

## OXFORDSHIRE COUNTY COUNCIL DEBT FINANCING 2013/14

<u>Debt Profile</u>		£m
1. PWLB	88%	362.38
2. Money Market LOBO loans	12%	<u>50.00</u>
3. Sub-total External Debt		412.38
4. Internal Balances	0 %	<u>-9.05</u>
<b>5. Actual Debt at 31 March 2013</b>	<b>100%</b>	<b>403.33</b>
6. Government Supported Borrowing		0.00
7. Unsupported Borrowing		1.22
8. Borrowing in Advance		0.00
9. Minimum Revenue Provision		<u>-16.70</u>
<b>10. Actual Debt at 31 March 2014</b>		<b>387.85</b>
<u>Maturing Debt</u>		
11. PWLB loans maturing during the year		11.00
12. PWLB loans repaid prematurely in the course of debt restructuring		<u>0.00</u>
<b>13. Total Maturing Debt</b>		<b>11.00</b>
<u>New External Borrowing</u>		
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>
<u>Debt Profile Year End</u>		
18. PWLB	88%	351.38
19. Money Market LOBO loans	12%	<u>50.00</u>
20. Sub-total External Debt		401.38
21. Internal Balances	0 %	<u>-13.53</u>
<b>22. Actual Debt at 31 March 2014</b>	<b>100%</b>	<b>387.85</b>

## Line

- 1 – 5 This is a breakdown of the Council's debt at the beginning of the financial year (1 April 2013). 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 during 2013/14 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 total debt by the end of the financial year at 31 March 2014, 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 repaid during the year.
- 14 The normal PWLB borrowing undertaken by the Council during 2013/14.
- 15 New PWLB loans to replace debt repaid early.
- 16 The Money Market borrowing undertaken by the Council during 2013/14.
- 17 The total external borrowing undertaken.
- 18-22 The Council's debt profile at the end of the year.

**Long-term debt Maturing 2013/14****Public Works Loan Board: Loans Maturing in 2013/14**

<b>Date</b>	<b>Amount £m</b>	<b>Rate %</b>	<b>Repayment Type</b>
22/05/2013	5.000	4.200	Maturity
31/12/2013	4.000	4.900	Maturity
13/07/2013	0.500	2.350	EIP
13/01/2014	0.500	2.350	EIP
31/07/2013	0.500	2.350	EIP
31/01/2014	0.500	2.350	EIP
<b>Total</b>	<b>11.000</b>		

**Repayment Types**

Maturity – Full amount of principal is repaid at the final maturity date

EIP – Equal Instalments of Principal are repaid every 6 months until the final maturity date

**Lending List Changes during 2013/14****Counterparties suspended during 2013/14**

JP Morgan Chase Bank

Royal Bank of Scotland

**Lending limits & maturity limits increased from 1 April 2013**

	<b>Lending Limit as at 31 March 2014</b>	<b>Maximum Maturity as at 31 March 2014</b>
Prime Rate Sterling Fund	£12,000,000	6 months
Morgan Stanley MMF	£5,000,000	O/N
Svenska Handelsbanken	£25,000,000	12 months

## OXFORDSHIRE COUNTY COUNCIL INVESTMENT PORTFOLIO 31/03/2014

### Fixed term deposits held at 31/03/2014

Counterparty	Principal Deposited (£)	Maturity Date
DBS Bank (Development Bank of Singapore)	5,000,000	15-Apr-14
Toronto-Dominion Bank	10,000,000	22-Apr-14
Doncaster Metropolitan Borough Council	5,000,000	25-Apr-14
Lloyds TSB Bank plc	5,000,000	29-Apr-14
Nationwide Building Society	10,000,000	14-May-14
Kingston Upon Hull City Council	6,000,000	15-May-14
Close Brothers Ltd	5,000,000	06-Jun-14
Close Brothers Ltd	5,000,000	06-Jun-14
DBS Bank (Development Bank of Singapore)	10,000,000	25-Jun-14
United Overseas Bank	5,000,000	30-Jun-14
Oversea-Chinese Banking Corp	10,000,000	02-Jul-14
Svenska Handelsbanken	5,000,000	07-Jul-14
DBS Bank (Development Bank of Singapore)	5,000,000	07-Jul-14
Nottinghamshire County Council	5,000,000	22-Jul-14
Newcastle City Council	3,000,000	31-Jul-14
National Australia Bank (through broker)	5,000,000	04-Aug-14
Fife Council	5,000,000	15-Aug-14
Kingston Upon Hull City Council	2,000,000	05-Sep-14
Derby City Council	3,000,000	12-Sep-14
Oversea-Chinese Banking Corp	5,000,000	17-Sep-14
Oversea-Chinese Banking Corp	5,000,000	19-Sep-14
Lancashire County Council	5,000,000	22-Sep-14
Lancashire County Council	5,000,000	23-Sep-14
Doncaster Metropolitan Borough Council	5,000,000	26-Sep-14
Birmingham City Council	10,000,000	29-Sep-14
Corby Borough Council	5,000,000	02-Dec-14
Lloyds TSB Bank plc	5,000,000	19-Dec-14
Rugby Borough Council	5,000,000	09-Jan-15
Lloyds TSB Bank plc	5,000,000	04-Mar-15
The Mayors Office for Policing and Crime	10,000,000	13-Mar-15
Newcastle City Council	5,000,000	03-Jul-15
Doncaster Metropolitan Borough Council	5,000,000	03-Jul-15
Lancashire County Council	10,000,000	31-Jul-15
Fife Council	4,000,000	05-Aug-15
Newcastle City Council	5,000,000	07-Aug-15
Barnsley Metropolitan Borough Council	5,000,000	24-Aug-15
Fife Council	2,000,000	04-Sep-15
Newcastle City Council	10,000,000	09-Oct-15
Lancashire County Council	5,000,000	09-Oct-15
Police & Crime Commissioner for Northumbria	5,000,000	29-Apr-16
Fife Council	5,000,000	03-Jun-16
Glasgow City Council	5,000,000	04-Jul-16
Glasgow City Council	5,000,000	22-Jul-16

Peterborough City Council	5,000,000	02-Sep-16
Newcastle City Council	5,000,000	13-Sep-16
Glasgow City Council	5,000,000	10-Jan-17
<b>Total</b>	<b>260,000,000</b>	

**Structured deposits held at 31/3/2014**

<b>Counterparty</b>	<b>Principal Deposited (£)</b>	<b>Maturity Date</b>
HSBC Bank plc	10,000,000	27-May-14
<b>Total</b>	<b>10,000,000</b>	

**Notice accounts**

<b>Counterparty</b>	<b>Balance at 31/03/14 (£)</b>	<b>Notice period</b>
Royal Bank of Scotland 95 Day Notice	28,441	95 days
<b>Total</b>	<b>28,441</b>	

**Short-term notice call accounts and Money Market Funds**

<b>Counterparty</b>	<b>Balance at 31/03/14 (£)</b>	<b>Notice period</b>
Royal Bank of Scotland Call Account	2,298	Same day
Santander UK Call Account	2,806	Same day
Svenska Handelsbanken Call Account	19,874,976	Same day
Ignis Sterling Liquidity Fund	613,999	Same day
<b>Total</b>	<b>20,494,079</b>	

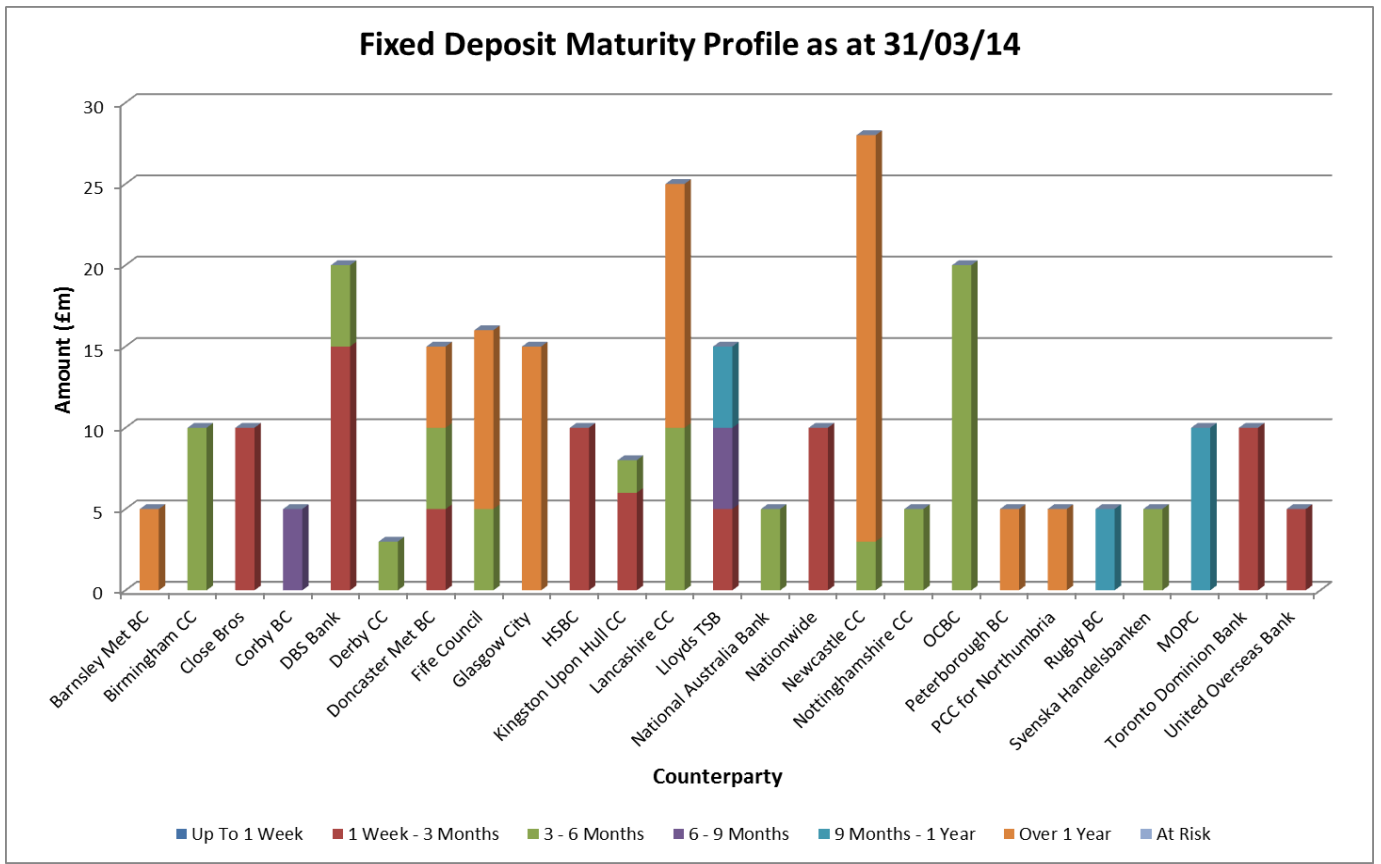
**Short Dated Bond Funds**

<b>Counterparty</b>	<b>Balance at 31/03/14 (£)</b>	<b>Notice period</b>
SWIP	12,234,160	3 days
Federated Cash Plus Fund	2,011,382	2 days
Payden & Rygel Sterling Reserve Fund	12,030,421	2 days
<b>Total</b>	<b>26,275,963</b>	

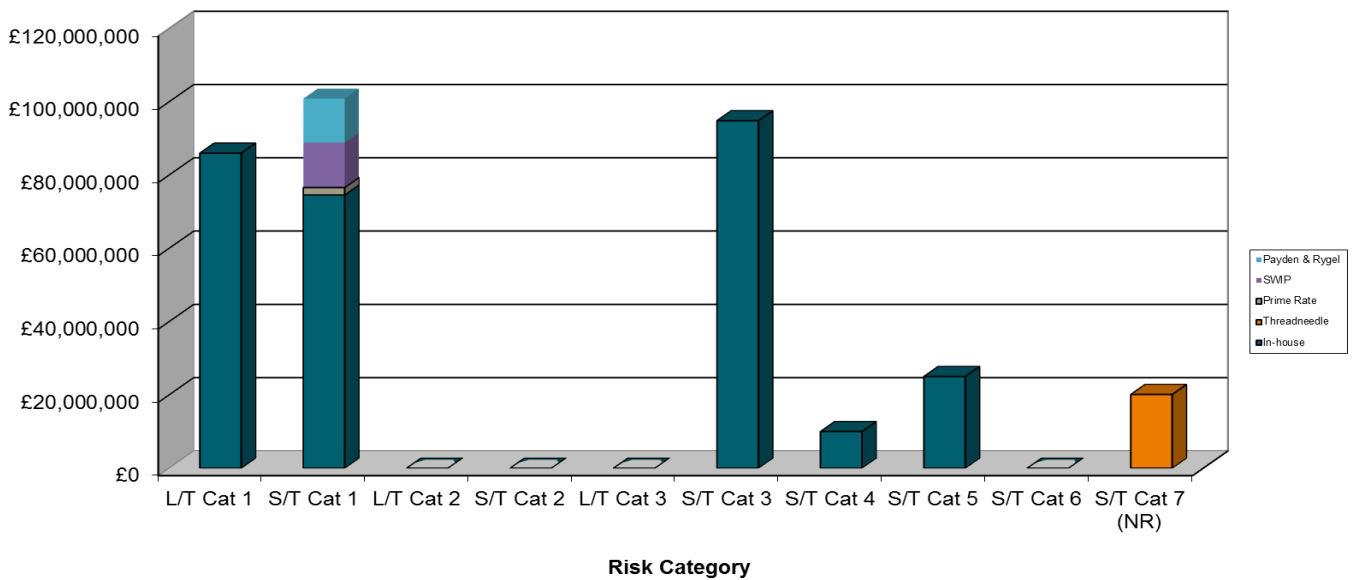
**Strategic Bond Funds**

<b>Counterparty</b>	<b>Balance at 31/03/14 (£)</b>	<b>Notice period</b>
Threadneedle Strategic Bond Fund	20,124,901	4 days
<b>Total</b>	<b>20,124,901</b>	

Risk profile of investment portfolio at 31/3/14

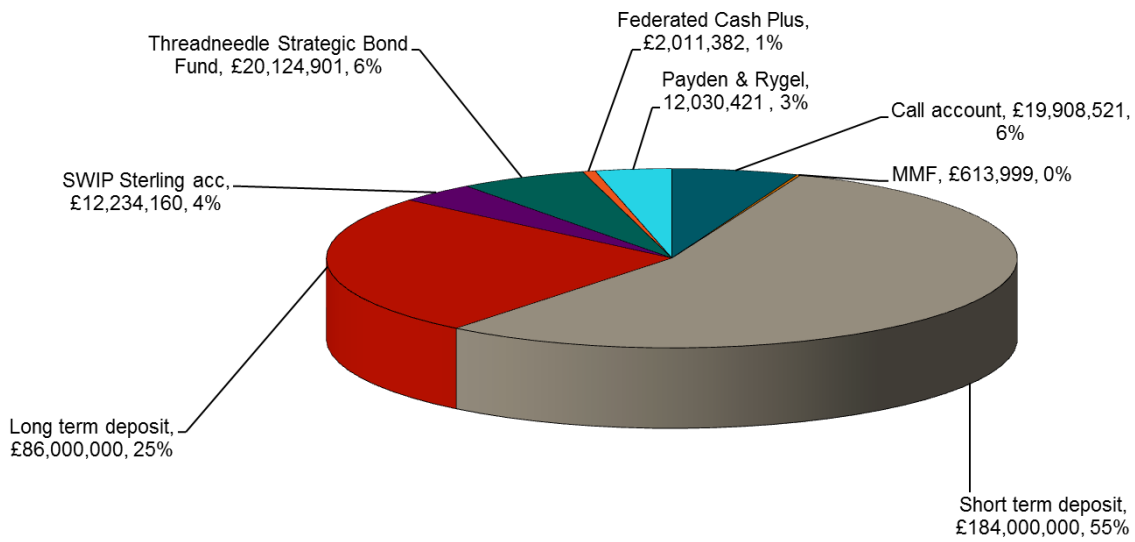


Risk Profile - Total Combined Portfolio as at 31.03.2014



Risk Category	L/T rating	S/T rating	Individual rating	Viability rating
<b>1 (Including Local Authorities)</b>	AA+, AA	F1+	1, 2	aaa, aa
<b>2</b>	AA-	F1+	1, 2	aa, a
<b>3</b>	AA-	F1+	1	bbb
<b>4</b>	AA-	F1+	1	bbb
<b>5</b>	A+, A	F1	1, 2, 3	a, bbb, bb
<b>6</b>	A	F1	2, 3, lower	b or lower

**Total Combined Portfolio as at 31.03.14**





**Prudential Indicators Outturn 31 March 2014****Authorised and Operational Limit for External Debt**

Authorised Limit for External Debt	£485,000,000
Operational Limit for External Debt	£475,000,000
Actual External Debt at 31 March 2013	£441,382,618

**Fixed Interest Rate Exposure**

Fixed Interest Net Borrowing limit	150.00%
Actual at 31 March 2013	87.44%

**Variable Interest Rate Exposure**

Variable Interest Net Borrowing limit	25.00%
Actual at 31 March 2013	12.56%

**Sums Invested over 364 days**

Total sums invested for more than 364 days maximum limit	£100,000,000
Actual sums invested for more than 364 days at 31 March 2013	£ 86,000,000

**Maturity Structure of Borrowing at 31/03/14**

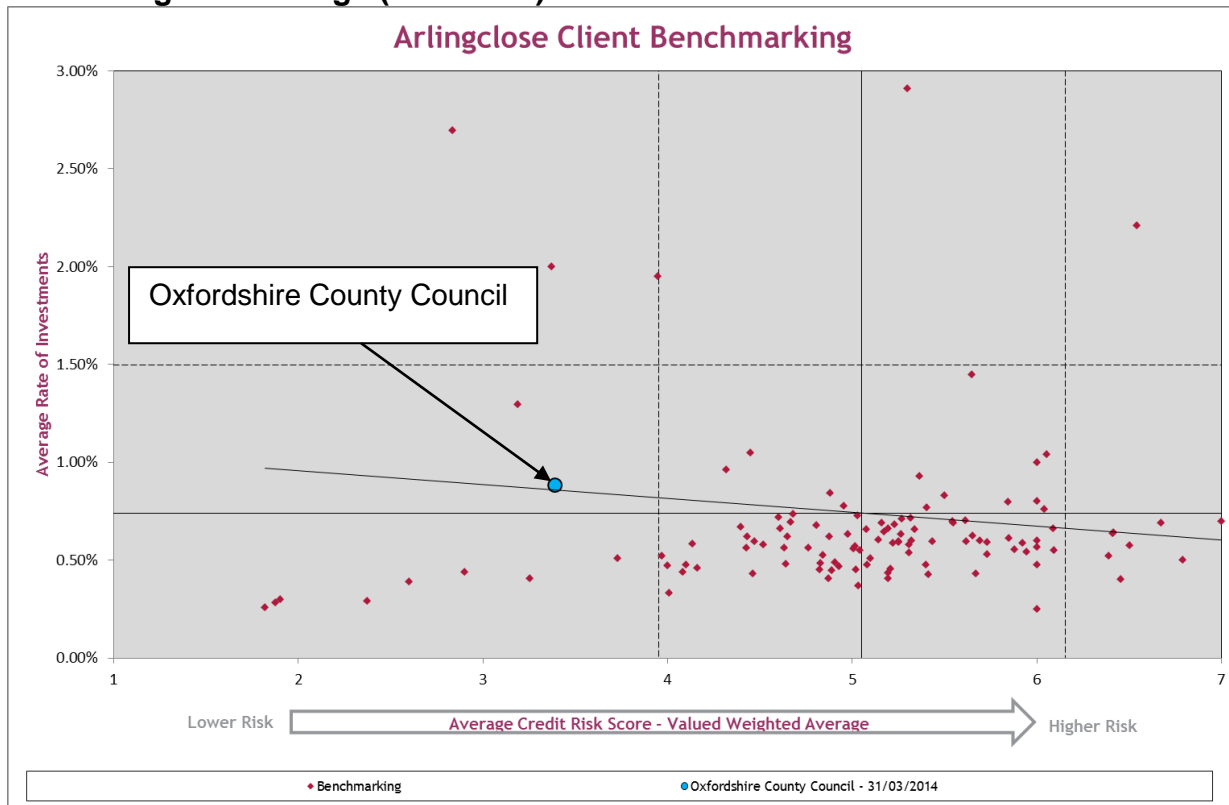
	Limit %	Actual %
From 01/04/13		
Under 12 months	0 - 20	0.00
12 – 24 months	0 - 25	4.24
24 months – 5 years	0 - 35	14.20
5 years – 10 years	5 - 40	17.69
10 years +	50 - 95	63.87

The Prudential Indicators for maturity structure are set with reference to the start of the financial year. The actual % shown above relates to the maturity period remaining at 01/04/13 on loans still outstanding at 31/03/14.

**Actual Maturity Structure of Borrowing at 01/04/14  
(LOBO's included at next option date)**

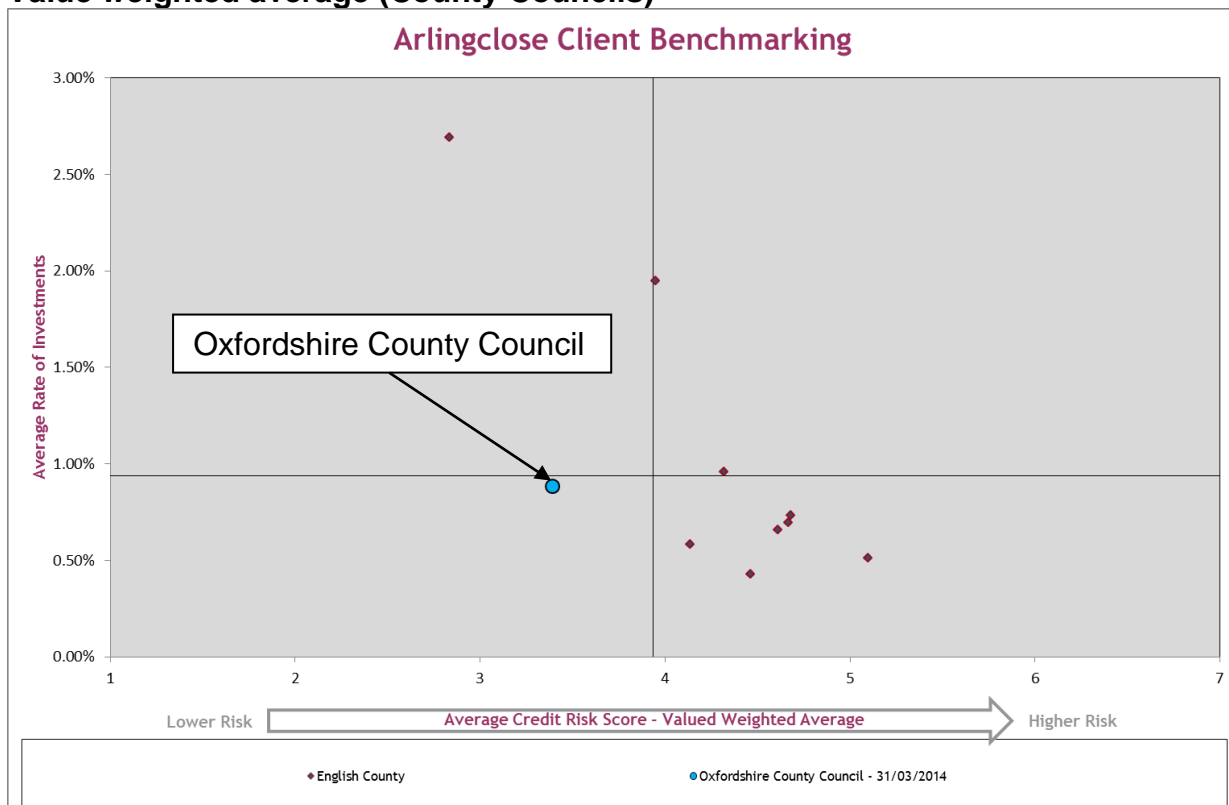
	Limit %	Actual %
From 01/04/14		
Under 12 months	0 - 20	4.24
12 – 24 months	0 - 25	3.99
24 months – 5 years	0 - 35	17.44
5 years to 10 years	5 – 40	13.45
10 years +	50 – 95	60.88

**Value weighted average (all clients)**



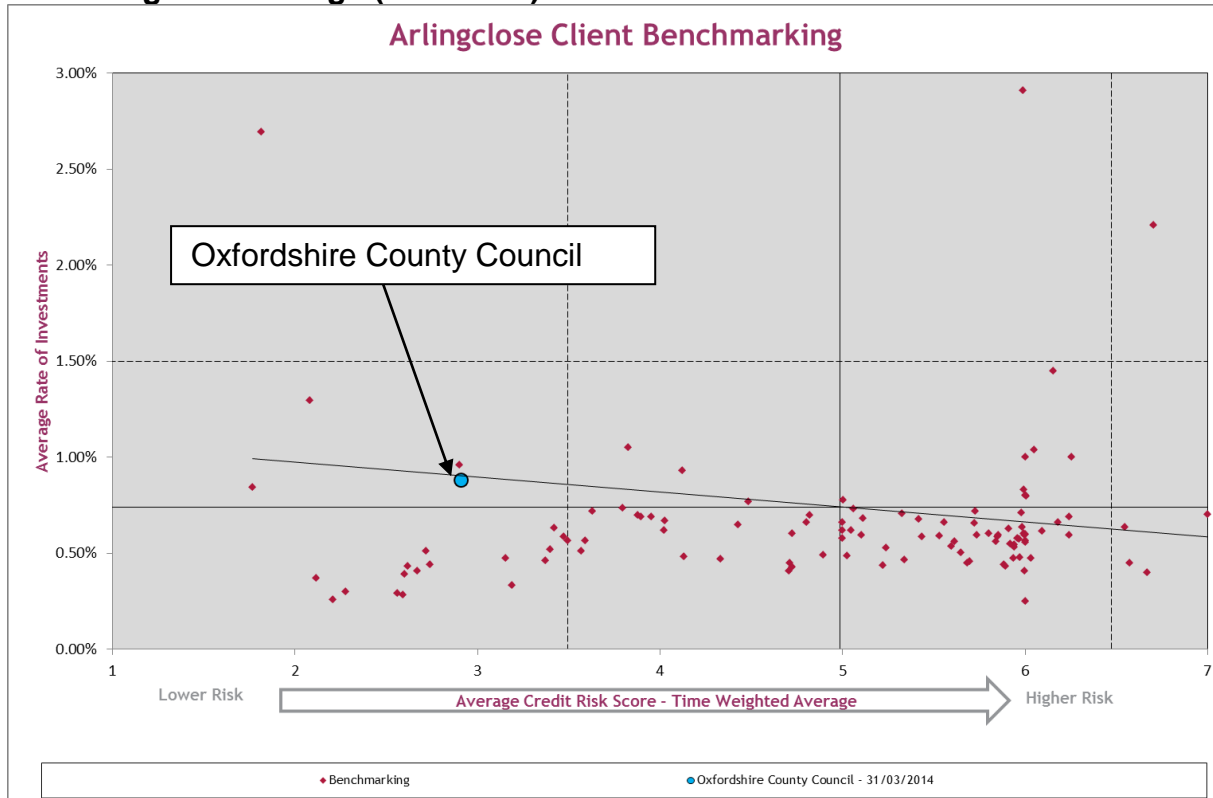
The above graph shows that Oxfordshire County Council achieved a similar interest rate to the average achieved by all Arlingclose clients, whilst it maintained a lower value weighted credit risk as at 31/03/2014.

**Value weighted average (County Councils)**



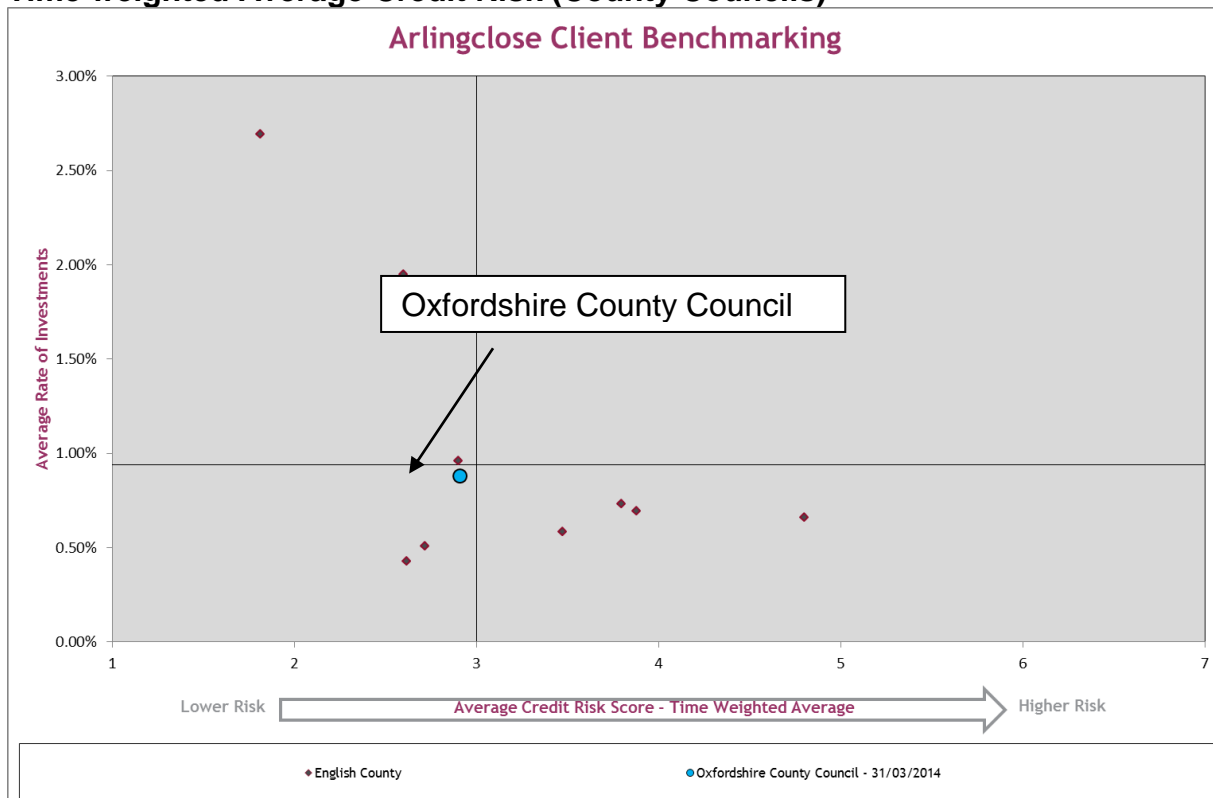
The above graph shows that Oxfordshire County Council achieved a similar interest rate for less credit risk compared to seven other County Councils as at 31/03/2014.

**Time weighted Average (all clients)**



The above graph shows that Oxfordshire County Council achieved a similar interest rate on deposits when compared to all Arlingclose clients, whilst maintaining a relatively low credit risk at 31/03/2014.

**Time weighted Average Credit Risk (County Councils)**



The above graph shows that Oxfordshire County Council achieved a similar interest rate to the other County Councils in the sample, whilst it maintained a lower time weighted credit risk as at 31/03/2014.

