



Agenda Item 8

Leader's Report to Council – 27th November 2013

Icelandic Update

I have previously reported to Council the excellent news that the Council has received four dividend payments totalling over £1.57m in relation to the £3m Landsbanki investment. We remain optimistic, that in time the overwhelming majority of these funds will be recovered.

Good progress continues to be made in relation to the recovery of the investments with the Heritable and Kaupthing Singer and Friedlander with regular dividend payments. Since my previous report Ernst & Young have advised of their intention to pay an eleventh dividend on behalf of Kaupthing Singer & Friedlander the week commencing 2nd December 2013. The amount of the dividend has yet to be determined.

To date, the Council has received over £6.45m in dividends from these investments, with further payments anticipated. Our recoveries are very much in line with other Councils with similar outstanding investments and we continue to work closely with the Local Government Association and Bevan Brittan to secure the expedient return of these funds, to help with the overall fiscal position of this Council.

It is likely that the Council will receive further updates on the likely settlements from all of the three banks, however, given the excellent result achieved in maintaining "priority status" for Landsbanki and the increases in the settlements reported for KSF and the Heritable, the total return could well exceed 90% of the original investments.

As always I will continue to update Council on the progress of the recovery of these investments, however it is good to know that we continue to make progress. We have now received just under 72% of the total outstanding and dividends repayments continue to be received to count down this balance.

John Champion
Leader of the Council.