Title: **Treasury Management Outturn 2010/11**

Wards Affected: **All Wards in Torbay**

To: **Audit Committee** On: **22 June 2011**
Council **13 July 2011**

Contact Officer: **Pete Truman**
☏ Telephone: **7302**
E.mail: **Pete.truman@torbay.gov.uk**

---

1. What we are trying to achieve

1.1 This report informs the Council/Committee of the performance of the Treasury Management function in supporting the provision of Council services in 2010/11 through management of cash flow, debt and investment operations and the effective control of the associated risks.

1.2 Recommendation
That the report be noted and the Treasury Management decisions made during 2010/11 as detailed in this report be endorsed.

2. Background

2.1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual outturn report reviewing treasury management activities and the actual prudential and treasury indicators for 2010/11.

2.2 This report also meets the requirements of the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

2.3 Treasury management is defined by the Code as:

"The management of the authority's investments and cash flows, it's banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

2.4 During 2010/11 the minimum reporting requirements were that full Council should receive the following reports:

- An annual treasury strategy in advance of the year (Report 22/2010, Council 3rd February 2010)
- A mid-year review report (appended to Report 321/2010, Council 14th

December 2010)

- An annual report following the year describing the activity compared to the strategy (this report)

2.5 Recent changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the policies previously approved by members.

2.6 The Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to full Council.

2.7 A major element of the Treasury Management function is the implementation and control of the Council's borrowing decisions. Like all local authorities Torbay Council uses borrowing as a key source of funding for enhancing, purchasing or building assets within the approved capital plan.

2.8 Borrowing allows capital expenditure to be spread over future years which means that the costs of roads, schools etc are more likely to be met by those who use the assets than would be the case if the full cost of providing these facilities were met by taxpayers at the time of their construction.

2.9 As part of the annual budget process the Council sets limits for the total amount of borrowing that it considers is affordable in terms of revenue resources available to make repayments. Treasury Management officers are tasked with maintaining borrowing within these levels and obtaining best value for the Council in terms of repayment rates and length of loans.

2.10 The Treasury Management team also carry out management of the Council's surplus cash balances arising from, for example:

- Short term revenue balances
- Cash backed reserves
- Capital funding received in advance of commencement of schemes

Balances are invested with approved financial institutions and other local authorities to obtain the best return for periods which ensure cash is available when needed. Security of cash and liquidity are the absolute priorities in all investment decisions.

2.11 The key points arising from Treasury Management operations in 2010/11 are:

- Challenging interest rate conditions with a static bank rate and upward pressure on borrowing levels (see paragraphs A7.2 and A9.1)
- Adjustments to the original headline strategy with further borrowing taken and some investments locked out for up to 18 months duration (see paragraph A5.4)
- Transfer of ownership of £20million of borrowings previously administered by Devon County Council as part of Local Government Reorganisation (see paragraph A8.5)
- Average rate of borrowing reduced from 4.36% to 4.20% (see paragraph A4.1)
- An overall return on investments of 1.25% exceeding the benchmark rate of 0.43% (see paragraphs A4.1 and A10.7).
- Revenue budget outturn within target (see paragraph A11.1).

2.12 Treasury Management strategies were planned and implemented in conjunction with the Council's appointed advisors, Sector Treasury Services although the Council officers were the final arbiters of the recommended approach.

Paul Looby
Executive Head of Finance

Appendices and Annexes

Appendix 1	Treasury Management Activities in 2010/11
Annex 1	The Economy and Interest Rates in 2010/11
Annex 2	Analysis of Actual Borrowing against Prudential Indicators 2010/11
Annex 3	Counterparties with which funds have been deposited in 2010/11

Documents available in members' rooms

None

Background Papers:
The following documents/files were used to compile this report:

Appendix 1

Treasury Management Activities in 2010/11

A1. Introduction

A1.1 This Appendix covers:

- Capital Expenditure and Financing 2010/11;
- Capital Financing Requirement;
- Treasury Position at year End;
- The Strategy for 2010/11;
- The Economy and Interest rates 2010/11;
- Borrowing Rates in 2010/11;
- Borrowing Outturn for 2010/11;
- Investment Rates in 2010/11;
- Investment Outturn for 2010/11;
- Revenue Budget Performance;
- Reporting Arrangements and Management Evaluation

A2 Capital Expenditure and Financing 2010/11

A2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

A2.2 The actual capital expenditure forms one of the required prudential indicators and is shown in the table below.

£m	2009/10 Actual	2010/11 Revised	2010/11 Actual
Total capital expenditure	49	47	44

A3 Capital Financing Requirement

A3.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2010/11 unfinanced capital expenditure and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

A3.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.

A3.3 **Reducing the CFR** – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

A3.4 The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2010/11 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2010/11 on 2nd February 2010.

A3.5 The Council's CFR for the year is shown below, and represents a key prudential indicator. This includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract (if applicable).

CFR (£m)	31 March 2010 Actual	31 March 2011 Revised Indicator	31 March 2011 Actual
Opening balance	123.6	129.7	129.7
Capital expenditure in year funded from borrowing	11.1	13.1	12.3
Minimum Revenue Position	(4.1)	(4.0)	(4.0)
Repayment of Deferred Liabilities	(0.9)	(0.4)	(0.4)
CFR at Year End	**129.7**	**138.4**	**137.6**

A3.6 The borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

A3.7 **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. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2010/11 plus the expected changes to the CFR over 2011/12 and 2012/13. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2010/11. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2010 Actual	31 March 2011 Original	31 March 2011 Actual
Net borrowing position	£54m	£85m	£56m
CFR	£130m	£158m	£138m

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 2010/11 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

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 liabilities net of investment income) against the net revenue stream.

	2010/11
Authorised limit	£224m
Maximum gross borrowing position	£173m
Operational boundary	£195m
Average gross borrowing position	£162m
Financing costs (excluding revenue contributions) as a proportion of net revenue stream	7.7%

A4 Treasury Position at Year End

A4.1 The Council's funding and investment positions at the beginning and end of year was as follows:

	At End of Year 2010/11 31st March 2011			At Beginning of Year 2010/11 1st April 2010		
	Principal		Rate/ Return	Principal		Rate/ Return
Fixed Rate Funding:						
- LGR (Devon CC)				£20.535m		5.39%
- PWLB	£147.461m		4.29%	£122.337m		4.17%
- Market	£10.000m	£157.461m	4.55%	£10.000m	£152.872m	4.55%
Variable Rate Funding		£ 5.000m	0.69%		£ 0.000m	
Total Borrowing		**£162.461m**	**4.20%**		**£152.872m**	**4.36%**
Investments *:						
- In-House	£80.660m		1.28%	£73.450m		2.33%
- With Managers**	£35.500m		1.20%	35.500m		3.84%
Total Investments		**£116.160m**	**1.25%**		**£108.950m**	**2.64%**

* Rates for investments reflect the average rate achieved over the full year.
** The principal for external management of funds reflects the original amount applied to the contract on 21st June 2007 and subsequent additions in 2009/10

A4.1 The outturn against approved treasury limits is analysed over the following tables.

Maturity Structure of the fixed rate borrowing portfolio

	31 March 2011 Actual	31 March.2011 Proportion	2010/11 Original Limits Upper-Lower
Under 12 months	£0.0m	0%	3% - 0%
12 months and within 24 months	£0.0m	0%	3% - 0%
24 months and within 5 years	£4.0m	3%	10% - 0%
5 years and within 10 years	£15.0m	10%	15% - 5%
10 years and within 25 years	£36.4m	23%	25% - 15%
10 years and above	£102.0m	65%	79% - 54%

Principal Sums Invested for over 364 Days

	2009/10 Actual	2010/11 Original	2010/11 Actual
Investments of 1 year and over	£14m	£66m	£12m

Exposure to Fixed and Variable Rates

	31 March 2010 Actual	2010/11 Original Limits	31 March 2011 Actual
Net principal re fixed rate borrowing / investments	£83m	£154m	£116m
Net principal re variable rate borrowing / investments	-£25m	£33m	-£29m

A5. The Strategy for 2010/11

A5.1 The expectation for interest rates within the strategy for 2010/11 anticipated low but rising Bank Rate (starting in quarter 4 2010) with similar gradual rises in medium and longer term fixed interest rates over 2010/11. Variable or short-term rates were expected to be the cheaper form of borrowing over the period.

A5.2 Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in a limited number of institutions in which to invest with low returns compared to borrowing rates.

A5.3 In this scenario, the overall treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investment and reduce counterparty risk. Investments were planned to be short term to track the anticipated rise in Bank Rate.

A5.4 The adopted strategy was adjusted during the period in response to potential government action limiting borrowing capabilities and lack of expected movement in the level of Bank Rate:

Borrowing. A further £10million of borrowing was taken as detailed in section A8.5 of this report.

Investments. Maturing short term deposits were replaced with longer deals. This is expanded upon in section A9 of this report.

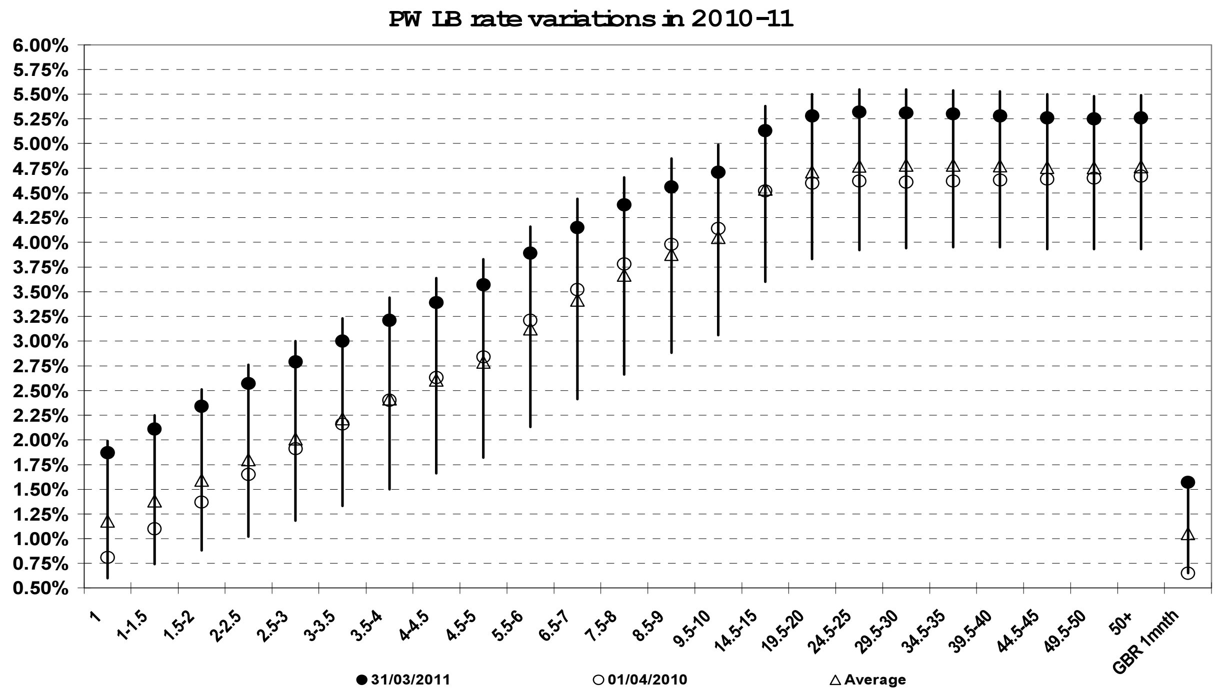
A6 The Economy and Interest rates 2010/11

A6.1 A commentary of the economic factors prevalent in 2010/11 is given at Annex 1.

A7. Borrowing Rates in 2010/11

A7.1 The following graph and table below show, for a selection of PWLB maturity periods, the range (high and low points) in rates, the average rates and individual rates at the start and end of the financial year.

A7.2 Variations in most PWLB rates have been distorted by the October 2010 decision by Government to raise borrowing rates by 0.75% - 0.85% e.g. if it had not been for this change, the 25-year PWLB rate at 31st March 2011 (5.32%) would have been only marginally higher than the position at 1st April 2010.



PWLB Borrowing Rates 2010/11 for 1 to 50 Years

	1	1.5-2	2.5-3	3.5-4	4.5-5	9.5-10	24.5-25	49.5-50	1 month variable
01/04/10	0.810%	1.370%	1.910%	2.400%	2.840%	4.140%	4.620%	4.650%	0.650%
31/03/11	1.870%	2.340%	2.790%	3.210%	3.570%	4.710%	5.320%	5.250%	1.570%
High	1.990%	2.510%	3.000%	3.440%	3.830%	4.990%	5.550%	5.480%	1.570%
Low	0.600%	0.880%	1.180%	1.500%	1.820%	3.060%	3.920%	3.930%	0.650%
Average	1.177%	1.590%	2.009%	2.413%	2.788%	4.050%	4.771%	4.756%	1.052%
Spread	1.390%	1.630%	1.820%	1.940%	2.010%	1.930%	1.630%	1.550%	0.920%
High date	07/02/11	07/02/11	07/02/11	07/02/11	09/02/11	09/02/11	09/02/11	09/02/11	07/03/11
Low date	15/06/10	12/10/10	12/10/10	12/10/10	12/10/10	31/08/10	31/08/10	31/08/10	01/04/10

A8 Borrowing Outturn for 2010/11

A8.1 The Borrowing strategy for 2010/11 anticipated no new borrowing with current year requirements having previously been taken in advance of expected rises in rates.

A8.2 However, in view of the uncertain economic outlook a decision was made by senior management in May 2010 to amend this headline treasury strategy and take a further £10 million of borrowing to ensure sufficient funding of approved capital schemes.

A8.3 A structure was taken with the Public Works Loan Board (PWLB) with £5million borrowed for 15 years at a fixed rate of 4.38% and £5million for 10 years at a variable rate initially set at 0.70% with six-monthly reviews.

A8.4 Following this decision PWLB levels actually dropped as investors bought up UK gilts. However, the increased margin placed on PWLB rates over gilts as part of the Comprehensive Spending Review has seen levels rise significantly above the Council's current average rate of 4.20%.

A8.5 On 1st October 2010 the Council took on direct responsibility for £20million of PWLB loans previously administered by Devon County Council as part of Local Government Reorganisation. The Council will have greater control of these loans going forward and in-year savings have contributed to the Revenue Budget performance in section 4 of this report.

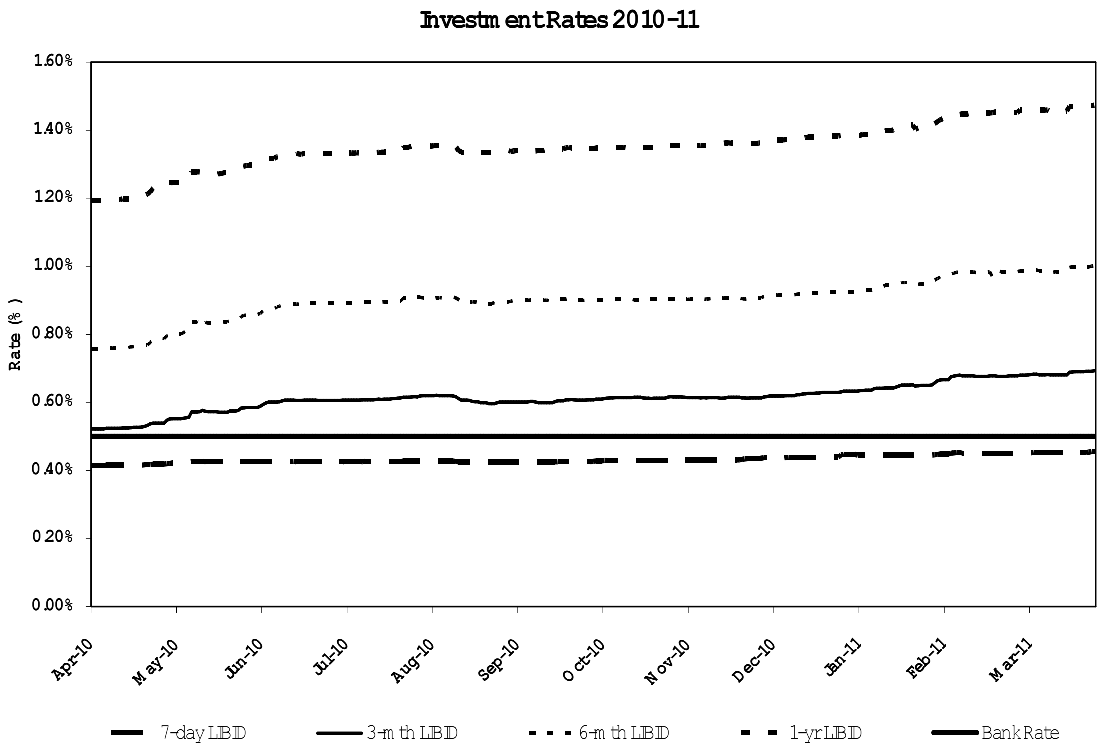
A8.6 ***Borrowing Performance*** – The average borrowing portfolio rate, including the Devon County Council element, has been reduced from 4.36% to 4.20%.

A9 Investment Rates in 2010/11

A9.1 The tight monetary conditions following the 2008 financial crisis continued through 2010/11 with little material movement in the shorter term deposit rates. Bank Rate remained at its historical low of 0.5% throughout the year, although growing market expectations of the imminence of the start of monetary tightening saw 6 and 12 month rates picking up.

A9.2 Overlaying the relatively poor investment returns was the continued counterparty concerns, most evident in the Euro zone sovereign debt crisis which resulted in rescue packages for Greece, Ireland and latterly Portugal. Concerns extended to the European banking industry with an initial stress testing of banks failing to calm counterparty fears, resulting in a second round of testing currently in train. This highlighted the ongoing need for caution in treasury investment activity.

A9.3 The graph below illustrates the path of market benchmark rates over the year. The following table shows, for a range of investment durations, the range (high and low points) in rates, the average rates and individual rates at the start and end of the financial year.



	Overnight	7 Day	1 Month	3 Month	6 Month	1 Year
01/04/2010	0.41%	0.41%	0.42%	0.52%	0.76%	1.19%
31/03/2011	0.44%	0.46%	0.50%	0.69%	1.00%	1.47%
High	0.44%	0.46%	0.50%	0.69%	1.00%	1.47%
Low	0.41%	0.41%	0.42%	0.52%	0.76%	1.19%
Average	0.43%	0.43%	0.45%	0.61%	0.90%	1.35%
Spread	0.03%	0.04%	0.07%	0.17%	0.24%	0.28%
High date	31/12/10	30/03/11	30/03/11	30/03/11	30/03/11	30/03/11
Low date	01/04/10	01/04/10	01/04/10	01/04/10	01/04/10	01/04/10

A10 Investment Outturn for 2010/11

A10.1 **Investment Policy** – the Council's investment policy is governed by CLG guidance which emphasis the priorities of security and liquidity of funds and requires Local Authorities to set out their approach for selecting suitable counterparties. The policy was approved by Council within the Annual Investment Strategy on 3rd February 2010 and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data.

A10.2 The crisis in the Greek economy prompted a decision in April 2010 to limit duration on all deals, regardless of counterparty status, to three months while the effect on the banking sector was assessed. The limit was rescinded for UK part-nationalised banks in July following continued evidence of market confidence in the UK's creditworthiness. The limit for all other banks was withdrawn in August following the publication of stress test results by the European Union which showed no worsening in quality of banks on the Council's approved list.

A10.3 With interest rates continuing at their historic low levels and the resulting revision to forecasts, the headline strategy of short term deposits was adjusted with deal durations extended to six and twelve months in August/September, locking into exceptional rates offered by certain approved banks, for the period of static Bank Rate.

A10.4 A list of those institutions with which the in-house team invested funds during the year is provided at Annex 4. No institutions with which investments were made showed any difficulty in repaying investments and interest in full during the year.

A10.5 ***Externally Managed Investments*** – Scottish Widows Investment Partnership (SWIP) was appointed to manage £13,500,000 of the Council's cash on 21st June 2007. Additional funds were placed with SWIP during the 2009/10 financial year.

A10.6 During the year their strategy has followed a similar path to the in-house team whereby the length of the portfolio was shortened in their belief that interest rates would rise. Since then longer dated deposits have been made to enhance return.

A10.7 ***Performance Analysis*** - Detailed below is the result of the investment strategy undertaken by the Council. Despite the continuing difficult operating environment the Council's investment returns remain well in excess of the benchmark.

	Average Investment Principal	Rate of Return (gross of fees)	Rate of Return (net of fees)	Benchmark/ Target Return
Internally Managed	£85,799,881	1.277%	N/A	0.433%
Externally Managed	£35,500,000	1.200%	1.050%	0.479%

The benchmark for internally managed funds is the average 7-day LIBID rate (uncompounded).
The benchmark for externally managed funds is the 7-day LIBID rates, averaged for the week and compounded weekly.

A10.8 In interest terms, the in-house treasury function contributed an additional £724,000 to the General Fund over and above what would have been attained from the benchmark return. SWIP's net return achieved an additional £277,000 over their target return level of 10% above benchmark.

A11 Revenue Budget Performance

A11.1 The effect of the decisions outlined in Appendix 1 to this report on the approved revenue budget is outlined in the table below.

	Revised Budget	Actual 2010/11	Variation

	2010/11		
	£M	**£M**	**£M**
Investment Income	(1.8)	(1.5)	0.3
Interest Paid on Borrowing	6.2	6.3	0.1
Transferred Debt Interest	0.6	0.6	0.0
Net Position (Interest)	**5.0**	**5.4**	**0.4**
Minimum Revenue Provision	4.4	4.0	(0.4)
PFI Grant re: MRP	(0.4)	(0.4)	0.0
Transferred Debt Principal	0.4	0.4	0.0
Net Position (Other)	**4.4**	**4.0**	**(0.4)**
Net Position Overall	**9.4**	**9.4**	**0.0**

11.2 The changing position was regularly reported to Cabinet and OSB throughout the year as part of the budget monitoring reports to Members

A12 Reporting Arrangements and Management Evaluation

A12.1 The management and evaluation arrangements identified in the annual strategy and followed for 2010/11 were as follows:

- Weekly monitoring report to Cabinet Member for Finance (latterly to the Mayor) and Chief Finance Officer
- Monthly meeting of the Treasury Manager and Chief Accountant to review previous months performance and plan following months activities
- Regular meetings with the Council's treasury advisors
- Regular meetings with the Council's appointed Fund Managers
- Membership and participation in the CIPFA Benchmarking Club

A12.2 Draft results for the 2010/11 CIPFA Benchmarking Club, show that the treasury management team achieved interest rate performance in the top 20% of participating Authorities for borrowing and the top 40% for investments.

Annex 1

The Economy and Interest Rates 2010/11

2010/11 proved to be another watershed year for financial markets. Rather than a focus on individual institutions, market fears moved to sovereign debt issues, particularly in the peripheral Euro zone countries. Local authorities were also presented with changed circumstances following the unexpected change of policy on Public Works Loan Board (PWLB) lending arrangements in October 2010. This resulted in an increase in new borrowing rates of 0.75 – 0.85%, without an associated increase in early redemption rates. This made new borrowing more expensive and repayment relatively less attractive.

UK growth proved mixed over the year. The first half of the year saw the economy outperform expectations, although the economy slipped into negative territory in the final quarter of 2010 due to inclement weather conditions. The year finished with prospects for the UK economy being decidedly downbeat over the short to medium term while the Japanese disasters in March, and the Arab Spring, especially the crisis in Libya, caused an increase in world oil prices, which all combined to dampen international economic growth prospects.

The change in the UK political background was a major factor behind weaker domestic growth expectations. The new coalition Government struck an aggressive fiscal policy stance, evidenced through heavy spending cuts announced in the October Comprehensive Spending Review, and the lack of any “giveaway” in the March 2011 Budget. Although the main aim was to reduce the national debt burden to a sustainable level, the measures are also expected to act as a significant drag on growth.

Gilt yields fell for much of the first half of the year as financial markets drew considerable reassurance from the Government’s debt reduction plans, especially in the light of Euro zone sovereign debt concerns. Expectations of further quantitative easing also helped to push yields to historic lows. However, this positive performance was mostly reversed in the closing months of 2010 as sentiment changed due to sharply rising inflation pressures. These were also expected (during February / March 2011) to cause the Monetary Policy Committee to start raising Bank Rate earlier than previously expected.

The developing Euro zone peripheral sovereign debt crisis caused considerable concerns in financial markets. First Greece (May), then Ireland (December), were forced to accept assistance from a combined EU / IMF rescue package. Subsequently, fears steadily grew about Portugal, although it managed to put off accepting assistance till after the year end. These worries caused international investors to seek safe havens in investing in non-Euro zone government bonds.

Deposit rates picked up modestly in the second half of the year as rising inflationary concerns, and strong first half growth, fed through to prospects of an earlier start to increases in Bank Rate. However, in March 2011, slowing actual growth, together with weak growth prospects, saw consensus expectations of the first UK rate rise move back from May to August 2011 despite high inflation. However, the disparity of expectations on domestic economic growth and inflation encouraged a wide range of views on the timing of the start of increases in Bank Rate in a band from May 2011 through to early 2013. This sharp disparity was also seen in MPC voting which, by year-end, had three members voting for a rise while others preferred to continue maintaining rates at ultra low levels.

Risk premiums were also a constant factor in raising money market deposit rates beyond 3 months. Although market sentiment has improved, continued Euro zone concerns, and the significant funding issues still faced by many financial institutions, mean that investors remain cautious of longer-term commitment. The European Commission did try to address market concerns through a stress test of major financial institutions in July 2010. Although only a small minority of banks "failed" the test, investors were highly sceptical as to the robustness of the tests, as they also are over further tests now taking place with results due in mid-2011.

Chart 1: Bank Rate v LIBID investment rates

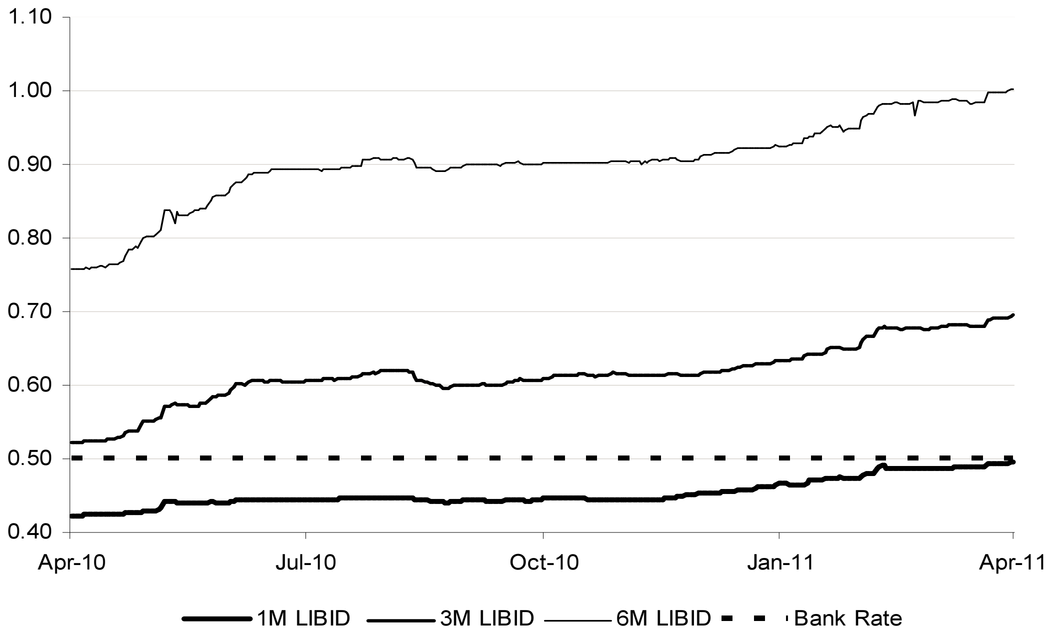
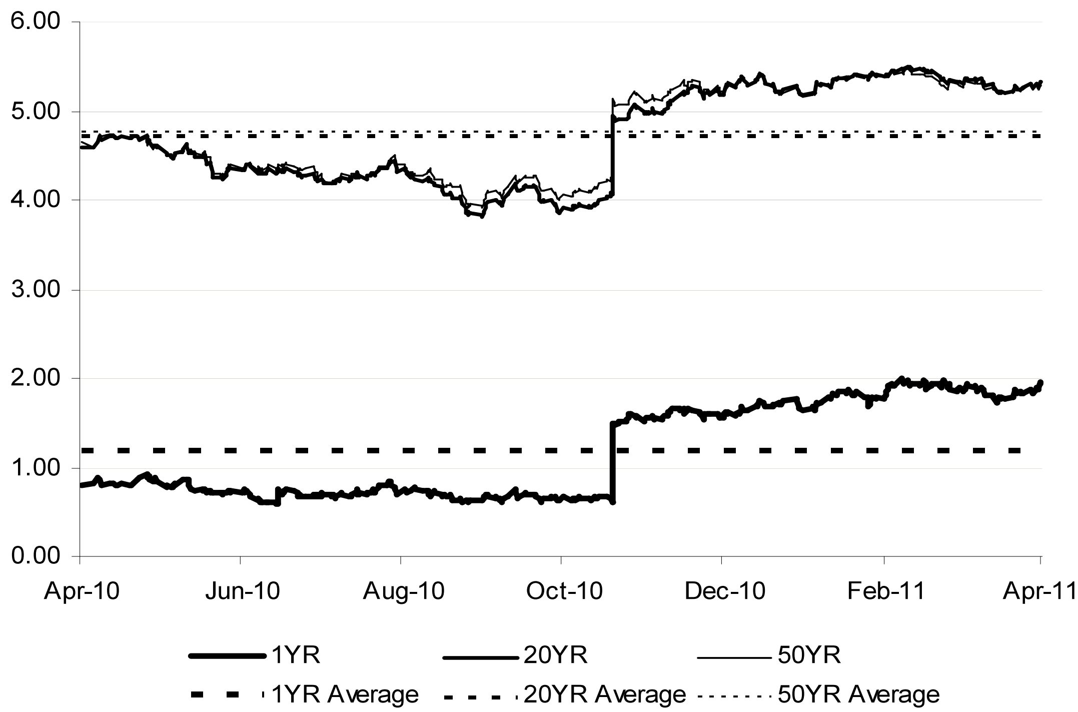
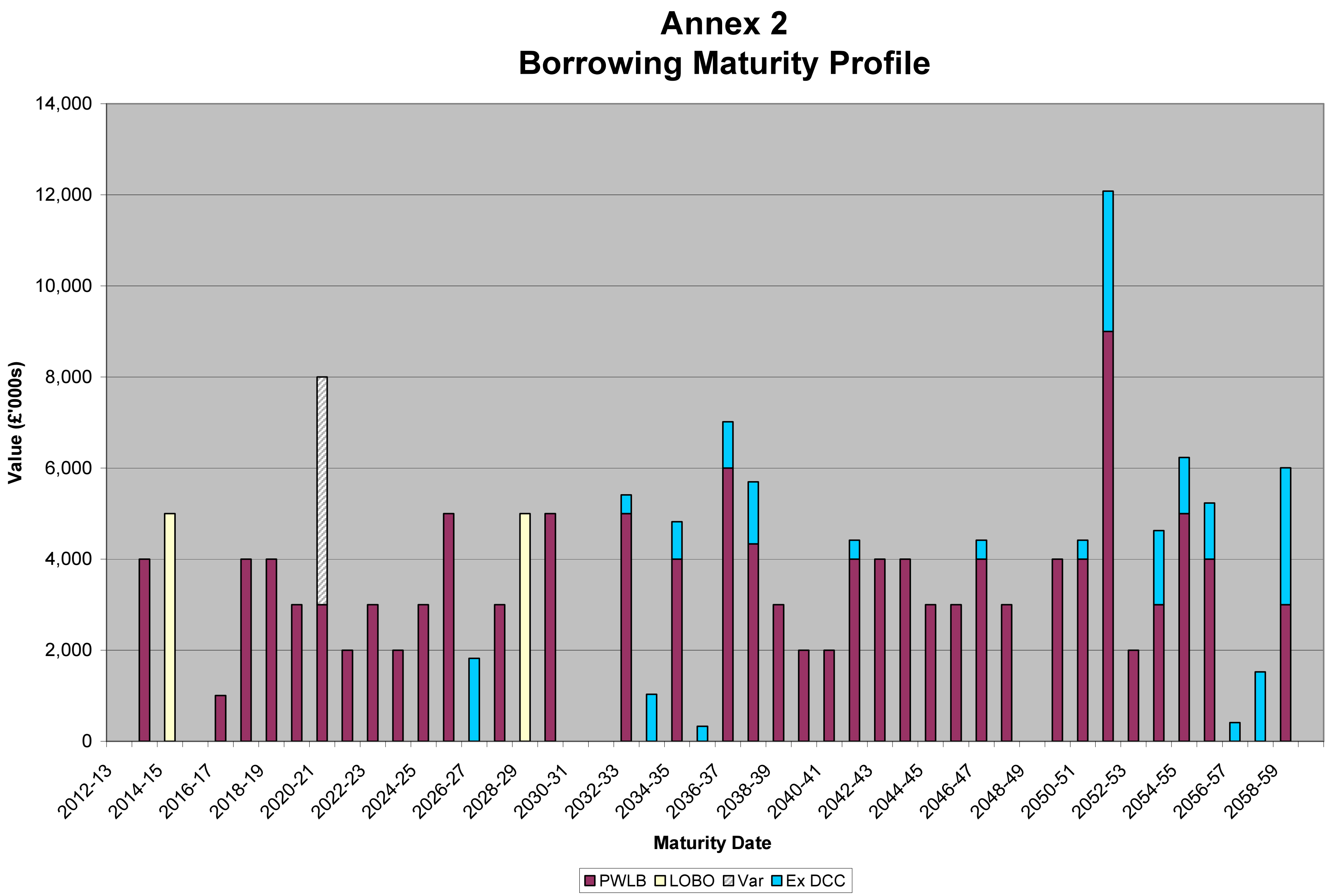


Chart 2: Average v new borrowing rates





Annex 2
Borrowing Maturity Profile
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Value (£'000s)
2012-13
2014-15
2016-17
2018-19
2020-21
2022-23
2024-25
2026-27
2028-29
2030-31
2032-33
2034-35
2036-37
2038-39
2040-41
2042-43
2044-45
2046-47
2048-49
2050-51
2052-53
2054-55
2056-57
2058-59
Maturity Date
PWLB
LOBO
Var
Ex DCC

Annex 3

Counterparties with which funds were deposited (April 2010 – March 2011)

Banks and Building Societies

Bank of Scotland
Barclays Bank
Dexia Bank Belgium
Lloyds TSB
National Australia Bank
Nationwide Building Society
Oversea Chinese Banking Corporation (Singapore)
Royal Bank of Scotland/National Westminster
Santander
United Overseas Bank (Singapore)

Local Authorities and Government Agencies

City of Newcastle Upon Tyne
Corby District Council
Ipswich Borough Council
Lancashire County Council
London Borough of Bromley
Sandwell Metropolitan Borough Council
Salford City Council
Debt Management Agency Deposit Facility

Other Approved Institutions

Royal Bank of Scotland Money Market Fund
Scottish Widows Investment Partnership