

Governance Risk and Best Value Committee

2.00pm, Monday 19 October 2015

Treasury Management – Annual Report 2014/15 - referral from the City of Edinburgh Council

Item number	7.4
Report number	
Wards	All

Executive summary

The City of Edinburgh Council on 17 September 2015 considered a report on Treasury Management activity in 2014/15. The report was referred to the Governance Risk and Best Value Committee for scrutiny.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Treasury Management – Annual Report 2014/15

Terms of referral

- 1.1 The City of Edinburgh Council on 17 September 2015 considered a report on Treasury Management activity in 2014/15.
- 1.2 The City of Edinburgh Council agreed:
 - 1) To approve the Treasury Management activity in 2014/15.
 - 2) To refer the report to the Governance, Risk and Best Value Committee for scrutiny.

For Decision/Action

- 2.1 The City of Edinburgh Council has referred the attached report to the Governance, Risk and Best Value Committee for scrutiny.

Background reading / external references

Minute of the City of Edinburgh Council 17 September 2015

Carol Campbell

Head of Legal, Risk and Compliance

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

The City of Edinburgh Council

10.00am, Thursday 17 September 2015

Treasury Management: Annual Report 2014/15 - referral report from the Finance and Resources Committee

Item number	8.4
Report number	
Wards	All

Executive summary

The Finance and Resources Committee on 27 August 2015 considered an update report on Treasury Management activity in 2014/15. The report has been referred to The City of Edinburgh Council for approval of the Treasury Management Activity and subsequent referral to the Governance, Risk and Best Value Committee for their scrutiny.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Treasury Management: Annual Report 2014/15

Terms of referral

- 1.1 The Council had adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, an Annual Report on Treasury Management had to be submitted to the Council after the end of each financial year. A separate mid-term report would also be produced during the financial year and therefore no update on the current year was included in the report by the Deputy Chief Executive.
- 1.2 The key points in the report by the Deputy Chief Executive were:
- The Council's capital repayments were greater than its new capital expenditure funded by borrowing, so the Council's need to borrow reduced by £30.92 million during the year.
 - £27.74 million of PWLB debt naturally matured during the year and was not replaced.
 - The Council continued its strategy of funding capital expenditure from a reduction in temporary investments and was £97 million under-borrowed at the year end.
 - The Council had not borrowed PWLB or market debt since December 2012.
 - The average interest rate on the Cash Fund for the year was 0.47%, which continued to outperform the benchmark, which was 0.35% for the year.
- 1.3 The Finance and Resources Committee agreed to:
- 1.3.1 Note the Annual Report on Treasury Management for 2014/15 by the Deputy Chief Executive.
- 1.3.2 Refer the report by the Deputy Chief Executive to Council for approval of the Treasury Management activity and to subsequently refer the report to the Governance, Risk and Best Value Committee for their scrutiny.

For Decision/Action

- 2.1 The Finance and Resources Committee has referred the report by the Deputy Chief Executive to The City of Edinburgh Council for approval of the Treasury

Management activity and to subsequently refer the report to the Governance, Risk and Best Value Committee for their scrutiny.

Background reading / external references

[Treasury Management: Annual Report 2014/15](#)

Carol Campbell

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Finance and Resources Committee

10.00am, Thursday, 27 August 2015

Treasury Management: Annual Report 2014/15

Item number	7.11
Report number	
Executive/routine	
Wards	

Executive summary

The purpose of this report is to give an update on Treasury Management activity in 2014/15.

In the Strategy set in March 2014 the Council stated there would be no borrowing completed during the financial year and capital expenditure would be funded temporarily from investments. The only borrowing completed was £1.995m interest free funding from Salix in relation to street lighting. This approach generated significant short-term savings in Loans Charges for the Council.

The investment return for 2014/15 continued to show out-performance against the Fund's benchmark, although low in absolute terms, while maintaining the security of the investments.

Treasury Management: Annual Report 2014/15

Recommendations

- 1.1 It is recommended that the Committee:
- 1.1.1 notes the Annual Report on Treasury Management for 2014/15; and
 - 1.1.2 refers the report to Council for approval and subsequent referral by Council to the Governance Risk and Best Value Committee for their scrutiny.

Background

- 2.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, an Annual Report on Treasury Management has to be submitted to the Council after the end of each financial year. A separate mid-term report will also be produced during the financial year and therefore, no update on the current year is included in this report.

Main report

3.1 Key Points

- 3.1.1 The key points in this report are that:
- the Council's capital repayments were greater than its new capital expenditure funded by borrowing, so the Council's need to borrow reduced by £30.92m during the year;
 - £27.74m of PWLB debt naturally matured during the year and was not replaced;
 - the Council continued its strategy of funding capital expenditure from a reduction in temporary investments and was £97m under-borrowed at the year end;
 - the Council has not borrowed PWLB or market debt since December 2012; and
 - the average interest rate on the Cash Fund for the year was 0.47%, which continued to outperform the benchmark, which was 0.35% for the year.

3.2 Prudential Indicators

(a) Prudential Indicator 1 - Estimate of Capital Expenditure

This gives a breakdown of the actual capital expenditure incurred during 2014/15.

	2013/14 Actual £'000	2014/15 Estimate £'000	2014/15 Actual £'000
Children & Families	15,670	31,563	16,903
Corporate Governance	4,211	5,433	7,582
Economic Development	1	0	0
Health & Social Care	4,160	3,934	4,616
Services for Communities	108,953	93,017	85,260
SfC Asset Management Programme	17,082	25,965	18,657
Other Capital Projects	923	933	1,049
Trams	53,198	0	5,246
Unallocated funding	0	0	0
Total General Services	204,198	160,845	139,313
Housing Revenue Account	39,206	48,195	37,308
Total	243,404	209,040	176,621

Table 1 – Capital Expenditure 2014/15

Members are asked to note that the above estimates reflect the budget position as at February 2014. Expenditure is re-phased on an annual basis, with a revised programme being reported annually to the Finance and Resources Committee in August. Change relate to re-phasing of works across the five-year programme, based on cash-flow information. Re-phased projects included the school replacement programme and various infrastructure works in Services for Communities and the Housing Revenue Account.

As can be noted from the above table, actual expenditure decreased from £243m in 2013/14 to £177m, a reduction of £66m, of which £48m relates to the tram project, reflecting completion of the project.

Further detail on the capital expenditure is included in the Finance & Resources Committee report 'Capital Monitoring 2014/15 – Out-turn and receipts'.

[Link](#)

The following table shows how the £176.6m of capital expenditure incurred in 2014/15 was funded

	Gen Fund £'000	HRA £'000	CEC Total £'000	Police £'000	Fire £'000	Total £'000
Net Cap Adv (01/04/14)	1,150,258	369,361	1,519,619	20,351	4,467	1,544,437
Gross Cap Ex	139,313	37,308	176,621	0	0	176,621
Cap Income	108,339	17,487	125,826	0	0	125,826
Net Cap Ex	30,974	19,821	50,795	0	0	50,795
Capital Repaid	-60,585	-21,129	-81,714	-2,089	-1,275	-85,078
Net Cap Adv (01/04/15)	1,120,647	368,053	1,488,700	18,262	3,192	1,510,154

Table 2 – Source of Funding for Capital Expenditure 2014/15

The CEC Total column shows £125.8m being funded by capital grants and capital receipts, leaving £50.8m to be funded by borrowing. However, the Council repaid principal of £81.71m for previous capital advances, giving a net reduction in the need to borrow of £30.92m. In addition, previous capital advances of £3.36m were repaid on behalf of the former Police and Fire joint boards, giving a total reduction in the need to borrow of £34.28m.

(b) Indicator 2 - Ratio of Financing Costs to Net Revenue Stream

This gives an indication of the cost of the Council's debt relative to its income.

	2013/14 Actual %	2014/15 Estimate %	2014/15 Actual %
General Services	11.60	12.93	11.63
Housing Revenue Account	36.01	39.63	33.97

Table 3 – Ratio of Financing Costs to Net Revenue Stream

The movement in the HRA prudential indicator can be explained by lower than anticipated borrowing required to fund HRA capital expenditure during 2013/14 and 2014/15, in addition to voluntary contributions made towards outstanding debt during the same period.

(c) Indicator 3 - Capital Financing Requirement (CFR)

This shows the Council underlying need to borrow / take on other forms of Capital funding.

	2013/14 Actual £'000	2014/15 Estimate £'000	2014/15 Actual £'000
General Services (including finance leases)	1,359,099	1,350,332	1,357,972
Housing Revenue Account	369,361	394,568	368,053
Total	1,728,460	1,744,900	1,726,025

Table 4 – Capital Financing Requirement

Although the total CFR including both General Fund and HRA remained broadly the same over the last year, the balance of liabilities changed as can be seen from the following break down of the CFR figures:

	2013/14 Actual £'000	2104/15 Actual £'000
General Fund Capital Advances	1,150,258	1,120,647
HRA Capital Advances	369,361	368,053
Total CEC Borrowing CFR	1,519,619	1,488,700
Other Long Term Liabilities	208,841	237,325
Total CEC Debt CFR	1,728,460	1,726,025

Table 5 – Split of Capital Financing Requirement

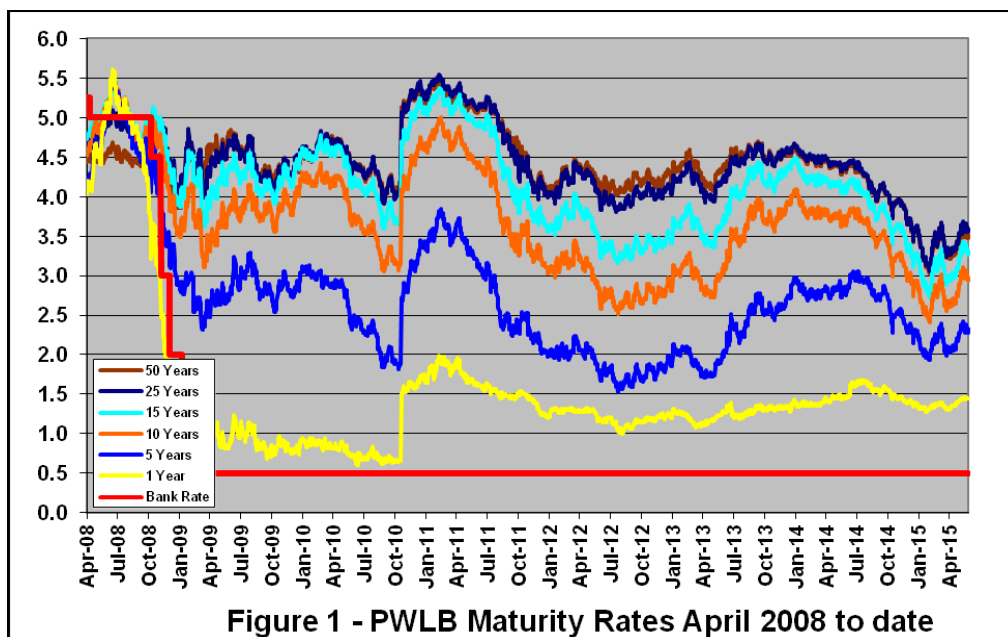
The reduction of £30.92m in Net Capital Advances shown in Table 2 above was offset by a similar increase in Other Long Term Liabilities – i.e. Finance Leases.

The increase in other-long term liabilities is mainly the result of inclusion of costs relating to on-going works at James Gillespies High School.

3.2.1 The Council operated within both the Authorised Limit and the Operational Boundary at all times during the year and there were no breaches of the Council's Treasury Management Policy.

3.3 Borrowing Overview

3.3.1 2014/15 was characterised by a number of significant global macro economic issues and political uncertainties. There were concerns over the Ukraine conflict and the effect that the sanctions on Russia would have on the EU economy. These were compounded by the political uncertainty in Greece as growth in the Eurozone stalled. There were concerns too over the growth in the Chinese economy slowing. On top of this, oil and energy prices reduction led to inflation in the UK and Europe at or below zero. All this meant that the bubble in Bond prices continued, particularly at the long end, with the 10 year UK Gilt yield dropping to 1.33% in January 2015. Figure 1 shows PWLB borrowing rates since 2008.



3.3.2 This shows the drop in interest rates for borrowing last year, particularly for the longer maturities.

3.3.3 The strategy for 2014/15 approved in March 2014 was

“Depending on the Council’s cash flows, it is intended to use investments and temporary borrowing to fund the net borrowing requirement for 2014/15. PWLB borrowing, if any, is also likely to be short term and will be considered as the economy and interest rates evolve.”

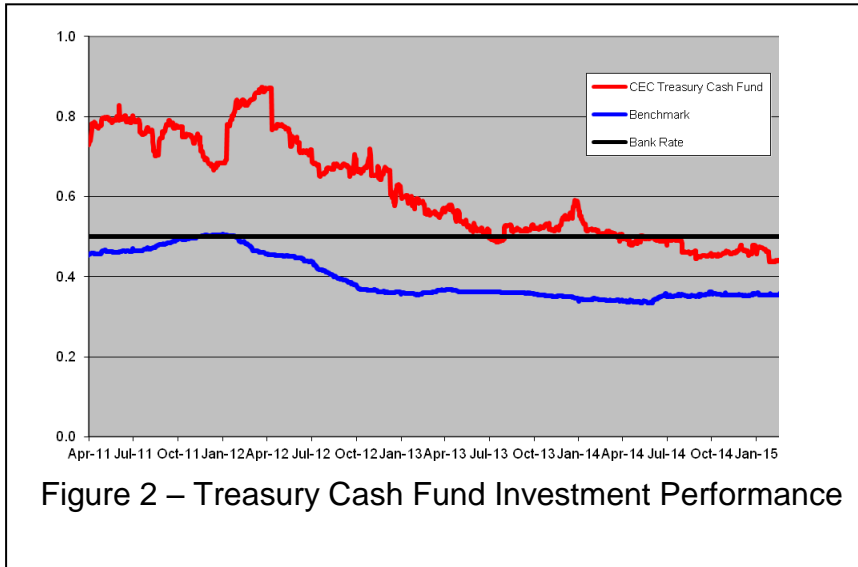
However, as detailed in Table 2, the total underlying need to borrow actually fell by £34.28m during the year. Table 6 below summarises the outstanding debt portfolio during the year.

Type of Loan	Balance 01.04.2014 £m	Borrowing Raised £m	Borrowing Repaid £m	Balance 31.03.2015 £m
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PWLB - fixed	1,141.43	0.000	-27.743	1,113.687
PWLB - variable	0.000	0.000	0.000	0.000
Salix Finance Ltd	0.000	1.995	-0.039	1.956
Market	280.900	0.000	0.000	280.900
Temp	11.959	7.168	-2.672	16.455
	<u>1,434.289</u>	<u>9.163</u>	<u>-30.454</u>	<u>1,412.998</u>
Capital Advances	<u>1,544.437</u>			<u>1,510.154</u>
Under-borrowed	<u>110.148</u>	Under-borrowed		<u>97.156</u>

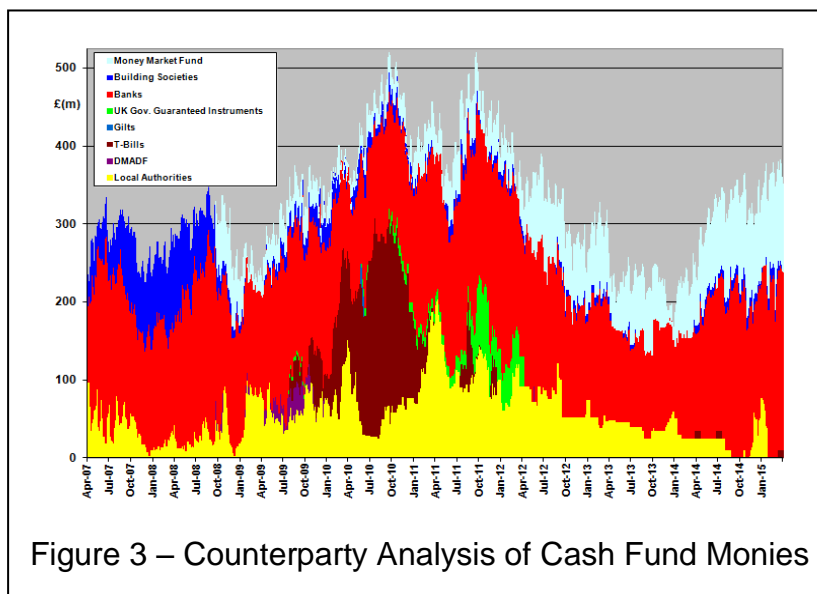
Table 6 – Outstanding Debt Portfolio 2014/15

- 3.3.4 £27.74m of PWLB debt naturally matured during the year, and this was not replaced. The only external borrowing undertaken during the year was £2m in interest free loans from Salix in relation to street lighting replacement projects.
- 3.3.5 When the PWLB borrowing rates fell to the lows in January, serious consideration was given to taking some further short to medium term debt. However, with the reduced need to borrow, the cost of carrying the debt was still going to be significant, and it was determined to continue to use temporary investments to fund capital expenditure at the time. The Council's borrowing therefore fell by £21.29m over the year, but since the net capital advances fell more, the Council's under-borrowed position reduced from £110m to £97m.
- 3.4 Investment Out-turn 2014/15**
- 3.4.1 The Council's money is invested via the Treasury Cash Fund. The Cash Fund encompasses a number of organisations, including Lothian Pension Fund. Interest is accrued on a monthly basis and performance is evaluated against a benchmark, which is 7-day LIBID.
- 3.4.2 Figure 2 below shows the investment performance during the financial year.



3.4.3 The average interest rate on the Fund for the year was 0.47%, which continued to outperform the benchmark which was 0.35% for the year. The Fund generated income of just over £482k for the financial year to CEC.

3.4.4 The emphasis remained on security during the financial year with the return of the principal sum being the main concern. With the Strategy being around the security of the investments, Cash Fund money invested with banking institutions is mostly on call or on short term fixed deposit. Rates being achieved with Local Authority deposits and in Treasury Bills have remained low during the year which has given another year of difficulty securing principal while achieving an attractive interest rate. Once again in December rates paid by Local Authorities for short term cash increased due to seasonal cash shortage and fewer participants in the market. The Council was able to take advantage of this albeit the investment was only for a short duration. Figure 3 below shows the distribution of the Cash Fund investments since April 2007.



3.4.5 The Cash Fund’s Investment Strategy continued to be based around the security of the investments. Figure 4 below shows the weighted average life (WAL) of the Cash Fund since inception.

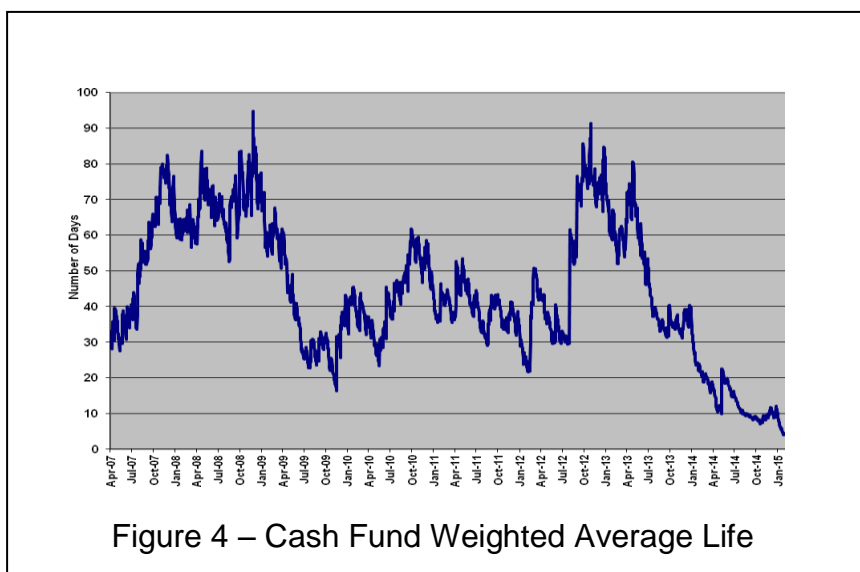


Figure 4 – Cash Fund Weighted Average Life

3.4.6 With the short term deposits placed with other local authorities over the Christmas and New Year periods maturing, the WAL (weighted average time to the final maturity of investments) has decreased. As the market returned to pre-holiday period levels, short term inter-authority rates reverted to around 0.30%.

3.5 Other Issues

3.5.1 There are a number of other issues on Treasury Management which have arisen during the year. These include:

The Scottish Government are reviewing the regulations for local authority borrowing and are likely to issue a consultation document later in the year with a view to implementation on 01 April 2016. While the new regulations are likely to have little impact on borrowing, they may well have longer term implications for the repayment profile of future capital advances and therefore Council expenditure.

MiFID (the Markets in Financial Instruments Directive) is the cornerstone of the European Union’s regulation of financial markets. The EU have revised the directive to improve the functioning of financial markets in light of the financial crisis and to strengthen investor protection. The FCA is currently considering how MiFID II will be implemented in practice in the UK. It is likely that local authorities will be re-classified as ‘retail’ rather than ‘professional’ clients with criteria set to enable an opt up to ‘professional’ status.

3.5.2 Both of these are at an early stage and will be covered in more depth in future reports as the issues and implication for the City of Edinburgh Council become clearer.

3.6 Conclusions

- 3.6.1 The Strategy set in March 2014 the Council stated there would be no borrowing completed during the financial year and capital expenditure would be funded temporarily from investments rather than borrowing. The only borrowing completed was £1.995m in interest free funding. This approach continues to generate significant short term savings for the Council.
- 3.6.2 The investment return for 2014/15 continued to show out-performance against the Fund's benchmark, although low in absolute terms, while maintaining the security of the investments.

Measures of success

- 4.1 The success of the Treasury Section can be measured by the out-performance of the Treasury Cash Fund against its benchmark and managing the Council's debt portfolio to minimise the cost to the Council while mitigating risk.

Financial impact

- 5.1 The Council continues to manage its debt portfolio so as to minimise the medium term cost of funding its capital projects.
- 5.2 The Treasury Cash Fund has generated significant additional income for the Council.

Risk, policy, compliance and governance impact

- 6.1 The Council complies with the relevant CIPFA code of practice whilst undertaking Treasury Management activities. The significant financial risks associated with Treasury Management activities have been successfully managed during 2014/15.

Equalities impact

- 7.1 There are no adverse equality impacts arising from this report.

Sustainability impact

- 8.1 There are no adverse sustainability impacts arising from this report.

Consultation and engagement

9.1 None.

Background reading / external references

None.

Alastair Maclean

Chief Operating Officer

Deputy Chief Executive

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Links

Coalition pledges	P30 - Continue to Maintain a sound financial position including long-term financial planning
Council outcomes	C025 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all
Appendices	Appendix 1 - PWLB Debt Portfolio

Appendix 1

Outstanding PWLB debt as at 31st March 2015

Loan Ref	Start Date	Maturity Date	Loan Type	Principal Outstanding	Interest Rate %
495502	12/05/2009	12/05/2015	M	10,000,000.00	3.08
468121	23/02/1990	15/05/2015	M	8,000,000.00	10.875
468872	06/11/1990	25/03/2016	M	10,000,000.00	11.375
469721	17/05/1991	25/03/2016	M	10,000,000.00	11
496093	13/10/2009	13/04/2016	M	5,000,000.00	2.95
495471	23/04/2009	23/04/2016	M	5,000,000.00	2.96
469013	17/01/1991	15/05/2016	M	15,000,000.00	11.25
495565	09/06/2009	09/06/2016	M	5,000,000.00	3.37
470061	27/09/1991	25/09/2016	M	2,736,307.00	10.5
469898	15/08/1991	15/11/2016	M	10,000,000.00	10.875
495143	10/12/2008	10/12/2016	M	5,000,000.00	3.61
499194	02/12/2011	02/06/2017	M	5,000,000.00	2.28
471030	27/03/1992	25/09/2017	M	10,000,000.00	10.625
494911	09/10/2008	09/10/2017	M	5,000,000.00	4.39
471179	03/04/1992	25/03/2018	M	30,000,000.00	10.875
495472	23/04/2009	23/04/2018	M	15,000,000.00	3.24
471710	17/09/1992	15/05/2018	M	8,496,500.00	9.75
495566	09/06/2009	09/06/2018	M	5,000,000.00	3.75
473528	17/09/1993	15/11/2018	M	5,000,000.00	7.875
474273	23/03/1994	15/11/2018	M	5,000,000.00	8
474226	14/03/1994	11/03/2019	M	2,997,451.21	7.625
473697	18/10/1993	25/03/2019	M	5,000,000.00	7.875
495414	30/03/2009	30/03/2019	M	5,000,000.00	3.46
495457	21/04/2009	21/04/2019	M	10,000,000.00	3.4
495473	23/04/2009	23/04/2019	M	5,000,000.00	3.38
495030	12/11/2008	12/11/2019	A	2,540,803.99	3.96
474274	23/03/1994	15/11/2019	M	5,000,000.00	8
474935	07/12/1994	15/11/2019	M	10,000,000.00	8.625
495086	01/12/2008	01/12/2019	A	2,520,023.77	3.65
496260	01/12/2009	01/12/2019	M	5,000,000.00	3.77
496354	14/12/2009	14/12/2019	M	10,000,000.00	3.91
475161	15/02/1995	25/03/2020	M	5,000,000.00	8.625
495458	21/04/2009	21/04/2020	M	10,000,000.00	3.54
495501	12/05/2009	12/05/2020	M	10,000,000.00	3.96
474801	21/10/1994	15/05/2020	M	5,000,000.00	8.625
474936	07/12/1994	15/05/2020	M	5,000,000.00	8.625
499159	21/11/2011	21/05/2020	M	15,000,000.00	2.94
476237	16/08/1995	03/08/2020	M	2,997,451.21	8.375
474958	09/12/1994	15/11/2020	M	5,000,000.00	8.625
497203	10/05/2010	10/05/2021	A	3,155,846.94	3.09
474802	21/10/1994	15/05/2021	M	10,000,000.00	8.625
475259	10/03/1995	15/05/2021	M	11,900,000.00	8.75

476031	12/06/1995	15/05/2021	M	10,000,000.00	8
497378	02/06/2010	02/06/2021	M	5,000,000.00	3.89
474661	16/08/1994	03/08/2021	M	2,997,451.21	8.5
474418	28/04/1994	25/09/2021	M	5,000,000.00	8.125
495474	23/04/2009	23/04/2022	M	5,000,000.00	3.76
476030	12/06/1995	15/05/2022	M	10,200,000.00	8
497425	14/06/2010	14/06/2022	M	10,000,000.00	3.95
475781	31/03/1995	25/09/2022	M	6,206,000.00	8.625
475176	16/02/1995	03/02/2023	M	2,997,451.21	8.625
475822	24/04/1995	25/03/2023	M	10,000,000.00	8.5
476731	05/12/1995	15/05/2023	M	5,200,000.00	8
473573	20/09/1993	14/09/2023	M	2,997,451.21	7.875
473574	20/09/1993	14/09/2023	M	584,502.98	7.875
477656	08/05/1996	25/09/2023	M	10,000,000.00	8.375
496094	13/10/2009	13/10/2023	M	5,000,000.00	3.87
476732	05/12/1995	15/11/2023	M	10,000,000.00	8
497197	10/05/2010	10/05/2024	M	10,000,000.00	4.32
476350	28/09/1995	28/09/2024	M	2,895,506.10	8.25
501250	14/05/2012	14/11/2024	M	10,000,000.00	3.36
496355	14/12/2009	14/12/2024	A	7,249,741.49	3.66
1478311	17/10/1996	25/03/2025	M	10,000,000.00	7.875
497199	10/05/2010	10/05/2025	M	5,000,000.00	4.37
501723	16/11/2012	16/05/2025	M	20,000,000.00	2.88
1478760	13/02/1997	18/05/2025	M	10,000,000.00	7.375
1478830	20/02/1997	15/11/2025	M	20,000,000.00	7.375
496261	01/12/2009	01/12/2025	A	11,203,753.09	3.64
476771	21/12/1995	21/12/2025	M	2,397,960.97	7.875
1479368	21/05/1997	15/05/2026	M	10,000,000.00	7.125
1479530	28/05/1997	15/05/2026	M	10,000,000.00	7.25
479851	29/08/1997	15/11/2026	M	5,000,000.00	7
1479594	24/06/1997	15/11/2026	M	5,328,077.00	7.125
1479783	07/08/1997	15/11/2026	M	15,000,000.00	6.875
1480039	13/10/1997	25/03/2027	M	10,000,000.00	6.375
1480175	22/10/1997	25/03/2027	M	5,000,000.00	6.5
1480241	13/11/1997	15/05/2027	M	3,649,966.00	6.5
1480257	17/11/1997	15/05/2027	M	5,000,000.00	6.5
501797	13/12/2012	13/06/2027	M	20,000,000.00	3.18
1480580	12/03/1998	15/11/2027	M	8,677,693.00	5.875
497854	06/09/2010	06/09/2028	M	10,000,000.00	3.85
498768	14/07/2011	14/07/2029	M	10,000,000.00	4.9
368245	14/07/1950	03/03/2030	E	3,791.77	3
498769	14/07/2011	14/07/2030	M	10,000,000.00	4.93
80101	15/06/1951	15/05/2031	E	3,866.97	3
497855	06/09/2010	06/09/2031	M	20,000,000.00	3.95
499252	15/12/2011	15/06/2032	M	10,000,000.00	3.98
498994	15/09/2011	15/09/2036	M	10,000,000.00	4.47
499019	22/09/2011	22/09/2036	M	10,000,000.00	4.49

494139	10/12/2007	10/12/2037	M	10,000,000.00	4.49
498974	08/09/2011	08/09/2038	M	10,000,000.00	4.67
498995	15/09/2011	15/09/2039	M	10,000,000.00	4.52
499052	06/10/2011	06/10/2043	M	20,000,000.00	4.35
498851	09/08/2011	09/02/2046	M	20,000,000.00	4.8
491119	23/01/2006	23/07/2046	M	10,000,000.00	3.7
491226	23/01/2006	23/07/2046	M	10,000,000.00	3.7
491628	19/05/2006	19/11/2046	M	10,000,000.00	4.25
494202	07/01/2008	07/01/2048	M	5,000,000.00	4.4
491258	27/01/2006	27/07/2051	M	1,250,000.00	3.7
492718	16/01/2007	16/07/2052	M	40,000,000.00	4.25
492853	30/01/2007	30/07/2052	M	10,000,000.00	4.35
492908	13/02/2007	13/08/2052	M	20,000,000.00	4.35
492937	20/02/2007	20/08/2052	M	70,000,000.00	4.35
492960	22/02/2007	22/08/2052	M	50,000,000.00	4.35
493036	08/03/2007	08/09/2052	M	5,000,000.00	4.25
493334	30/05/2007	30/11/2052	M	10,000,000.00	4.6
493377	11/06/2007	11/12/2052	M	15,000,000.00	4.7
493383	12/06/2007	12/12/2052	M	25,000,000.00	4.75
493428	05/07/2007	05/01/2053	M	12,000,000.00	4.8
493516	25/07/2007	25/01/2053	M	5,000,000.00	4.65
493701	10/08/2007	10/02/2053	M	5,000,000.00	4.55
493872	24/08/2007	24/02/2053	M	7,500,000.00	4.5
493920	13/09/2007	13/03/2053	M	5,000,000.00	4.5
493979	12/10/2007	12/04/2053	M	5,000,000.00	4.6
494045	05/11/2007	05/05/2057	M	5,000,000.00	4.6
494725	15/08/2008	15/02/2058	M	5,000,000.00	4.39
499195	02/12/2011	02/12/2061	M	5,000,000.00	3.98
Total				<u>1,113,687,597.12</u>	

Outstanding Market debt as at 31st March 2015

Loan Ref	Start Date	Maturity Date	Principal Outstanding	Interest Rate %	Counterparty
6000007	03/12/1990	04/12/2015	2,000,000.00	11	PRUDENTIAL PORTFOLIOMANAGERS UK LTD
6000008	12/12/1990	11/12/2015	2,000,000.00	11	PRUDENTIAL PORTFOLIOMANAGERS UK LTD
6000017	30/03/1992	30/03/2017	1,000,000.00	10.25	BAYERISCHE LANDESBANKGIROZENTRALE
6000019	21/08/1992	21/08/2017	500,000.00	9.75	DRESDNER BANK AG
6000020	21/08/1992	21/08/2017	500,000.00	9.75	DRESDNER BANK AG
6000091	12/11/1998	13/11/2028	3,000,000.00	4.75	DEUTSCHE PFANDBRIEFBANK AG
6000102	15/12/2003	15/12/2053	10,000,000.00	5.25	FMS WERTMANAGEMENT AoR
6000105	18/02/2004	18/02/2054	10,000,000.00	4.54	DEXIA CREDIT LOCAL
6000109	28/04/2005	28/04/2055	12,900,000.00	4.75	FMS WERTMANAGEMENT AoR
6000110	01/07/2005	01/07/2065	10,000,000.00	3.86	DEXIA CREDIT LOCAL BARCLAYS BANKGLOBAL
6000111	30/06/2005	30/06/2065	5,000,000.00	4.4	SERVICES BARCLAYS BANKGLOBAL
6000112	07/07/2005	07/07/2065	5,000,000.00	4.4	SERVICES
6000113	24/08/2005	24/08/2065	5,000,000.00	4.4	DEXIA CREDIT LOCAL
6000114	07/09/2005	07/09/2065	10,000,000.00	4.99	ECPKA IN LUXEMBURG S.A.
6000115	13/09/2005	14/09/2065	5,000,000.00	3.95	ECPKA IN LUXEMBURG S.A.
6000116	03/10/2005	05/10/2065	5,000,000.00	4.375	KA FINANZ AG BARCLAYS BANKGLOBAL
6000117	21/12/2005	21/12/2065	5,000,000.00	4.99	SERVICES BARCLAYS BANKGLOBAL
6000118	28/12/2005	24/12/2065	12,500,000.00	4.99	SERVICES
6000119	23/12/2005	23/12/2065	10,000,000.00	4.75	FMS WERTMANAGEMENT AoR

6000120	03/04/2006	01/04/2066	10,000,000.00	4.875	DEXIA CREDIT LOCAL
6000121	03/04/2006	01/04/2066	10,000,000.00	4.875	DEXIA CREDIT LOCAL
6000122	03/04/2006	01/04/2066	10,000,000.00	4.875	DEXIA CREDIT LOCAL
6000123	07/04/2006	07/04/2066	10,000,000.00	4.75	ECPKA IN LUXEMBURG S.A.
6000124	06/03/2006	04/03/2066	5,000,000.00	4.625	DANSKE BANK LONDON BARCLAYS BANKGLOBAL
6000125	14/03/2006	15/03/2066	15,000,000.00	5	SERVICES BARCLAYS BANKGLOBAL
6000126	18/08/2006	18/08/2066	10,000,000.00	5.25	SERVICES
6000127	17/03/2006	17/03/2066	10,000,000.00	5.25	DEXIA CREDIT LOCAL
6000128	05/06/2006	07/06/2066	20,000,000.00	5.25	DEXIA CREDIT LOCAL
6000129	05/06/2006	07/06/2066	16,500,000.00	5.25	DEXIA CREDIT LOCAL BARCLAYS BANKGLOBAL
6000130	01/02/2008	01/02/2078	10,000,000.00	3.95	SERVICES
6000131	26/02/2010	26/02/2060	5,000,000.00	7.144	Royal Bank of Scotland plc
6000132	26/02/2010	26/02/2060	10,000,000.00	7.144	Royal Bank of Scotland plc
6000133	25/02/2011	25/02/2060	15,000,000.00	7.16	Royal Bank of Scotland plc
6000134	25/02/2011	25/02/2060	10,000,000.00	7.16	Royal Bank of Scotland plc
Total			<u>280,900,000.00</u>		

Outstanding Special Loan debt as at 31st March 2015

Loan Ref	Start Date	Maturity Date	Principal Outstanding	Interest Rate %	Counterparty
8000029	07/01/2015	01/09/2021	513,221.41	0	SALIX FINANCE LTD
8000030	31/03/2015	01/04/2023	<u>1,442,317.95</u>	0	SALIX FINANCE LTD
Total			<u>1,955,539.36</u>		