

Report of: Finance Head of Service
To: City Executive Board & Council
Date: 9th September 2009 **Item No:** 13
Title of Report : Treasury Management Annual Report 2008/2009

Summary and Recommendations

Purpose of report: The annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity for 2008/2009, and the actual prudential indicators for 2008/2009.

Key decision: No

Portfolio Holder: Councillor Ed Turner

Scrutiny Responsibility: Value and Performance Scrutiny

Ward(s) affected: All

Report Approved by:
Councillor Ed Turner
Penny Gardner – Head of Finance
Lindsay Cane - Legal

Policy Framework:

Recommendation(s): The City Executive Board is asked to recommend Council to:

- 1) Approve the actual 2008/2009 prudential indicators within the report
- 2) Note the treasury management annual report for 2008/2009

Executive Summary

1. The financial year 2008/2009 presented exceptional circumstances with regard to treasury management. The downturn on the economy, coupled with increased counterparty credit risk presented the Council with additional issues not normally encountered. The main implications of the exceptional circumstances have been:
 - Sums at risk with Icelandic institutions
 - Deteriorating investment returns, resulting in reduced investment income from that originally budgeted
 - Increase counterparty risk, this has two impacts, reduced counterparties that the Council could deal with and also a change in policy
2. The Council had outstanding debt of £9,069,091 as at 31st March 2009, £7,180,165 of this is held with the public works loan board (PWLB) at a fixed interest rate and £1,888,926 is held with South Oxfordshire District Council (SODC). The total interest paid on this debt in 2008/2009 was £951,851.
3. The Council also had investments of £24,640,000, as at 31st March 2009, this was a selection of fixed term investments over varying periods. These periods ranged from overnight to 364 days. The total interest earned on these investments was £2,229,051.
4. In relation to investments the primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:
 - It has sufficient liquidity in its investments
 - It maintains a policy covering both the categories of investment types and criteria for choosing investment counterparties
5. In relation to the Council's debt strategy the Heads of Finance will take the most appropriate form of borrowing depending on the prevailing interest rates at the time.
6. The Council adhered to its treasury strategy for both debt management and investment management for 2008/2009.
7. The prudential indicators that the Council produces are used to determine the limits that the Council must operate within when carrying out its treasury management activities.
8. The Council has a statutory requirement to produce, monitor and report its prudential indicators; this is in line with the prudential code. The prudential indicators detailed in the body of this report are looking back at the results for 2008/2009, and are designed to show the Council's position for each individual indicator, with an explanation of its relevance.

9. Key objectives of the prudential code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable.
10. The prudential system provides a flexible framework approach within which capital assets can be procured, managed, maintained and developed. At a strategic level it allows authorities to make their own decisions about the balance to be struck between revenue-intensive or capital-intensive methods of procuring services. It also allows capital investment to proceed where the authority can fund it within prudent and affordable limits. As a consequence these arrangements permit 'spend to save' schemes to proceed where they are not only affordable but also prudent and sustainable. In practice this means that local authorities can borrow to fund capital schemes making repayments from the resulting revenue savings.

Background

11. The annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity for 2008/2009, and the actual prudential indicators for 2008/2009.
12. The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both codes through regulations issued under the Local Government Act 2003.
13. This report is a backward look at the treasury activities for 2008/2009, and looks at how the Council has performed throughout the year. The strategy for the current year, 2009/2010, was approved at Council in March 2009, and the strategy for 2010/2011 will go through the approval process alongside the budget for 2010/2011, and further reports will report the activities of each year within six months of the year end. This report summarises:
 - The capital activity for the year, and how this was financed;
 - The impact on the Council's indebtedness for capital purposes;
 - The Council's overall treasury position;
 - The reporting of the required prudential indicators;
 - A summary of interest rate movements in the year;
 - Debt activity;
 - Investment activity;

The Council's Capital Expenditure and Financing 2008/2009

14. The Council undertakes capital expenditure on long-term assets. These activities may either be:
 - Financed immediately through capital receipts, capital grants or other external funding; or
 - If insufficient financing is available the expenditure will give rise to a borrowing need.

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- If insufficient financing is available the expenditure will give rise to a borrowing need.

15. Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activities also include managing the Council's cash flow, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost, and then optimise performance.

16. The actual capital expenditure forms one of the required prudential indicators. The table below show this and how it has been financed

Capital Expenditure	2007/2008	2008/2009	2008/2009
	Actual	Estimate	Actual
	£ 000's	£ 000's	£ 000's
Non- HRA Capital Expenditure	7,484	12,895	7,777
HRA Capital Expenditure	12,491	11,463	11,184
Total Capital Expenditure	19,975	24,358	18,961
<u>Resourced by:</u>			
Capital Receipts	8,925	15,220	9,052
Capital Grants	8,312	5,100	8,207
Revenue	689	830	476
Total Capital Resources	17,926	21,150	17,735
Unfinanced Capital Expenditure (Additional Need To Borrow)	2,049	3,208	1,226

17. The figures in this table can be seen in the Statement of Accounts for 2008/2009 in the balance sheet note 6.16.

The Council's Overall Borrowing Need

18. The Council's underlying need to borrow is called the capital financing requirement (CFR). This figure is a gauge for the Council's debt position. It represents 2008/2009 and prior years net capital expenditure which has not yet been paid for by revenue, capital receipts or other capital resources

19. The total CFR can be reduced by:

- The application of additional capital resources, such as unapplied capital receipts; or
- Charge a voluntary revenue provision (VRP) or depreciation against it

20. The table below shows the Council's CFR position, and this represents a key prudential indicator

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CFR	31st March 2008	31st March 2009	31st March 2009
	Actual	Estimate	Actual
	£ 000's	£ 000's	£ 000's
Opening Balance	7,517	9,565	9,565
Plus Unfinanced Capital Expenditure	2,137	1,970	1,028
Minus MRP / VRP	(89)	(221)	(221)
Closing Balance	9,565	11,314	10,372

Treasury Position at 31st March 2009

21. Whilst the Council's gauge of its underlying need to borrow is the CFR, the Section 151 Officer and the treasury function can manage the Council's actual borrowing position by either:

- Borrowing to the CFR;
- Choosing to utilise some temporary cash flow funds, which will reduce our investment balance, instead of borrowing (under borrowing);
- Borrowing for future increase in the CFR (borrowing in advance of need)

22. It should be noted that the accounting practice required to be followed by the Council (the Statement of Recommended Practice (SORP)) changed in 2007/2008 accounts, and required financial instruments (debt, investments, etc.) in the accounts to be measured in a method compliant with National Financial Reporting Standards. The figures in this report are based on the actual amounts borrowed and invested and therefore may differ slightly to those in the final accounts.

23. During 2008/2009 the Section 151 Officer managed the debt position to be stable, no new debt was taken out. At the end of 2008/2009 the Council had total debt of £9,069,091. This debt belongs wholly to the Housing Revenue Account (HRA) and repayment of it is provided for within our Housing Subsidy. This means there is no financial benefit to the Council to repay this debt early, as any premiums associated with early repayment are not covered by housing subsidy. The Council's treasury position as at the 31st March 2009 compared with the previous year was:

Treasury Position	31st March 2008		31st March 2009	
	Principal £ 000's	Average Rate	Principal £ 000's	Average Rate
Borrowing				
Fixed Interest Rate Debt	7,747	10.78%	7,180	10.79%
Other Long-term Liabilities	2,110	5.02%	1,889	6.23%
Variable Interest Rate Debt	0	0.00%	0	0.00%
Total Debt	9,857	7.90%	9,069	8.51%
Investments				
Fixed Interest Investments	31,100	5.60%	24,640	5.14%
Variable Interest Investments	0	0.00%	0	0.00%
Total Investments	31,100	5.60%	24,640	5.14%
Net Borrowing Position	(21,243)		(15,571)	

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24. The figures in this table can also be found in the Statement of Accounts in the following areas:

- Fixed interest rate debt is shown in balance sheet note 6.29 plus short-term borrowing taken from the balance sheet note 5.5. The difference is due to the changes made to how the accounts are produced to be compliant with National Financial Reporting Standards
- Other long-term liabilities are shown in note 6.31
- Fixed interest investments are shown in the balance sheet note 5.5 in the line 'investments', again the difference is due to the changes made to how the accounts are produced to be compliant with national Financial Reporting Standards

Prudential Indicators and Compliance Issues

25. Some of the prudential indicators provide either an overview or specific limits on treasury activity. These are shown below:

26. **Net Borrowing and the CFR** – in order to ensure that borrowing levels are prudent, over the medium-term the Council's external borrowing, net of investments, must only be for a capital purpose. Net borrowing should not therefore, except in the short-term, have exceeded the CFR for 2008/2009 plus the expected changes to the CFR during 2009/2010 and 2010/2011. The table below highlights the Council's net borrowing position against the CFR, and shows that it is well below. The Council has complied with this prudential indicator

Net Borrowing & CFR	31st March 2008	31st March 2009	31st March 2009
	Actual	Estimate	Actual
	£ 000's	£ 000's	£ 000's
Total Debt	9,857	10,937	9,069
Total Investments	31,100	45,000	24,640
Net Borrowing Position	(21,243)	(34,063)	(15,571)
CFR	9,565	11,314	10,372

27. **The Authorised Limit** – the authorised limit is the 'affordable borrowing limit' required by S3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2008/2009 the Council has maintained gross borrowing within its authorised limit. The authorised limit allows the Council to borrow to the future CFR if required, and this has been reflected in the limit itself, with a little headroom built in.

Authorised Borrowing	31st March 2008		31st March 2009	
	Estimate	Actual	Estimate	Actual
	£ 000's	£ 0000's	£ 000's	£ 0000's
Borrowing	11,500	7,747	13,500	7,180
Other Long-Term Liabilities	2,400	2,110	2,200	1,889
Total Borrowed	13,900	9,857	15,700	9,069
Amount Under Limit	4,043		6,631	

28. **The Operational Boundary** – the operational boundary is the expected borrowing position of the Council during the year, and periods occurring where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached. This limit is set to reflect the potential of borrowing to match our future borrowing requirements.

29. **Actual financing costs as a proportion of net revenue stream** – this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream

Actual Finance Costs	2008/2009 £ 000's
<u>Indicators</u>	
Original Indicator - Authorised Limit	17,200
Original Indicator – Operational Boundary	14,700
<u>Actuals</u>	
Minimum Gross Borrowing Position	10,937
Maximum Gross Borrowing Position	9,857
Average Gross Borrowing Position	0

Financing Costs As A Proportion Of Net Revenue Stream - General Fund	3.82%
Financing Costs As A Proportion Of Net Revenue Stream – HRA	5.69%

Economic Background for 2008/2009

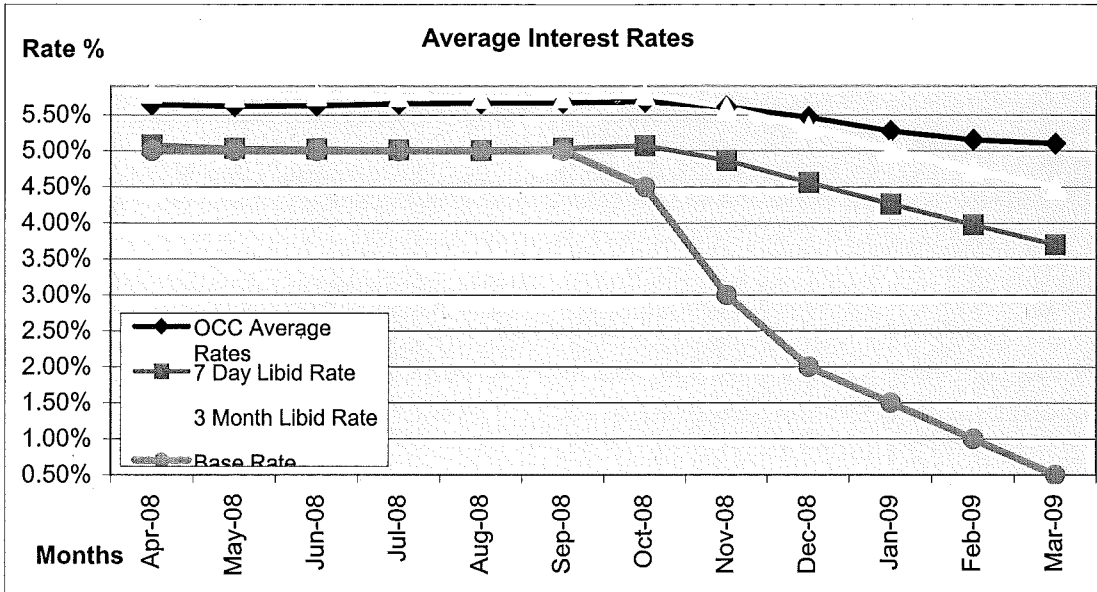
30. The 2008/2009 financial year has featured one of the most testing and difficult economic and investment environments since the 1930s. It has featured a number of significant changes in the performance of the UK economy as well as global economies. And beneath all of this has been the undercurrent of uncertainty and mistrust in the financial markets. This was not an easy backdrop in which to manage an investment portfolio.

31. The year opened on an uncertain note. The ongoing effects of the “credit crunch” which had started in 2007 prompted a bout of monetary policy easing in early April 2008 when the Bank of England cut its bank rate by 0.25% to 5%.

32. But inflation was rising sharply, courtesy of the strength of global commodity and food prices and the very steep rise in oil prices. The CPI inflation measure breached the 3% upper limit of the Governments' target range in April 2008. The Bank was concerned that these external cost pressures could eventually transform into a domestic wage/price spiral and kick-start a bout of damaging inflation.
33. Rates were left on hold through out the summer months and there seemed to be some signs of a gradual return to slightly more normal conditions in the money markets. But this was not to last. Mid-September saw a change in both financial markets and economic policies. The collapse of US investment bank, Lehman Brothers, dealt a devastating blow to the markets. Liquidity dried up almost completely making it extremely difficult for banks to function normally. These developments culminated in the failure of the entire Icelandic banking system in early October 2008.
34. The failure of the Icelandic banking system has a major impact on local authority investments. A number of local authorities had deposits with Icelandic institutions and these investments are still at risk. At this point in time recovery rates have not yet been fully disclosed by the respective institutions, although early indicators suggest a good, albeit not 100% recovery.
35. The Council has £1,500,000 invested with Glitnir Bank HF and £3,500,000 invested with Heritable Bank Ltd, which are still at risk. In relation to both banks, sufficient information is available and the investments have be impaired in line with proper accounting practice and the Department of Communities and Local Government (DCLG) regulations in the 2008/2009 Statement of Accounts. On 30th July 2009 we received £489,935.32 from Heritable Bank, this equates to 16.13 pence in the £1.
36. The crisis in the financial markets deepened and threatened a complete 'melt-down' of the world financial system. This, together with evidence that economies had entered a recession promoted a number of significant policy changes. In the UK these featured the following:
- A major rescue package totalling as much as £400 billion to recapitalise the banking system
 - A series of interest rate cuts down to 2% in early December
 - A fiscal expansion package, including a 2.5% cut in VAT
37. The new year failed to herald a change in the fortunes of the banking sector. Central banks continued to ease monetary policies in an attempt to reduce borrowing rates and hence alleviate some of the cost pressures being experienced by financial institutions and more to the point, the corporate and household sectors.
38. With official interest rates in the US already close to zero at the end of 2008, the Bank of England was at the forefront of policy easing. The bank rate was cut in successive monthly moves from 2% at the outset of the year to the historically low level of 0.50% in March 2009. Thereafter, the Bank resorted to the quantitative easing of monetary policy via a mechanism of

buying securities from investment institutions in exchange for cash. This commenced in early March and is expected ultimately to amount to £150 billion.

39. Aside from the Bank of England assistance, the central government launched the second phase of its support operations for the banking industry during the second half of January. This failed to allay fears that even more aid might have been extended to the banking industry before the crisis is over. During the course of the quarter, two major banks, RBS and Lloyds Group, needed substantial cash injections; action that led the public sector to assume near-full ownership. In addition to this, the Dunfermline Building Society was rescued from bankruptcy by Nationwide Building Society at the end of March 2009.
40. The problems of the financial markets since late 2007 had clearly spread to other parts of the economy. Economic data confirmed that the UK was in deep recession and the latest Bank of England Inflation Report (published in mid-February) registered a marked change in official forecasts for 2009 and 2010. Economic activity was expected to decline sharply (GDP was forecast to contract by more than 4% in 2009) and inflation was projected to fall into negative territory.
41. The generally uncertain backdrop to the UK and financial markets prevented a marked easing in overall money market liquidity. While the situation did show some signs of improving as the financial year drew to a close, the margin between official interest rates and those quoted in the inter-bank market for periods longer than 1-month remained very wide.
42. After the collapse of the Icelandic banks the Council reviewed its authorised lending list. A more cautious approach was taken; only UK banks, top 16 building societies, Local Authorities, Debt Management Office (DMO) and money market funds (MMF) were kept on our list. These changes were agreed by CEB on 22nd October 2009 and Council on 15th December 2008.
43. Due to the continuing difficulties in the market the counterparty list was reviewed and reduced as part of the Strategy report, which was agreed, by CEB and Council on 23rd March 2009. The current list allows the Council to invest with UK banks, DMO, MMF and local authorities (Appendix A), this has led to a low rate of return on investments and the Council is looking at reviewing the counterparty list.
44. The following graph shows the Council's achievement of average interest rate in comparison to the base rate and also in comparison to the benchmarks of 3-month Libid and 7-day Libid.



The Strategy Agreed for 2008/2009

45. The Section 151 Officer has delegated powers to determine the need for any future borrowing and the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account any associated risks. It is likely that longer-term fixed rates will be considered if borrowing levels remain relatively low.
46. The Section 151 Officer also has delegated powers to undertake the most appropriate forms of investments depending on the prevailing interest rates at the time, taking into account the risks, and will maintain a counterparty list in compliance with the agreed criteria.
47. The primary principle governing the Council's investment criteria is the security of its investments, although liquidity and yield are also a consideration. After this main principle the Council will ensure
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed
 - It maintains a policy covering both the categories of investment types, criteria for choosing investment counterparties and adequate security, and monitoring their security.
48. The Strategy agreed in February 2008 stated that expectations on shorter-term interest rates, on which investment decisions are based, showed a likelihood of a decline in base rates with a potential low of 4.75%. The base rate actually remained stable at 5% and then fell to a low of 0.50% between October 2008 and March 2009.

13.10

Actual Debt Position

49. No new external borrowing was undertaken during 2008/2009, although the Council continued to use unsupported borrowing to help finance the purchase of vehicles. This was financed from internal resources.
50. The Council will continue to consider the use of prudential borrowing in its 'spend to save' schemes.
51. Prudential borrowing will be used to finance three definite schemes – these are payroll system (repayable over 4 years), playgrounds (repayable over 15 years) and the purchase of vehicles (repayable over 6 years). These amount to an estimated total of £13,478,650 to be borrowed. Repayments for these three schemes will peak at an estimated £2,143,455 and an estimated total of £14,521,538 will be repaid. The table in appendix B shows this.
52. The Council is committed to improving the leisure facilities and prudential borrowing may be used to finance this. An estimated amount of £4,527,000 will need to be borrowed. Repayments for this are likely to be over a 25-year period and an estimated total of £4,474,088 will be repaid. The table in appendix B shows this.
53. Prudential borrowing may be an option to finance the proposed scheme of building new Council houses. An estimated amount of £4,800,000 will need to be borrowed. Repayments for this is likely to be over a 25-year period and an estimated total of £4,208,947 will be repaid. The table in appendix B shows this.

Actual Investment Position

54. The Council's investment policy is governed by Office of the Deputy Prime Minister (ODPM now DCLG) Guidance, which has been implemented in the annual investment strategy approved by Council in March 2009. The investment activity during the year conformed to this strategy, and the Council had no liquidity difficulties.
55. In March 2009 the CIPFA Treasury Management Panel issued a bulletin of guidance notes (to be used in conjunction with the CIPFA Treasury Management Code of Practice) for local authorities treasury management activities after the Icelandic banks collapse. The bulletin suggests that the following should be incorporated:
- Diversification between counterparties, countries, sectors and instruments
 - The involvement of Councillors in the decision making process, regular updates and reviews of the activities and function
 - Formally reporting on treasury activities, at a minimum twice a year (annual treasury report and treasury strategy) and preferably quarterly

- All three rating agencies should be used, with decisions based on the lowest ratings. The ratings should be kept under regular review and 'ratings watch' notices acted on accordingly
- Should also systematically review other sources of information. These could include quality financial press, market data and information on government support for banks
- Should be clear on the status of service they are receiving from their advisors and satisfy themselves of its appropriateness for their needs
- Training of staff should address all of the procedures, practices and processes which are relevant to the Council's treasury management arrangements

56. The Council had already incorporated a number of these things into its treasury management function immediately after the collapse of the Icelandic banks in October 2008. As well as reviewing individual counterparty limits (amount and period limits) the following limits were also introduced

- Counterparty limit of 20% - investments placed with any one counterparty must not exceed 20% of the total amount invested
- Country limits: UK – there is no limit in place for the UK
- Country limits: Ireland – investments placed with Irish institutions must not exceed 10% of the total amount invested and can only be placed with those institutions covered by the guarantee
- Country limits: Rest of World – currently no investments can be placed with institutions outside the UK or Ireland

57. Councillors have been involved in the decision making process for the strategy for 2009/2010, and have received updates on any important issues that have happened within the financial markets or counterparties that the Council has invested in. The Council was already using the three major rating agencies and the lowest common denominator (LCD) method, and reviewed the ratings on a daily basis. We undertake regular monitoring; treasury management is included in the monthly 'performance matters' publication.

58. CIPFA have teamed together with the Association of Corporate Treasurers (ACT) to provide a qualification that is aimed at public sector organisations. It is recommended that officers who have a responsibility for the treasury management function gain this qualification. CIPFA are intending to release a revised treasury management code of practice and guidance notes in summer 2009.

59. The Council currently uses Butlers as their treasury management advisors, however this contract is up for renewal in November 2009. The decision has been made to re-tender for this service this year, and we are currently in the process of reviewing the specification to start the tender process.

60. The Council invests in various banks and building societies throughout the year, and always remains within the limits set out within the treasury management strategy approved by Council. During 2008/2009 the Council maintained an average invested balance of £39,800,000 and received an

average return of 5.14%. The comparable performance indicator is the average 7-day LIBID rate, which was 3.71%.

61. The original budget for interest receivable in 2008/2009 was £2,421,472 and was increased to £2,858,983 in line with the market rates that were available. A forecast reduction of £800,000 was made, with a final forecast of £2,058,983 at the end of the year. The Council achieved interest of £2,269,966, which was close to the budget, but this was due to a callable loan being repaid early due to falling interest rates. This compares with a budget assumption of £50,000,000 investment balance at 5.00% interest rate.

Regulatory Framework, Risk and Performance

62. The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken, no restrictions were made in 2007/2008;
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the DCLG has issued investment guidance to structure and regulate the Council's investment activities
- Under section 238(2) of the Local Government and Public Involvement in Health act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November 2007.

63. The Council has complied with all of the above relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

64. The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Butlers and other sources of information, has proactively managed its treasury position.

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Background papers:
Treasury Management Strategy 2008/09 – Executive Board March 2008

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13.14

**OXFORD CITY COUNCIL LENDING LIST
2009/2010**

Red Negative Ratings Watch
Green Positive Ratings Watch

Institution	Group	Max Limit £M's	Max Period (days)	BUILDING SOCIETIES		CREDIT RATINGS:								
				Assets £000's	UK Asset Ranking	Fitch				Moody's			S & P	
						Short	Long	Indvi.	Supp	Short	Long	Fin.St	Short	Long
UK	(Stable Outlook)					F1+	AAA	-	-	-	Aaa	-	A1+	AAA
Barclays Bank		10.0	> 364			F1+	AA-	B	1	P1	Aa3	C	A1+	AA-
Bradford & Bingley Plc *		2.5	90			F1+	A-	B/C	3	P1	A2	C	A1	-
Co-operative Bank Plc *		Call Account Only				F1	A	B/C	3	P1	A2	C-	-	-
HSBC Bank Plc	HSBC Group	10.0	> 364			F1+	AA	A/B	1	P1	Aa2	C+	A1+	AA
Leeds Building Society		7.0	364	10,155,700	7	F1	A	B/C	3	P1	A2	C+	-	-
Northern Rock *		7.0	90			F1+	A-	F	-	P1	A2	-	A1	A
OTHERS														
Debt Management Office		Unlimited	364			-	-	-	-	-	-	-	-	-
Local Authorities		10.0	364			-	-	-	-	-	-	-	-	-
Money Market Funds		15.0	364			-	-	-	-	-	-	-	-	-

NB - No placements to be made without first manually checking current loan arrangements (incl. dealt ahead

No more than 20% with any counterparty

Country limits to be applied - No limit for UK investments

- Upto a maximum of 10% of total investment to be with Irish Institutions

- Upto a maximum of 0% of total investment to be with institutions in other countries

13.15

13.16

Description	Amount Borrowed £	Repayment Over Years												
		1	2	3	4	5	6	7	8	9	10	11	12	13
DEFINITE SCHEMES														
Payroll														
Payroll	140,000.00	36,758.65	36,758.65	36,758.65	36,758.65	-	-	-	-	-	-	-	-	-
Payroll Totals	140,000.00	36,758.65	36,758.65	36,758.65	36,758.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Playgrounds														
Scheme - year 1	1,172,000.00	117,981.33	115,324.80	112,668.27	110,011.73	107,355.20	104,698.67	102,042.13	99,385.60	96,729.07	94,072.53	91,416.00	88,759.47	86,102.93
Scheme - year 2	1,092,000.00	-	115,128.00	112,476.00	109,824.00	107,172.00	104,520.00	101,868.00	99,216.00	96,564.00	93,912.00	91,260.00	88,608.00	85,956.00
Scheme - year 3	200,000.00	-	-	22,184.62	21,661.54	21,138.46	20,615.38	20,092.31	19,569.23	19,046.15	18,523.08	18,000.00	17,476.98	16,953.85
Playgrounds Total	2,464,000.00	117,981.33	230,452.80	247,328.89	241,497.27	235,665.66	229,834.05	224,002.44	218,170.83	212,339.22	206,507.61	200,676.00	194,844.45	189,012.78
Vehicles														
Actual Spend 07/08	1,750,650.40	332,565.22	325,766.86	318,968.50	312,170.14	305,371.78	298,573.43	-	-	-	-	-	-	-
Actual Spend 08/09	1,441,716.93	273,878.16	268,279.49	262,680.82	257,082.16	251,483.49	245,884.82	-	-	-	-	-	-	-
Budget 09/10	2,193,283.00	416,650.66	408,133.41	399,616.16	391,098.91	382,581.66	374,064.42	-	-	-	-	-	-	-
Budget 10/11	843,000.00	-	160,141.90	156,868.25	153,594.60	150,321.95	147,048.30	143,774.65	-	-	-	-	-	-
Budget 11/12	1,001,000.00	-	-	190,156.63	186,289.42	182,382.20	178,494.98	174,607.77	170,720.55	-	-	-	-	-
Budget 12/13	2,245,000.00	-	-	-	426,475.17	417,757.08	409,039.00	400,320.92	391,602.83	382,884.75	-	-	-	-
Budget 13/14	1,400,000.00	-	-	-	-	265,953.33	260,516.67	255,080.00	249,643.33	244,206.67	238,770.00	-	-	-
Vehicle Totals	10,874,650.33	1,023,094.04	1,162,321.66	1,328,290.36	1,726,690.40	1,820,562.49	1,913,620.62	1,973,782.34	1,913,620.62	1,811,966.71	1,712,390.20	1,609,430.64	1,504,959.30	1,402,082.28
TOTALS	13,478,650.33	1,177,834.02	1,429,533.11	1,612,377.90	2,004,946.32	2,056,228.15	2,143,454.67	1,197,784.78	1,030,137.54	839,430.64	445,277.61	200,676.00	194,844.45	189,012.78
COMMITTED SCHEMES														
Leisure														
Leisure - Option 1	4,527,000.00	395,659.80	387,076.61	378,493.42	369,910.22	361,327.03	352,743.84	344,160.65	335,577.46	326,994.26	318,411.07	309,827.88	301,244.69	292,661.50
Leisure Totals	4,527,000.00	395,659.80	387,076.61	378,493.42	369,910.22	361,327.03	352,743.84	344,160.65	335,577.46	326,994.26	318,411.07	309,827.88	301,244.69	292,661.50
TOTALS	4,527,000.00	395,659.80	387,076.61	378,493.42	369,910.22	361,327.03	352,743.84	344,160.65	335,577.46	326,994.26	318,411.07	309,827.88	301,244.69	292,661.50
PROPOSED SCHEMES														
Council House Building														
Council Houses	4,800,000.00	-	395,520.00	387,379.20	379,238.40	371,097.60	362,956.80	354,816.00	346,675.20	338,534.40	330,393.60	322,252.80	314,112.00	305,971.20
Building Totals	4,800,000.00	0.00	395,520.00	387,379.20	379,238.40	371,097.60	362,956.80	354,816.00	346,675.20	338,534.40	330,393.60	322,252.80	314,112.00	305,971.20
TOTALS	4,800,000.00	0.00	395,520.00	387,379.20	379,238.40	371,097.60	362,956.80	354,816.00	346,675.20	338,534.40	330,393.60	322,252.80	314,112.00	305,971.20
TOTAL BORROWING	22,805,650.33	1,573,493.82	2,212,129.72	2,378,250.52	2,754,094.94	2,788,652.78	2,859,155.31	1,896,761.43	1,712,390.20	1,504,959.30	1,094,082.28	832,756.68	810,201.14	787,645.48

Description	Repayment Over Years														Amount Repaid £
	14	15	16	17	18	19	20	21	22	23	24	25	26		
DEFINITE SCHEMES															
Payroll															
Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-	-	147,034.60
Payroll Totals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	147,034.60
Playgrounds															
Scheme - year 1	83,448.40	80,789.87	-	-	-	-	-	-	-	-	-	-	-	-	1,326,547.73
Scheme - year 2	83,304.00	80,652.00	-	-	-	-	-	-	-	-	-	-	-	-	1,206,504.00
Scheme - year 3	16,430.77	15,907.69	-	-	-	-	-	-	-	-	-	-	-	-	215,261.60
Playgrounds Total	183,181.17	177,349.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,748,313.33
Vehicles															
Actual Spend 07/08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,893,415.93
Actual Spend 08/09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,559,288.94
Budget 09/10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,372,145.22
Budget 10/11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	776,458.65
Budget 11/12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,082,631.55
Budget 12/13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,428,079.75
Budget 13/14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,514,170.00
Vehicle Totals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,626,190.04
TOTALS	183,181.17	177,349.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,521,537.97
COMMITTED SCHEMES															
Leisure															
Leisure - Option 1	284,078.30	275,495.11	266,911.92	258,328.73	249,745.54	241,162.34	232,579.15	223,995.96	215,415.77	206,829.58	198,246.36	189,663.19	-	-	4,474,088.43
Leisure Totals	284,078.30	275,495.11	266,911.92	258,328.73	249,745.54	241,162.34	232,579.15	223,995.96	215,415.77	206,829.58	198,246.36	189,663.19	0.00	0.00	4,474,088.43
TOTALS	284,078.30	275,495.11	266,911.92	258,328.73	249,745.54	241,162.34	232,579.15	223,995.96	215,415.77	206,829.58	198,246.36	189,663.19	0.00	0.00	4,474,088.43
PROPOSED SCHEMES															
Council House Building															
Council Houses	297,830.40	289,689.60	281,548.80	273,408.00	265,267.20	257,126.40	248,985.60	240,844.80	232,704.00	224,563.20	216,422.40	208,281.60	200,140.80	192,000.00	4,208,947.20
Building Totals	297,830.40	289,689.60	281,548.80	273,408.00	265,267.20	257,126.40	248,985.60	240,844.80	232,704.00	224,563.20	216,422.40	208,281.60	200,140.80	192,000.00	4,208,947.20
TOTALS	297,830.40	289,689.60	281,548.80	273,408.00	265,267.20	257,126.40	248,985.60	240,844.80	232,704.00	224,563.20	216,422.40	208,281.60	200,140.80	192,000.00	4,208,947.20
TOTAL BORROWING	765,089.87	742,534.27	548,460.72	531,736.73	515,012.74	498,288.74	481,564.75	464,840.76	448,119.77	431,392.78	414,668.76	397,944.79	200,140.80	23,204,573.60	