



Agenda Item 8

Leader's Report to Council 30th November 2011

As I reported to Cabinet in October the excellent news that the Council was successful in the Icelandic Supreme Court in upholding our "priority" status on our Landsbanki investment. The Council joined with all other UK local authorities and other public sector depositors in the further and final challenge that had been made by commercial bond holders to our status. Our success in this area now means that the Council is likely to recover between 95 to 98% of our original deposit and interest. It is not possible to be more precise on the final settlement due to issues such as foreign exchange rates.

Following the courts announcement our solicitor's have been actively working with the Winding Up Board for Landsbanki to establish individual settlement agreements with each local authority affected. As soon as these discussions are complete this will clear the way for the first dividend payments to be made. The exact timing of these payments has not yet been confirmed, however, there remains every possibility that the first payment in excess of 25% of the original deposit could be back in the Council's accounts by Christmas.

Good progress is continuing also being made in relation to the recovery of the investments with the Heritable and Kaupthing Singer and Friedlander with regular dividend payments still being received.

To date the Council has received just over £3.8m in dividends from these two investments, with further payments expected in the New Year.

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

John Campion
Leader of the Council.