

**Audit & Governance Committee  
Wednesday, 21 November 2012**

**ADDENDA**

**9. Treasury Management Mid Term Review 2012/13 (Pages 1 - 8)**

Please find attached Annexes 1-5 which were omitted in error from the original agenda pack.

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# Agenda Item 9

## Annex 1

### Lending List Changes during 2012/13

#### Counterparties added/reinstated

Nationwide Building Society  
Svenska Handelsbanken

#### Counterparties removed

No Counterparties have been removed from the Lending List between 1 April 2012 and 30 September 2012.

#### Lending limits & Maturity limits increased

Counterparty	New Lending limit	New Maximum Maturity
HSBC Bank plc	no change	12 months
Lloyds TSB Bank plc	£25m	12 months
Commonwealth Bank of Australia	no change	12 months
National Australia Bank	no change	12 months
Bank of Montreal	no change	12 months
Bank of Nova Scotia	no change	12 months
Canadian Imperial Bank of Commerce	no change	12 months
Toronto-Dominion Bank	no change	12 months

#### Lending limits & Maturity limits decreased

Counterparty	New Lending limit	New Maximum Maturity
Royal Bank of Scotland	no change	Overnight
JP Morgan Chase	£15m	no change

## OXFORDSHIRE COUNTY COUNCIL DEBT FINANCING 2012/13

<u>Debt Profile</u>		£m
1. PWLB	88%	370.73
2. Money Market LOBO loans	12%	50.00
3. Sub-total External Debt		420.73
4. Internal Balances	-0%	<u>-0.28</u>
<b>5. Actual Debt at 31 March 2012</b>	<b>100%</b>	<b>420.45</b>
6. Government Supported Borrowing		0.00
7. Unsupported Borrowing		2.15
8. Borrowing in Advance		0.00
9. Minimum Revenue Provision		<u>-18.20</u>
<b>10. Forecast Debt at 31 March 2013</b>		<b>404.40</b>
		<i>Maturing Debt</i>
11. PWLB loans maturing during the year		-8.35
12. PWLB loans repaid prematurely in the course of debt restructuring		<u>0.00</u>
<b>13. Total Maturing Debt</b>		<b>-8.35</b>
		<i>New External Borrowing</i>
14. PWLB Normal		0.00
15. PWLB loans raised in the course of debt restructuring		0.00
16. Money Market LOBO loans		<u>0.00</u>
<b>17. Total New External Borrowing</b>		<b>0.00</b>
		<i>Debt Profile Year End</i>
18. PWLB	90%	362.38
19. Money Market LOBO loans	12%	50.00
20. Sub-total External Debt		412.38
21. Internal Balances	-2%	<u>-7.98</u>
<b>22. Forecast Debt at 31 March 2013</b>	<b>100%</b>	<b>404.40</b>

## Line

- 1 – 5 This is a breakdown of the Council's debt at the beginning of the financial year (1 April 2012). The PWLB is a government agency operating within the Debt Management Office. LOBO (Lender's Option/ Borrower's Option) loans are long-term loans, with a maturity of up to 60 years, which includes a re-pricing option for the bank at predetermined time intervals. Internal balances include provisions, reserves, revenue balances, capital receipts unapplied, and excess of creditors over debtors.
- 6 'Government Supported Borrowing' is the amount that the Council can borrow in any one year to finance the capital programme. This is determined by Central Government, and in theory supported through the Revenue Support Grant (RSG) system.
- 7 'Unsupported Borrowing' reflects Prudential Borrowing taken by the authority whereby the associated borrowing costs are met by savings in the revenue budget.
- 8 'Borrowing in Advance' is the amount the Council borrowed in advance to fund future capital finance costs.
- 9 The amount of debt to be repaid from revenue. The sum to be repaid annually is laid down in the Local Government and Housing Act 1989, which stipulates that the repayments must equate to at least 4% of the debt outstanding at 1 April each year.
- 10 The Council's forecast total debt by the end of the financial year, after taking into account new borrowing, debt repayment and movement in funding by internal balances.
- 11 The Council's normal maturing PWLB debt.
- 12 PWLB debt repaid early during the year.
- 13 Total debt repayable during the year.
- 14 The normal PWLB borrowing undertaken by the Council during 2012/13.
- 15 New PWLB loans to replace debt repaid early.
- 16 The Money Market borrowing undertaken by the Council during 2012/13.
- 17 The total external borrowing undertaken.
- 18-22 The Council's forecast debt profile at the end of the year.

**Long-Term Debt Maturing 2012/13****Public Works Loan Board: Loans Matured during first half of 2012/13**

<b>Date</b>	<b>Amount £m</b>	<b>Rate %</b>
01/04/2012	2.000	9.00%
13/07/2012	0.500	2.35%
31/07/2012	0.500	2.35%
31/08/2012	0.346	1.12%
<b>Total</b>	<b>3.346</b>	

**Public Works Loan Board: Loans Due to Mature during second half of 2012/13**

<b>Date</b>	<b>Amount £m</b>	<b>Rate %</b>
13/01/2013	0.500	2.35%
31/01/2013	0.500	2.35%
01/03/2013	4.000	4.40%
<b>Total</b>	<b>5.000</b>	

**Prudential Indicators Monitoring at 30 September 2012****Authorised and Operational Limit for External Debt**

<b>External Debt</b>	<b>Operational Limit £m</b>	<b>Authorised Limit £m</b>	<b>Actual 30/09/12 £m</b>	<b>Forecast 31/03/13 £m</b>
Borrowing	466	476	417	412
Other Long-Term Liabilities	6	6	6	6
<b>TOTAL External Debt</b>	<b>472</b>	<b>482</b>	<b>423</b>	<b>418</b>

Capital Financing Requirement for year £434,625,000.00

**Fixed Interest Rate Exposure**

Fixed Interest Net Borrowing limit 150.00%  
Actual at 30 September 2012 140.34%

**Variable Interest Rate Exposure**

Variable Interest Net Borrowing limit 25.00%  
Actual at 30 September 2012 -40.34%

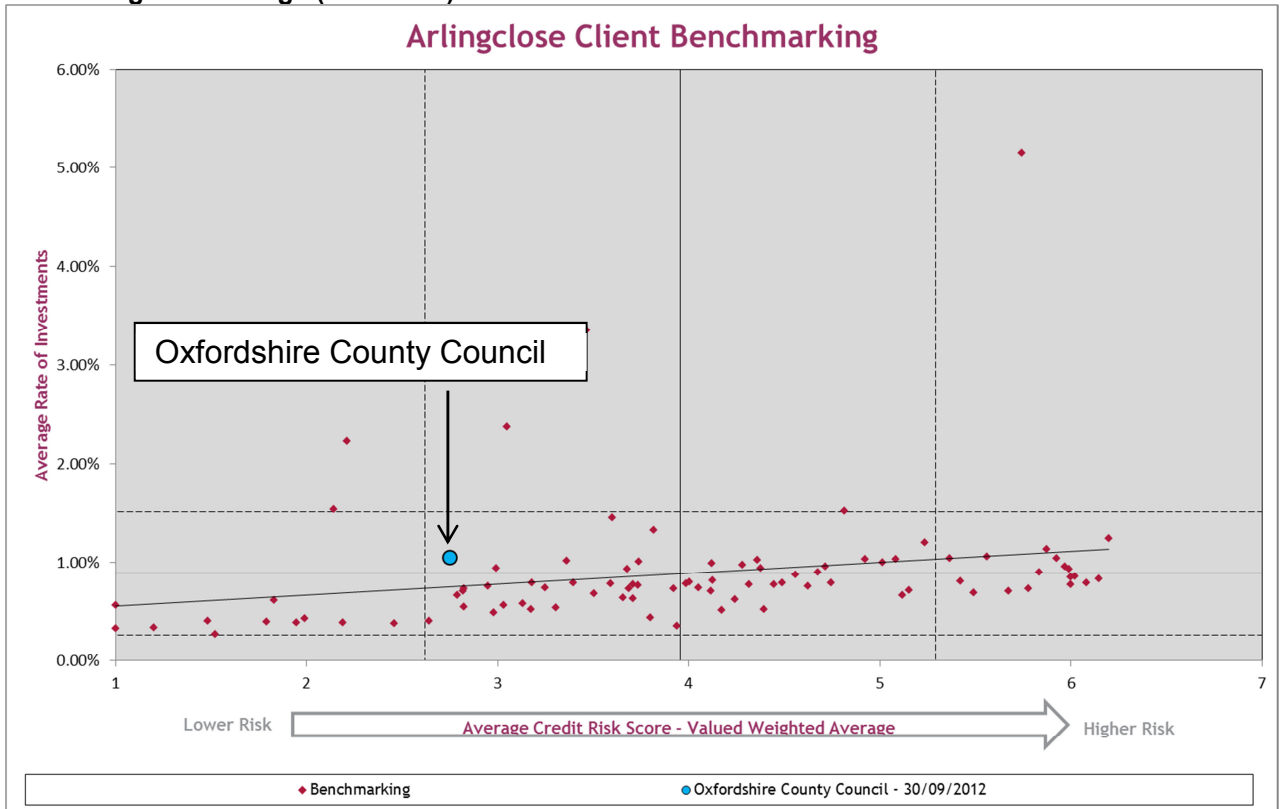
**Sums Invested over 365 days**

Total sums invested for more than 364 days limit £100,000,000  
Actual sums invested for more than 364 days £ 82,617,010

**Maturity Structure of Borrowing**

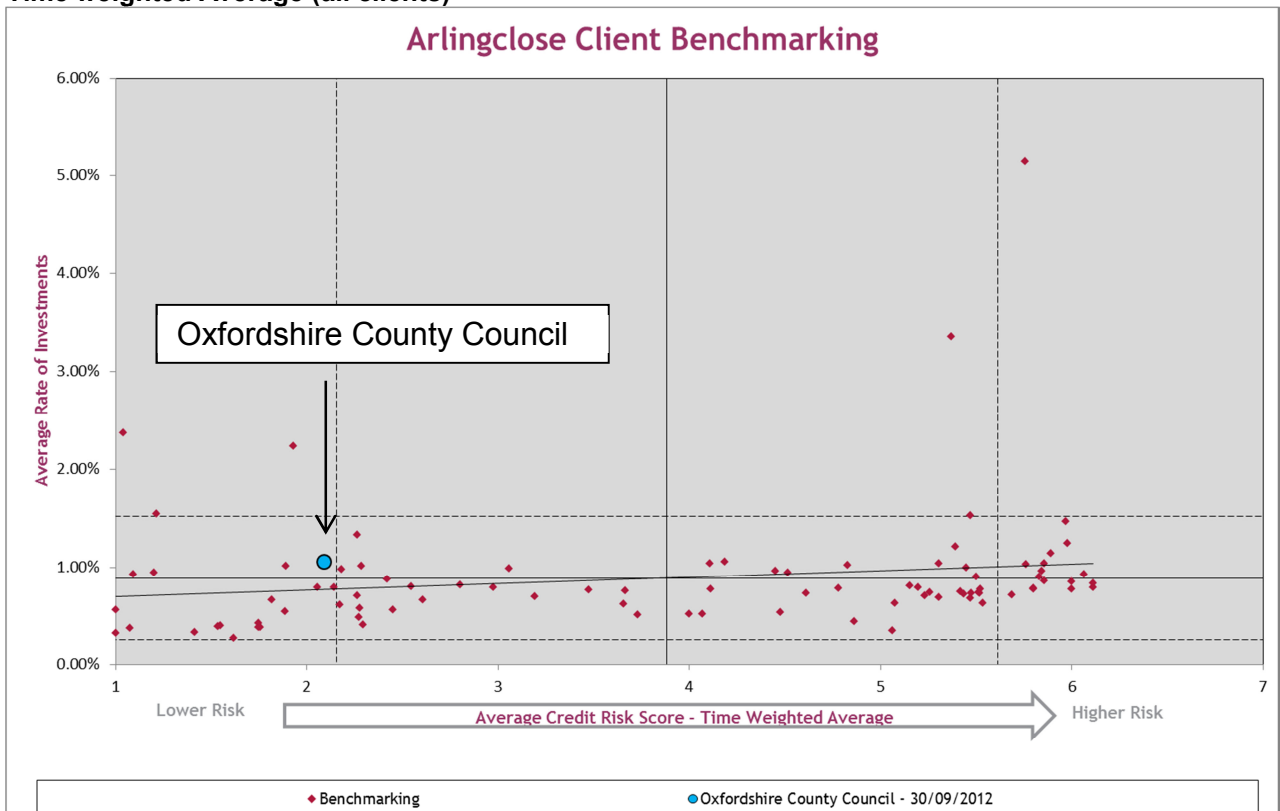
	<b>Limit %</b>	<b>Actual %</b>
Under 12 months	0 - 20	5.99
12 – 24 months	0 - 25	3.83
24 months – 5 years	0 - 35	8.63
5 years to 10 years	5 - 40	18.45
10 years +	50 - 95	63.10

Value weighted average (all clients)



This graph shows that, at 30 September 2012, Oxfordshire achieved higher than average return for lower than average credit risk weighted by deposit size.

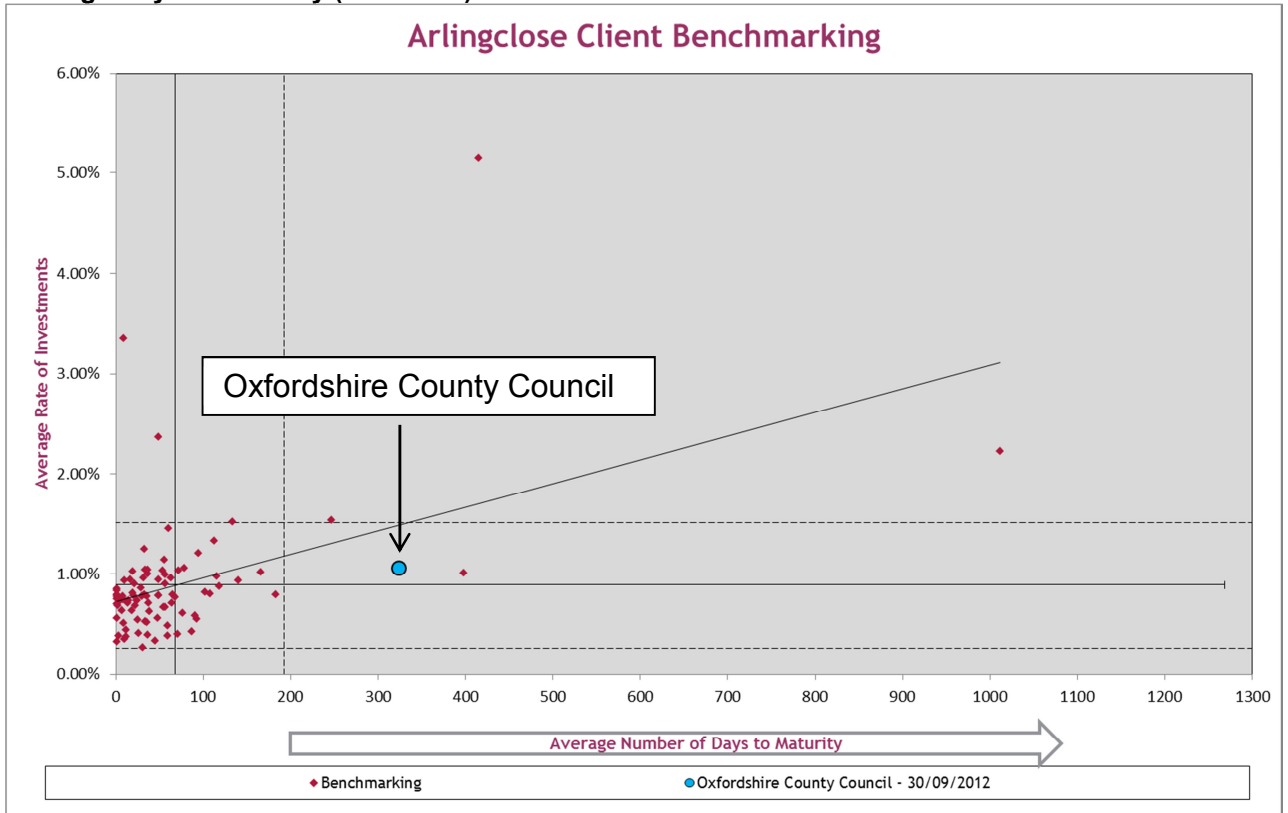
Time weighted Average (all clients)





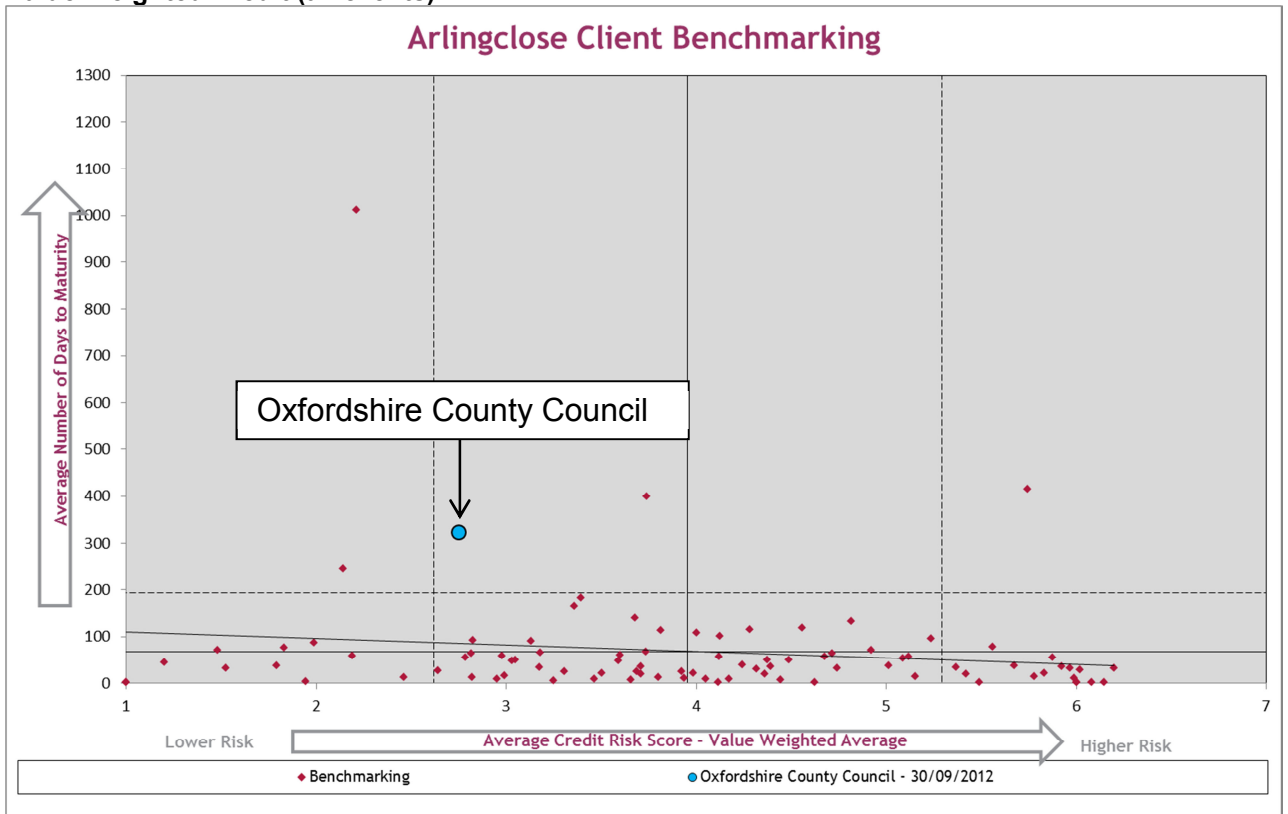
This graph shows that, at 30 September 2012, Oxfordshire achieved higher than average return for lower than average credit risk weighted by duration.

**Average Days to Maturity (all clients)**



This graph shows that, at 30 September 2012, Oxfordshire achieved a higher than average return by placing deposits for longer than average duration.

**Value Weighted Credit (all clients)**



This graph shows that, at 30 September 2012, Oxfordshire had a higher than average duration for deposits and that these deposits are made with institutions with lower than average credit risk when weighted by deposit size.