APPENDIX 1
Performance against Treasury Management Indicators agreed in Treasury Management Strategy Statement

1. Authorised limit for external debt
These limits include current commitments and proposals in the budget report for capital expenditure, plus additional headroom over & above the operational limit for unusual cash movements.

	2009/10 Prudential Indicator	2009/10 Actual as at 31st Mar 2010
	£'000	£'000
Borrowing	85,000	80,000
Other long term liabilities	2,000	0
Cumulative Total	**87,000**	**80,000**

2. Operational limit for external debt
The operational boundary for external debt is based on the same estimates as the authorised limit but without the additional headroom for unusual cash movements.

	2009/10 Prudential Indicator	2009/10 Actual as at 31st Mar 2010
	£'000	£'000
Borrowing	80,000	80,000
Other long term liabilities	2,000	0
Cumulative Total	**82,000**	**80,000**

3. Upper limit for fixed interest rate exposure
This is the maximum % of total borrowing which can be at fixed interest rate.

	2009/10 Prudential Indicator	2009/10 Actual as at 31st Mar 2010
	%	%
Fixed interest rate exposure	**100**	**75***

* The £20m of LOBO's are quoted as variable rate in this analysis as the Lender has the option to change the rate at 6 monthly intervals (the Council has the option to repay the loan should the rate increase)

4. Upper limit for variable interest rate exposure
While fixed rate borrowing contributes significantly to reducing uncertainty surrounding interest rate changes, the pursuit of optimum performance levels may justify keeping a degree of flexibility through the use of variable interest rates. This is the maximum % of total borrowing which can be at variable interest rates.

	2009/10 Prudential Indicator	2009/10 Actual as at 31st Mar 2010
	%	%
Variable interest rate exposure	**50**	**25**

5. Upper limit for total principal sums invested for over 364 days
This is the maximum % of total investments which can be over 364 days.

	2009/10 Prudential Indicator	2009/10 Actual as at 31st Mar 2010
	%	%
Investments over 364 days	**80**	**0**

6. Maturity Structure of new fixed rate borrowing during 2009/10

	Upper Limit	Lower Limit	2009/10 Actual as at 31st Mar 2010
	%	%	%
Under 12 months	50	Nil	0
12 months and within 24 months	50	Nil	0
24 months and within 5 years	50	Nil	0
5 years and within 10 years	50	Nil	0
10 years and above	100	Nil	0

No new borrowing was undertaken in 2009/10.

7. Capital Financing as % of Net Revenue Stream
Estimates for net revenue stream based on estimates of the amounts to be met from government grants and local taxpayers.

	2009/10 Prudential Indicator	2009/10 Provisional as at 31st Mar 2010
	%	%
Capital Financing as % of Net Revenue Stream	**5.99**	**3.95**

Note: Capital financing includes the amount paid to Bristol City Council in respect of Ex-Avon Debt.

APPENDIX 2

The Council's Investment position at 31st March 2010

	Balance at 31st March 2010
	£'000's
Notice (instant access funds)	20,000
Up to 1 month	14,300
1 month to 3 months	10,000
Over 3 months	25,000
Total	**69,300**

The investment figure of £69.3 million is made up as follows:

	£'000's
B&NES Council	37,897
West of England Growth Points	9,867
Schools	11,774
Pension Fund	9,708
Total	**69,300**

The Council had an average net positive balance of £68.5m (including Growth Points Funding) during the period April 2009 to March 2010.

The following fixed term investments were undertaken during 2009/10 with a maturity date in the following financial year:

Institution	Amount	Rate	Start Date	Maturity Date	Long Term Credit Rating
Barclays Bank	£5m	1.35%	06/11/09	06/05/10	AA-
Barclays Bank	£5m	2.20%	10/12/09	10/12/10	AA-
Lloyds Banking Group	£5m	1.60%	28/07/09	28/07/10	A+
Lloyds Banking Group*	£5m	1.80%	08/01/10	10/01/11	A+
Bank of Scotland	£5m	1.35%	12/01/10	12/07/10	A+
Coventry Building Society	£3m	0.59%	04/01/10	06/04/10	A
Leeds Building Society	£3m	0.52%	04/01/10	06/04/10	A
Nationwide Building Society	£5m	0.74%	28/01/10	28/07/10	A+
Development Bank of Singapore	£5m	0.60%	22/12/09	22/06/10	AA-
Debt Management Office	£1.5m	0.25%	30/03/10	07/04/10	AAA
Debt Management Office	£6.8m	0.25%	31/03/10	01/04/10	AAA
Total	**£49.3m**	**-**	**-**	**-**	

* This loan is classed as a 1 year duration. The reason that it is 367 days is due to there not being any banking activity on a weekend.

APPENDIX 3

Average rate of return for 2009/10

	Apr %	May %	Jun %	Jul %	Aug %	Sep %
Average rate of interest earned	2.13%	1.80%	1.74%	1.77%	1.86%	1.63%
Benchmark = Average 7 Day LIBID rate +0.05% **(source: Sterling)**	0.57%	0.53%	0.52%	0.49%	0.47%	0.43%
Performance against Benchmark %	+1.56%	+1.27%	+1.22%	+1.28%	+1.39%	+1.20%

	Oct %	Nov %	Dec %	Jan %	Feb %	Mar %	Average for Period
Average rate of interest earned	1.29%	1.16%	1.01%	0.88%	0.84%	0.87%	**1.46%**
Benchmark = Average 7 Day LIBID rate +0.05% **(source: Sterling)**	0.43%	0.43%	0.43%	0.44%	0.45%	0.46%	**0.47%**
Performance against Benchmark %	+0.86%	+0.73%	+0.58%	0.44%	0.39%	0.41%	**+0.99%**

APPENDIX 4

Councils External Borrowing at 31st March 2010

LONG TERM	**Amount**	**Fixed Term**	**Interest Rate**	**Variable Term**	**Interest Rate**
PWLB	10,000,000	30 yrs	4.75%	n/a	n/a
PWLB	20,000,000	48 yrs	4.10%	n/a	n/a
PWLB	10,000,000	46 yrs	4.25%	n/a	n/a
PWLB	10,000,000	50 yrs	3.85%	n/a	n/a
PWLB	10,000,000	47 yrs	4.25%	n/a	n/a
KBC Bank N.V*	5,000,000	2 yrs	3.15%	48 yrs	4.5%
KBC Bank N.V*	5,000,000	3 yrs	3.72%	47 yrs	4.5%
Eurohypo Bank*	10,000,000	3 yrs	3.49%	47yrs	4.5%
TOTAL	**80,000,000**				
TEMPORARY	**NIL**				
TOTAL	**80,000,000**				

- All LOBO's (Lender Option / Borrower Option) have reached the end of their fixed interest period and have reverted to the variable rate of 4.5%. The lender has the option to change the interest rate at 6 monthly intervals, however at this point the borrower also has the option to repay the loan without penalty.

APPENDIX 5

Annual Review 2009/10 – (provided by Sterling Treasury Advisors)

By the start of the financial year in April 2009, UK GDP had already contracted approximately 5.3%, due to a sharp fall in private sector spending. The financial crisis in late 2008 had prompted the Government to implement of a number of extraordinary government measures, including capital injections in some banks and the Credit Guarantee Scheme, to keep the banking system afloat amidst a wave of mistrust in financial markets.

In an attempt to avoid a more severe recession and possible deflation, the Bank of England had cut Bank Rate to 0.5% in March, where it remained for the whole year. To further loosen monetary policy, the Bank initiated a policy of quantitative easing. By using newly-created central bank reserves to purchase £200bn of government and commercial financial assets, policymakers hoped to stimulate spending and economic activity.
As the financial year progressed and the effects of fiscal and monetary stimulus were more widely felt, the pace of economic contraction gradually declined. House prices recovered following the 20% fall from the 2007 peak and the rate of unemployment slowed. As a consequence, consumer confidence started to recover. However, despite improving business survey evidence, the UK economy continued to contract until quarter four.

Confidence in the financial sector improved in line with better company results, buoyed by higher trading revenues as sentiment improved and credit markets thawed. However, asset impairments continued at elevated levels, and led to losses being reported by some banks. In Europe the European Commission penalised banks that had needed state aid. Some other banks, particularly in the US, repaid government funds.

As a consequence of the recession and the various fiscal stimulus packages, UK Government borrowing soared. By the end of year, the national debt had reached £890bn (62% of GDP) and the annual fiscal deficit was estimated to be £167bn.

The prevailing Bank of England outlook at the end of the year saw the UK economy undergoing anaemic recovery, as weak domestic demand persisted into the medium term. Elevated spare capacity is expected to reduce inflationary pressure, giving the Bank flexibility to maintain loose monetary policy. This could prove useful because the UK and other national governments are under intense pressure to engage in fiscal consolidation, cutting spending and raising taxes in order to control debt levels. Although fears of a double-dip recession may eventually prove unfounded, austerity measures introduced by national governments will weigh on future economic activity.

APPENDIX 6

Capital Financing Costs – Budget Monitoring 2009/10 (Outturn)

April 2009 to March 2010	YEAR END POSITION Budgeted Spend or (Income) £'000	Actual Spend or (Income) £'000	Actual over or (under) spend £'000	ADV/FAV
Interest & Capital Financing				
- Debt Costs	2,418	2,421	3	ADV
- Ex Avon Debt Costs	1,740	1,744	4	ADV
- Minimum Revenue Provision (MRP)	2,395	1,986	(409)	FAV
- Interest on Balances	(574)	(1,247)	(673)	FAV
Sub Total - Capital Financing	**5,979**	**4,904**	**(1,075)**	**FAV**