

**Cllr John Champion Bsc (Hons)**  
**Leader of the Council**

tel: 01562 732708

fax: 01562 732726

email: john.campion@wyreforestdc.gov.uk

my ref: JPC/KW/051

your ref:

date: 18<sup>th</sup> May 2011

## **Icelandic Update**

As you will all know since my last update in February the Council has been successful in defending our “priority” status in relation to the Landsbanki investment of £3m. This decision announced in mid April was made by the Icelandic District Court, and was the unanimous verdict of the three judges sitting on the panel. This is excellent news for the Council as the “priority” status would mean that the Council would receive the vast majority of the investment back during the Winding Up of the bank.

I must advise however that an appeal against this decision has been made to the Icelandic Supreme Court, and this appeal will be heard in the coming months, probably by September. This is the final challenge that the Council can face on our status and once more we are working with the Local Government Association along with other public bodies in the UK and the Netherlands to defend our position. We remain confident that we will retain this status and will provide further updates when the more information is available.

In relation to the Council’s other two investments with the Heritable and Kaupthing Singer and Friedlander regular dividend payments are still being received. To date out of the original £6m invested the Council has received dividend payments of over £3.2m with a further payment of at least £250,000 expected next week. A full update of the position on the recovery of these investments was provided to the Corporate Resource Scrutiny Committee in April and further information will be contained within the Statement of Accounts.

However, there is one further update, since the Corporate Resources meeting it has been announced that the forecast potential maximum recovery from the KSF investment has increased from 78% to 86%, if this is achieved it will mean that a further £400k will be recovered.

Continued ....

Civic Centre  
Stourport on Severn  
Worcs  
DY13 8UJ

As always if further information emerges in relation to the recovery of these investments then I will ensure that all members are briefed accordingly,

Yours sincerely,

A handwritten signature in black ink that reads "John-Paul Campion". The signature is written in a cursive style with a long horizontal flourish at the end.

**John-Paul Campion**  
**Leader of the Council**