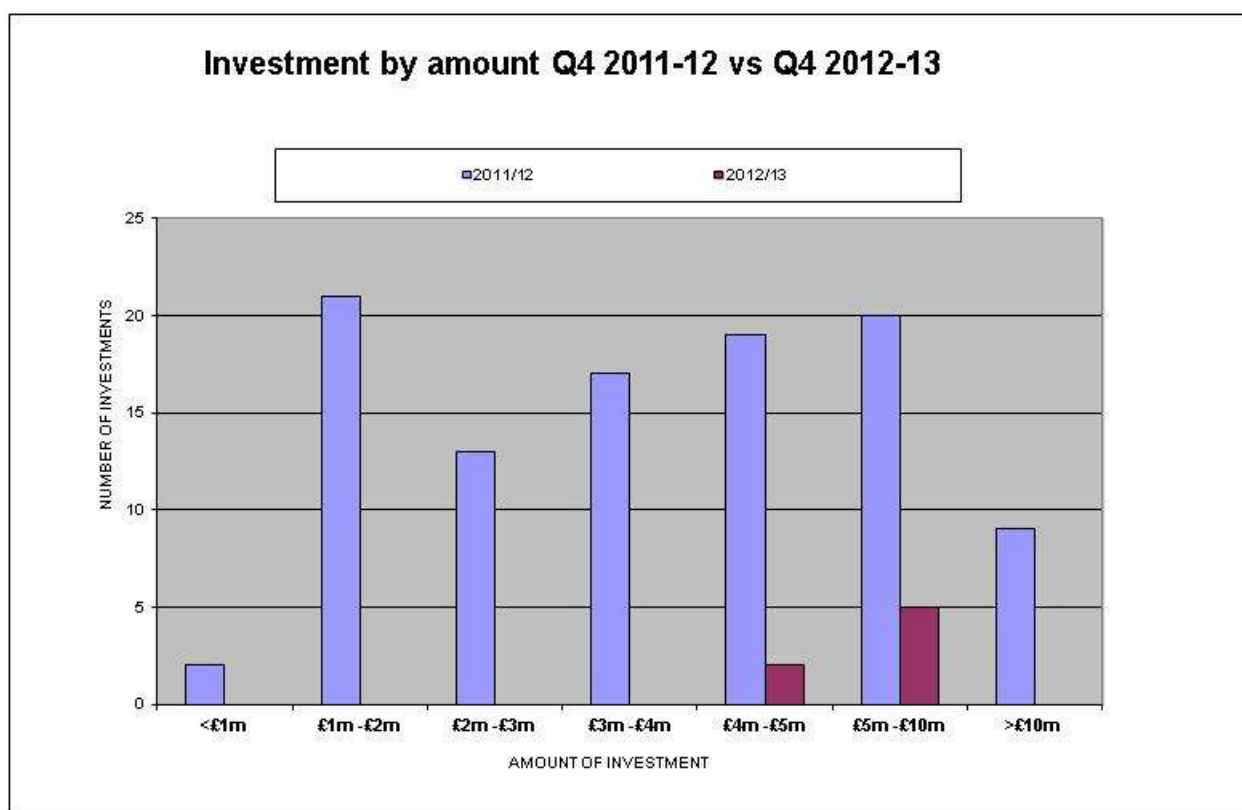


The graph above provides a comparison of the number of new investments evaluated by duration during Q4 2011-12 and Q4 2012-13. The volume of deposits placed across all periods has fallen significantly because of greater use Money Market Funds which are used for managing day to day liquidity.



The graph above provides a comparison of the number of new investments evaluated by deal size during Q4 2011-12 and Q4 2012-13. This shows a significant fall in the in the volume of deposits placed across all size ranges which is as a result of greater us of liquidity accounts and Money Market Funds.

Treasury related Prudential Indicators: comparison of 31 March 2013 to indicators approved by Council in February 2012.

1. Has Council adopted CIPFA Code of Practice for Treasury Management in the Public Services?

Yes – latest version adopted by Council in October 2004 and is key element of Treasury Strategy 2012-13 which was approved by Council in February 2012.

2. Capital Financing Requirement (estimated borrowing liability excluding PFI)

Original 2012-13 Capital Financing Requirement (CFR) £m	2012-13 CFR (based on latest capital information) £m	Actual Borrowing £m	Difference between actual borrowing and original CFR £m	Difference between actual borrowing and latest CFR £m
550.6	554.7	450.4	100.2	104.3

3. Ratio of financing costs to net revenue stream

2012-13 Original Estimate %	2012-13 Revised Estimate %	Difference %
4.89	4.80	-0.09

4. Authorised limit for external debt

2012-13 Authorised Limit £m	Actual Borrowing £m	Headroom £m
610.6	450.4	160.2

The Authorised limit is the statutory limit on the Councils level of debt and must not be breached.

This is the absolute maximum amount of debt the Council may have in the year. (Please see section 9 for more information)

5. Operational boundary for external debt

2012-13 Operational Boundary £m	Actual Borrowing £m	Headroom £m
580.6	450.4	130.2

The operational boundary is set as a warning signal that debt has reached a level nearing the Authorised limit and must be monitored carefully.

6. Limits for exposure to fixed and variable rate net borrowing (Borrowing less investments)

	Limits set Feb 2012	As at 31 Mar 2013
Fixed rate	150% to 35%	108%
Variable rate	65% to -50%	-8%
Total		100%

The Interest rate exposure is calculated as a percentage of the net debt figure. The formula is shown below:

$$\frac{\text{Total Fixed (or Variable) rate exposure}}{\text{Total borrowing – short term investments}}$$

7. Limits for maturity structure of borrowing

	Upper Limit	Current
under 12 months	80%	25%
12 months and within 24 months	50%	12%
24 months and within 5 years	50%	6%
5 years and within 10 years	50%	6%
10 years and above	100%	51%

8. Total principal sums invested for periods longer than 364 days

Yes – In February 2012 the Council approved the Treasury Management Strategy which allows the Council to invest for longer than 364 days.

Long Term Core Cash Investments taken between 01/04/12 and 31/03/13:

Date of Deal	Counter Party	£M	Interest Rate %	Maturity Date	Risk
13/04/2012	Nat West Bank	3.0	1.84	12/04/2013	LOW
23/05/2012	Nat West Bank	7.0	2.25	22/05/2013	LOW
18/05/2011	Bank of Scotland	5.094	2.85	17/05/2012	LOW
23/05/2012	Nationwide Building Society	2.1	0.93	22/08/2012	LOW
01/06/2012	Nationwide Building Society	6.9	0.90	31/08/2012	LOW
09/05/2012	Lloyds Bank	2.9	2.65	09/05/2013	LOW
14/06/2012	Nationwide Building Society	1.0	0.85	13/09/2012	LOW
10/07/2012	Bank of Scotland	3.0	3.0	04/07/2013	LOW
22/08/2012	Nationwide Building Society	2.1	0.54	21/11/2012	LOW
22/08/2012	NatWest Bank	10.0	2.25	21/08/2013	LOW
31/08/2012	Nationwide Building Society	6.9	0.54	30/11/2012	LOW
13/09/2012	Nationwide Building Society	1.0	0.54	13/12/2012	LOW
14/09/2012	Lloyds Bank	5.0	2.70	13/09/2013	LOW
12/10/2012	Nat West Bank	5.0	1.50	11/10/2013	LOW
21/11/2012	Nationwide Building Society	2.1	0.44	20/02/2013	LOW
30/11/2012	Nationwide Building Society	6.9	0.44	01/03/2013	LOW
13/12/2012	Nationwide Building Society	1.0	0.44	14/03/2013	LOW
14/12/2012	Bank of Scotland	5.0	1.5	13/12/2013	LOW
19/12/2012	Bank of Scotland	4.9	1.5	19/12/2013	LOW
11/01/2013	Bank of Scotland	4.1	1.1	10/01/2014	LOW
17/01/2013	Ulster Bank	10.0	1.25	17/01/2014	LOW
21/02/2013	Nationwide Building Society	7.1	0.59	22/08/2013	LOW
28/02/2013	Svenska Handelsbanken	10.0	0.71	28/02/2014	LOW
15/03/2013	Lloyds Bank	5.0	1.1	15/03/2014	LOW

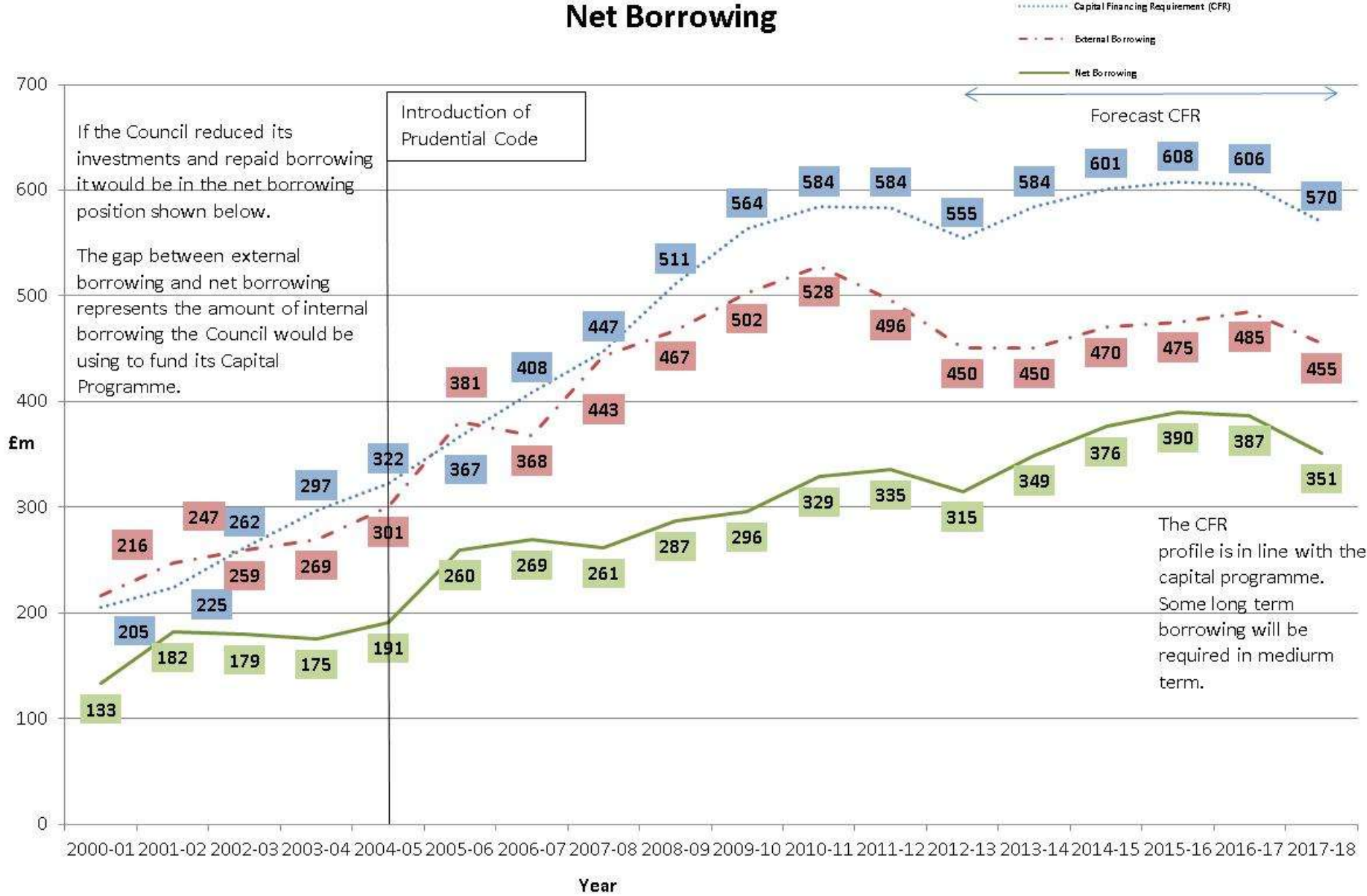
The Risk column assesses the risk of default on these investments, i.e. the counterparty's inability to repay the investment to NCC when due.

New Long Term Borrowing taken between 01/04/12 and 31/03/13:

Lender	Date	£m	Interest Rate %	Duration (yrs)	Risk
None	-	-	-	-	-

The Risk column for borrowing assesses the risk to the Council of premature repayment request by the counterparty.

Net Borrowing



Comparison of base rate to 3 month LIBOR: Impact of the 'Credit Crunch'

