital Programme is monitored closely throughout the year and progress on the programme is reported to the Cabinet Capital Asset Committee (CCAC). A report for the four month period to the end of July 2012 is planned to be taken to CCAC on 14 September 2012. Thereafter bi monthly reports starting with month 6 are due to be taken to the CCAC meetings throughout the year.

PrI 2 – Ratio of Financing Costs to Net Revenue Stream

	2011-12 Actual Outturn	2012-13 Original Estimate	2012-13 Revised Estimate
General Fund	6.2%	8.2%	6.9%
HRA	0.6%	19.9%	14.6%

The revised estimate for 2012-13 is marginally lower than the original due to a reduction in financing cost estimates, due to a lower level of borrowing undertaken in 2011-12 than originally assumed, and a small increase in the amount to be met from Government grant and local taxation figure. It is higher than the 2011-12 actual, mainly due to the decrease in the level of expected grant income.

Prudential and Treasury Indicators for 2012-13, 2013-14 & 2014-15

PrI 3 – Estimate of Incremental Impact of Capital Investment Decisions on the Council Tax

4. This indicator is only relevant at budget setting time and for 2012-13 was calculated as being £13.98 in respect of the General Fund. The impact in relation to HRA is zero.

PrI 4 – Net Borrowing compared to Capital Financing Requirement (CFR)

	2011-12 Actual Outturn £ million	2012-13 Original Estimate £ million	2012-13 Revised Estimate £ million
CFR – General Fund	342.2	389.3	395.7
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CFR not funded by net borrowing – General Fund	**146.7**	**121.1**	**145.2**
CFR not funded by net borrowing – HRA	**3.8**	**3.8**	**3.8**

5. PrI 4 measures the so called "Golden Rule" which ensures that over the medium term net borrowing is only for capital purposes.

6. The main reason for the difference in the 2012-13 revised and original estimates are: the movement in the capital financing requirement; reduced borrowing now anticipated since the original estimate was formulated; and the revision of the level of short term investments likely to be held at the end of 2012-13.

PrI 5 – Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services

7. All actions have been compliant with the CIPFA Code of Practice.

Treasury Management Indicators within the Prudential Code

8. The Operational Boundary and Authorised Limit detailed below are control limits and do not compare with actual borrowing figures as capital funding requirements are not automatically taken as loans and may be funded from cash balances.

TrI 1 – Authorised Limit for External Debt

Authorised Limit	2012-13 £ million	2013-14 £ million	2014-15 £ million
Borrowing – General Fund	418.5	417.6	426.8
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Prudential and Treasury Indicators for 2012-13, 2013-14 & 2014-15

Other Long Term Liabilities	0.2	0.2	£0.2
TOTAL	**541.3**	**540.4**	**549.6**

9. The External Debt limit includes a margin above the Operational Boundary to allow for any unusual or unpredicted cash movements. The limit has not been exceeded in the reporting period.

TrI 2 – Operational Boundary for External Debt

Operational Boundary	**2012-13 £ million**	**2013-14 £ million**	**2014-15 £ million**
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10. The Operational Boundary is set at a limit that facilitates the funding of the Council's entire financing requirement through loans, if this was the most cost effective approach. The limit was set to anticipate expected expenditure and has not been exceeded during the reporting period (maximum borrowing during the period was £364.0 million).

TrI 3 – External Debt

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Borrowing – General Fund	245.2	245.2	315.3
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Other Long Term Liabilities	0.2	0.2	0.2
TOTAL	**364.2**	**364.2**	**434.3**

11. TrI 3 shows the gross External Debt outstanding, both long-term loans and temporary borrowing. No long term loans were repaid in first quarter of 2012-13. The figure for actual borrowing at 31 March 2012 is stated at the amount that reflects actual outstanding external borrowing at the end of 2011-12 (i.e. excluding accounting adjustments, such as accrued interest and effective interest rate adjustments).

12. The increase of £70.1 million in borrowing between the end of June 2012 and the expected position at the end of the current financial year is the anticipated additional borrowing required to fund planned capital expenditure.

APPENDIX 1

Prudential and Treasury Indicators for 2012-13, 2013-14 & 2014-15

Treasury Management Indicators within the Treasury Management Code

TrI 4a – Upper Limit on Fixed Interest Rate Exposures

The Council's upper limit for fixed interest rate exposure for the period 2012-13 to 2014-15 is 100% of net outstanding principal sums.

TrI 4b – Upper Limit on Variable Interest Rate Exposures

The Council's upper limit for variable interest rate exposure is 40% for 2012-13, 40% for 2013-14 and 45% for 2014-15 of net outstanding principal sums.

13. Options for borrowing during the period were considered, however, (mainly) due to the premium that would be incurred on the early repayment of debt and the desire to maintain the Council's relatively low average borrowing rate, no new borrowing has yet been taken.

TrI 5 – Upper & Lower Limits on the Maturity Structure of Borrowing

Limits on the Maturity Structure of Borrowing	**Upper Limit**	**Lower Limit**	**Position at 30/06/12**
Maturing Period:			
- under 12 months	15%	0%	7%
- 12 months and within 24 months	15%	0%	4%
- 2 years and within 5 years	45%	0%	16%
- 5 years and within 10 years	75%	0%	10%
- 10 years and above	100%	0%	63%

14. The table above shows that the actual maturity structure is within the agreed limits.

15. No long term borrowing has been taken during the period. If interest rates are favourable and an opportunity exists to take further borrowing this year we will look to match borrowing with this maturity structure.

TrI 6 – Principal Sums invested for periods of longer than 364 days

16. This TrI is now covered by the Annual Investment Strategy for 2012-13, which set a limit of £30 million. During the first quarter of 2012-13 no cost effective investments have been identified. The Authority however holds a number of on-call deposit accounts and money market funds, which offer both an attractive interest rate, some of which track the bank rate, and instant access for flexibility of cash management.

Prudential and Treasury Indicators for 2012-13, 2013-14 & 2014-15

TrI 7 - Local Prudential Indicator

17. In addition to the main maturity indicators it was agreed no more than 15% of long term loans should fall due for repayment within any one financial year. The maximum in any one year is currently 6.3% (£23 million) in 2015-16, however, this includes £11 million in LOBO loans based on (as recommended by CIPFA) the earliest date on which the lender can require payment (i.e. the next 'call date'). The likelihood that the lender exercises the right to change (increase) the interest rate, leading to a loan repayment, will depend on market rates at the time of the call option. A summary maturity profile is shown in Appendix 1.

APPENDIX 2

SUMMARY OF LONG TERM BORROWING 1 APRIL 2012 – 30 JUNE 2012

Loans Raised During the Period

Date Raised	Lender	Amount (£m)	Type	Interest rate (%)	Maturity date	No. of years
No Loans were raised during the period						
	Total	0.000				

Average period to maturity (years) **0.00**

Average interest rate (%) **0.00**

* Loans taken to restucture debt ** Loans taken for purchases instead of leasing

Maturity Profile at 30 June 2012

Year	Amount (£m)	%age	Average rate (%)
1 to 5 years	97.065	26.7	3.732
6 to 15 years	84.933	23.3	2.779
16 to 25 years	99.500	27.3	3.812
26 to 50 years	82.500	22.7	4.149
Over 50 years	-	-	-
Totals	363.998	100.0	3.712

Average period to maturity (years) **17.31**

APPENDIX 3

SUMMARY OF TEMPORARY LOANS AND DEPOSITS 1 APRIL – 30 JUNE 2012

Deposits Outstanding at 30 June 2012

Borrower	Amount £m	Terms		Interest Rate	Sector Credit rating
Lloyds TSB Bank	5.000	Fixed to	10-Aug-12	2.15	Blue - 12 Months
Barclays Bank	8.000	Fixed to	16-Jul-12	0.91	Green - 3 Months
Nationwide Building Society	8.000	Fixed to	16-Jul-12	0.98	Green - 3 Months
National Westminster Bank	8.000	Fixed to	05-Apr-13	2.25	Blue - 12 Months
DBS Bank Limited	8.000	Fixed to	15-Aug-12	0.60	Green - 3 Months
Overseas Chinese Banking Corp	8.000	Fixed to	15-Aug-12	0.50	Green - 3 Months
Commonwealth Bank of Australia	8.000	Fixed to	15-Aug-12	0.65	Green - 3 Months
Standard Chartered Bank (CD)	8.000	Fixed to	28-Sep-12	0.62	Green - 3 Months
Svenska Handelsbanken AB	7.532	No fixed maturity date		0.75	Green - 3 Months
Black Rock	1.349	No fixed maturity date		0.59	AAA
J P Morgan Money Market Funds	0.071	No fixed maturity date		0.52	AAA
Prime Rate Money Market Fund	14.656	No fixed maturity date		0.69	AAA
Goldman Sachs	2.964	No fixed maturity date		0.56	AAA
Heritable Bank	0.469	Est Recoverable Amount		6.00	N/A
Heritable Bank	0.312	Est Recoverable Amount		6.00	N/A
Heritable Bank	0.469	Est Recoverable Amount		6.00	N/A
Heritable Bank	0.157	Est Recoverable Amount		5.42	N/A
Landsbanki	1.372	Est Recoverable Amount		6.10	N/A
Landsbanki	0.021	Est Recoverable Amount		3.40	N/A
Total	**90.372**				

Outstanding deposits with Icelandic Banks are shown at the estimated recoverable amount, which takes account of estimated impairments and any repayments received to date. The interest rates are the original rates. The last entry reflects the amount paid out in ISK (Icelandic Kronur) which is held in an interest bearing escrow account in Iceland and, as recommended by CIPFA, accounted for as a 'new' investment.

Transactions During the Period

Type	Balance 1 Apr 12 £m	Raised Value £m	Raised No.	Repaid Value £m	Repaid No.	Balance 30 June 12 £m	Interest Variance * High/Low(%)
Temporary loans							
- General	0.000	0.000	0	0.000	0	0.000	
Total	**0.000**	**0.000**	**0**	**0.000**	**0**	**0.000**	
Temporary deposits							
- General	24.507	64.000	8	24.707	3	63.800	2.25/0.50
- HSBC Overnight	0.000	56.290	25	56.290	26	0.000	0.25/0.25
- Call Accounts	0.026	7.506	2	0.000	0	7.532	0.75/0.75
- Money Market Funds	25.132	105.109	30	111.201	31	19.040	0.80/0.52
Total	**49.665**	**232.905**	**65**	**192.198**	**60**	**90.372**	

* Interest variance is the highest/lowest interest rate for transactions during the period.
* In terms of general deposits, the high of 2.25% was obtained on a 12 month deposit.

General deposits include impaired Icelandic investments less any repayments that have been received, to date.