

By: John Simmonds, Cabinet Member for Finance & Business Support  
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To: Governance & Audit Committee – 11 April 2013

Subject: **TREASURY MANAGEMENT QUARTERLY REPORT**

Clarification: Unrestricted

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Summary: To report an update on treasury management issues.

## **FOR ASSURANCE**

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### **INTRODUCTION**

1. This Committee is charged with responsibility for oversight of the Council's treasury management arrangements and receives a quarterly report.

### **STATEMENT OF DEPOSITS**

2. A statement of deposits as at 15 March is attached in Appendix 1. This is circulated to members of Treasury Advisory Group every Friday.

### **MONTHLY PERFORMANCE REPORT**

3. A performance report is produced monthly for the Treasury Advisory Group. The February report is attached in Appendix 2.

### **SUMMARY OF DEVELOPMENTS**

4. The Treasury Advisory Group met on 16 November where the focus was the Treasury Strategy. The 2013-14 Treasury Strategy was approved by Council on 14 February 2013 though this is in effect little changed from the 2012-13 strategy.
5. The maximum duration limits for deposits have been increased; with Lloyds Banking Group from 100 days to 6 months from 18 February, and with RBS Group from overnight to 100 days from 15 March. These revised limits are within the Arlingclose recommended limits.
6. The Council is continuing to hold off new borrowing given the low rates we can get for deposits and critically the Council's cash flow is proving to be highly resilient. In November the Council repaid a £20m maturing PWLB loan bringing the total loans repaid in 2012 - 13 to £77m.
7. Current recoveries from Icelandic banks are £38m consisting of:
  - Heritable dividends 77.3p in £ or £14.2m

- Landsbanki - 3 dividends of £8.1m, 47.63% of the total due
- Glitnir –full recovery.

### **RECOMMENDATION**

8. Members are asked to note this report for assurance.

**Alison Mings**  
**Treasury and Investments Manager**

## Appendix 1

### KCC Deposits as at 15 March 2013

Instrument Type	Counterparty	Principal Amount	End Date	Interest Rate	Territory
		£		%	
Same Day Call Deposit	Bank of Scotland	£20,000,000	n/a	0.75	UK Bank
Fixed Deposit	Bank of Scotland	£5,000,000	07/05/2013	1.6	UK Bank
Fixed Deposit	Barclays Bank	£5,000,000	31/05/2013	6.8	UK Bank
Same Day Call Deposit	Barclays Bank	£25,000,000	n/a	0.5	UK Bank
Same Day Call Deposit	Barclays FIBCA	£20,000,000	19/10/2030	0.7	UK Bank
Fixed Deposit	HSBC	£13,000,000	22/03/2013	0.35	UK Bank
Fixed Deposit	Lloyds TSB	£5,000,000	03/05/2013	1.6	UK Bank
Same Day Call Deposit	Lloyds TSB	£25,000,000	n/a	0.75	UK Bank
Fixed Deposit	Lloyds TSB	£10,000,000	15/05/2013	0.7	UK Bank
Fixed Deposit	Lloyds TSB	£5,000,000	19/08/2013	0.8	UK Bank
Fixed Deposit	Lloyds TSB	£5,000,000	21/08/2013	0.8	UK Bank
Same Day Call Deposit	NatWest	£25,000,000	n/a	0.8	UK Bank
Same Day Call Deposit	Royal Bank of Scotland	£45,000,000	n/a	1.25	UK Bank
LIBOR Fixed Deposit	Royal Bank of Scotland	£5,000,000	18/10/2013	1.1113	UK Bank
Same Day Call Deposit	Santander UK	£50,000,000	n/a	0.8	UK Bank
	<b>Total Bank Deposits</b>	<b>£263,000,000</b>			