



# *Statistical Release*

06 April 2009

**Local Authority Icelandic Bank Investments as at 31 December 2008  
(Revised)**

**England**

- A total of £929.2 million was invested by English local authorities in Icelandic banks as at 31 December 2008. This amount was invested by 125 local authorities out of a total of 482 authorities.
- 39% of the investments were with Landsbanki islands hf, 29% were with Heritable bank Ltd, 20% with Glitnir banki hf and 12% with Kaupthing Singer & Friedlander Ltd.
- 96% of the investments were internally managed while the remaining 4% were externally managed. There were no externally managed funds invested with Heritable Bank Ltd.
- Within the total, £24.6 million was invested on behalf of other local authorities. All these investments were made on behalf of fire or police authorities.

This release relates to the local authority Icelandic bank investments based on a survey of 482 authorities in England as at 31 December 2008. This was sent out alongside the regular monthly and quarterly borrowing and investment survey. Figures have been updated due to a revised return from Wakefield.

The release has been compiled by the Local Government Finance – Analysis and Capital Finance division of Communities and Local Government.

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## **Local Authority Icelandic Bank Investments at 31 December 2008**

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## Local Authority Icelandic Bank Investments at 31 December 2008

### Icelandic bank investments as at 31 December 2008 – England Total

1. **Table 1** provides figures for total investments in Icelandic banks as at 31 December 2008. These investments were all in the form of bank deposits held with Landsbanki Islands hf, Heritable Bank Ltd, Glitnir Banki hf and Kaupthing Singer & Friedlander Ltd. No authorities had investments in the form of certificates of deposit.

- A total of £929.2 million was invested by English local authorities in Icelandic banks as at 31 December 2008. This amount was invested by 125 local authorities out of a total of 482 authorities.

**Table 1: Summary of local authority Icelandic bank investments at 31 December 2008**

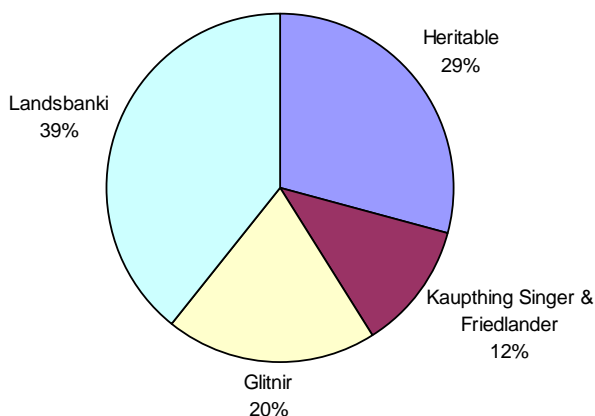
	Heritable	Kaupthing Singer & Friedlander Ltd	Glitnir Banki hf	Landsbanki islands hf	£000s Total
<b>England Total</b>	271,820	111,500	181,800	364,107	<b>929,227</b>

Source: Local authority investments in Icelandic banks return

2. **Chart A** shows the investments by bank made by authorities in England as at 31 December 2008. The largest percentage of investments was made with Landsbanki Islands hf with 39% of the funds.

- 39% of the investments were with Landsbanki islands hf, 29% were with Heritable bank Ltd, 20% with Glitnir banki hf and 12% with Kaupthing Singer & Friedlander Ltd.

**Chart A: Total investments split by bank**

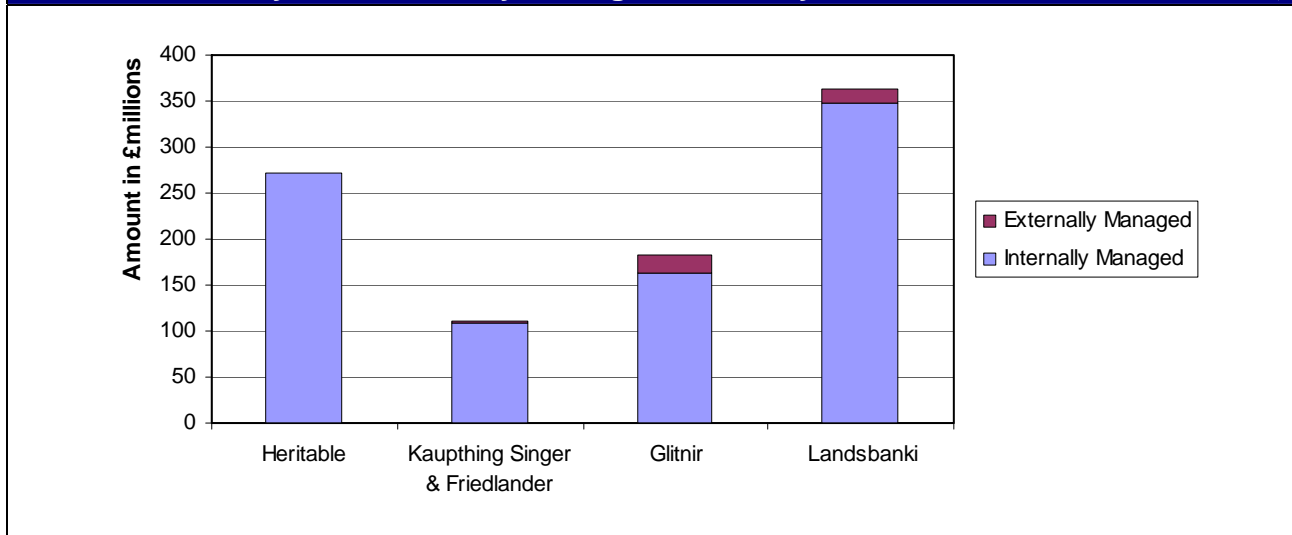


## Internally and externally managed funds

3. **Chart B** shows the internally and externally managed funds by Icelandic bank. A total of £38.9m was externally managed. There were no externally managed funds deposited with Heritable bank Ltd.

- 96% of the investments were internally managed while the remaining 4% were externally managed. There were no externally managed funds invested with Heritable Bank Ltd.

**Chart B: Internally and Externally Managed Funds by Bank**

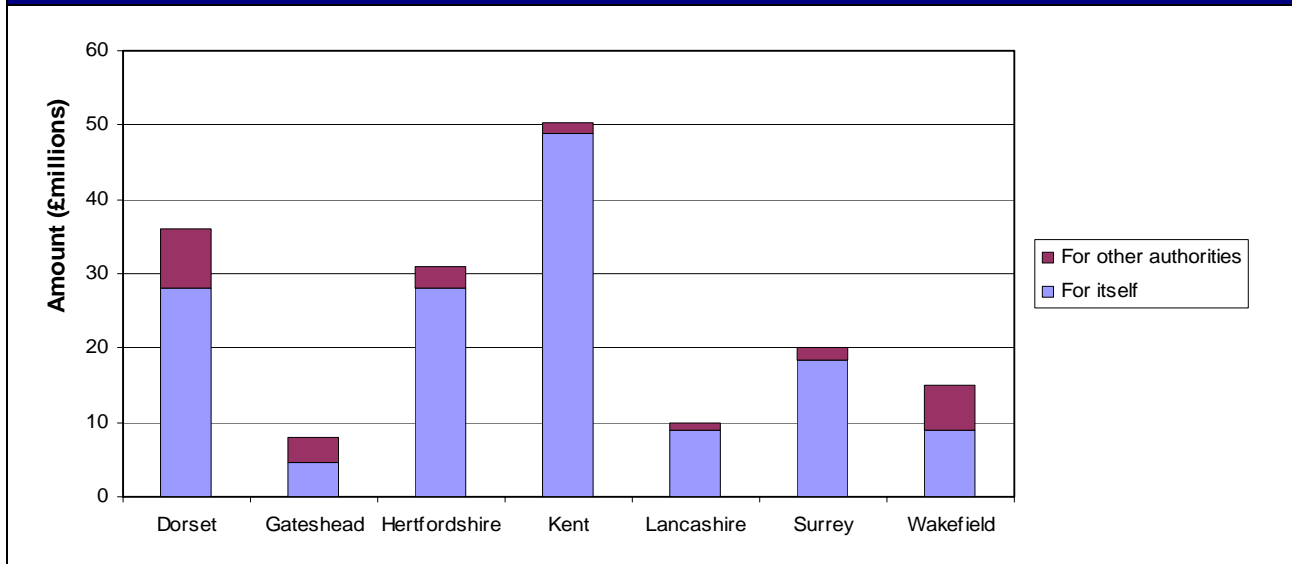


## Investments made on behalf of other authorities

4. **Chart C** shows the authorities that have invested in Icelandic banks on behalf of other authorities. Please refer to Annex B for a full list of authorities.

- A total of £24.6m was invested in by local authorities on behalf of other local authorities. All these investments were made on behalf of fire or police authorities.

**Chart C: Investments made on behalf of other authorities**



5. **Table 2** shows the distribution of Icelandic bank investments by class of authority.

<b>Table 2: Icelandic bank investments by class of authority as at 31 December 2008</b>							
<b>Band (£millions)</b>	<b>London boroughs</b>	<b>Metropolitan districts</b>	<b>Unitary authorities</b>	<b>Shire counties</b>	<b>Shire districts</b>	<b>Number of authorities</b>	
						<b>Other authorities</b>	<b>England</b>
No investments	22	28	34	19	180	74	<b>357</b>
0 up to 2	0	1	1	0	15	7	<b>24</b>
2 up to 5	1	5	3	0	24	3	<b>36</b>
5 up to 10	4	2	7	6	16	7	<b>42</b>
10 and above	6	0	2	9	3	3	<b>23</b>
<b>Total</b>	<b>33</b>	<b>36</b>	<b>47</b>	<b>34</b>	<b>238</b>	<b>94</b>	<b>482</b>

Source: Local authority investments in Icelandic banks return

6. **Table 3** shows local authority Icelandic bank investments as a percentage of their total outstanding investments (see terminology) as at 31 December 2008 by class of authority.

<b>Table 3: Icelandic bank investments as a percentage of total investments by class of authority as at 31 December 2008</b>							
<b>Band (%)</b>	<b>London boroughs</b>	<b>Metropolitan districts</b>	<b>Unitary authorities</b>	<b>Shire counties</b>	<b>Shire districts</b>	<b>Number of authorities</b>	
						<b>Other authorities</b>	<b>England</b>
No investments	22	28	34	19	180	74	<b>357</b>
0 up to 5	4	5	5	5	16	5	<b>40</b>
5 up to 10	4	3	5	5	11	4	<b>32</b>
10 up to 15	2	0	2	3	14	4	<b>25</b>
15 up to 30	1	0	1	2	10	2	<b>16</b>
30 and above	0	0	0	0	7	2	<b>9</b>
<i>Incomplete Information</i>	0	0	0	0	0	3	<b>3</b>
<b>Total</b>	<b>33</b>	<b>36</b>	<b>47</b>	<b>34</b>	<b>238</b>	<b>94</b>	<b>482</b>

Source: Monthly Borrowing (MB) and Quarterly Borrowing (QB) returns ; Local authority investments in Icelandic banks return

**Annex A: Icelandic investments by local authority**

£000s

	Heritable		Kaupthing Singer & Friedlander Ltd		Glitnir Banki hf		Landsbanki islands hf		Total
	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	
<b>London boroughs</b>									
Barnet	0	0	0	0	0	12,400	0	15,000	27,400
Brent	10,000	0	0	0	5,000	0	0	0	15,000
Bromley	5,000	0	0	0	0	0	0	0	5,000
Ealing	0	0	0	0	2,000	0	0	0	2,000
Enfield	5,000	0	0	0	0	0	0	0	5,000
Haringey	19,800	0	0	0	2,000	0	15,157	0	36,957
Havering	6,500	0	0	0	0	0	6,000	0	12,500
Hillingdon	15,000	0	0	0	0	0	5,000	0	20,000
Newham	0	0	0	0	5,000	0	2,000	0	7,000
Sutton	5,500	0	0	0	0	0	0	0	5,500
Westminster	9,850	0	0	0	0	0	6,400	0	16,250
<b>Metropolitan districts</b>									
Bolton	4,000	0	0	0	0	0	2,000	0	6,000
Doncaster	0	0	0	0	0	0	3,000	0	3,000
Gateshead	4,527	0	0	0	0	0	0	0	4,527
Kirklees	0	0	0	0	0	0	1,000	0	1,000
Rotherham	1,800	0	0	0	0	0	1,950	0	3,750
Solihull	0	0	1,000	0	1,000	0	1,000	0	3,000
Wakefield	3,000	0	0	0	3,000	0	3,000	0	9,000
Wirral	2,000	0	0	0	0	0	0	0	2,000
<b>Unitary authorities</b>									
Bracknell Forest UA	2,000	0	0	0	3,000	0	0	0	5,000
Bristol UA	0	0	0	0	5,000	0	3,000	0	8,000
City of Nottingham UA	15,600	0	0	0	11,000	0	15,000	0	41,600

**Annex A: Icelandic investments by local authority (continued)**

£000s

	Heritable		Kaupthing Singer & Friedlander Ltd		Glitnir Banki hf		Landsbanki islands hf		Total
	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	
<b>Unitary authorities (continued)</b>									
North East Lincolnshire UA	0	0	4,500	0	0	0	2,500	0	<b>7,000</b>
North Lincolnshire UA	3,500	0	0	0	0	0	2,000	0	<b>5,500</b>
North Somerset UA	0	0	0	0	0	0	3,000	0	<b>3,000</b>
Peterborough UA	1,000	0	2,000	0	0	0	0	0	<b>3,000</b>
Plymouth UA	3,000	0	0	0	6,000	0	4,000	0	<b>13,000</b>
Redcar & Cleveland UA	4,000	0	2,000	0	0	0	0	0	<b>6,000</b>
Rutland UA	1,000	0	0	0	0	0	0	0	<b>1,000</b>
Slough UA	2,500	0	0	0	0	0	0	0	<b>2,500</b>
Stoke-on-Trent UA	0	0	0	0	0	0	5,000	0	<b>5,000</b>
Wokingham UA	3,000	0	0	0	0	0	2,000	0	<b>5,000</b>
<b>Shire counties</b>									
Buckinghamshire	0	0	0	0	0	0	5,000	0	<b>5,000</b>
Cheshire	8,500	0	0	0	0	0	0	0	<b>8,500</b>
Cornwall	0	0	0	0	0	0	5,000	0	<b>5,000</b>
Dorset	13,100	0	0	0	0	0	15,000	0	<b>28,100</b>
Gloucestershire	2,000	0	0	0	8,900	0	1,600	0	<b>12,500</b>
Hertfordshire	7,000	0	4,000	0	7,000	0	10,000	0	<b>28,000</b>
Kent	17,850	0	0	0	14,500	0	16,500	0	<b>48,850</b>
Lancashire	0	0	0	0	0	0	8,922	0	<b>8,922</b>
Norfolk	0	0	10,000	0	7,500	0	15,000	0	<b>32,500</b>
Northumberland	1,000	0	7,000	0	8,000	0	7,000	0	<b>23,000</b>
Oxfordshire	0	0	0	0	0	0	5,000	0	<b>5,000</b>
Somerset	0	0	10,000	0	5,000	0	10,000	0	<b>25,000</b>
Surrey	0	0	0	0	9,250	0	9,250	0	<b>18,500</b>
West Sussex	12,900	0	0	0	0	0	0	0	<b>12,900</b>
Wiltshire	8,000	0	0	0	0	0	0	0	<b>8,000</b>

**Annex A: Icelandic investments by local authority (continued)**

£000s

	Heritable		Kaupthing Singer & Friedlander Ltd		Glitnir Banki hf		Landsbanki islands hf		Total
	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	
<b>Shire districts</b>									
Amber Valley	0	0	1,000	0	0	0	0	0	<b>1,000</b>
Aylesbury Vale	1,000	0	0	0	0	0	2,000	0	<b>3,000</b>
Bassetlaw	2,000	0	1,000	0	2,000	0	3,000	0	<b>8,000</b>
Bolsover	0	0	0	0	0	0	3,000	0	<b>3,000</b>
Braintree	0	0	1,000	0	1,000	0	3,000	0	<b>5,000</b>
Breckland	0	0	4,000	0	2,000	0	6,000	0	<b>12,000</b>
Bridgnorth	0	0	0	0	0	0	1,000	0	<b>1,000</b>
Burnley	0	0	0	0	0	0	1,000	0	<b>1,000</b>
Cambridge	4,000	0	0	0	0	0	5,000	0	<b>9,000</b>
Canterbury	4,000	0	0	0	2,000	0	0	0	<b>6,000</b>
Charnwood	1,000	0	0	0	0	0	0	0	<b>1,000</b>
Cheltenham	0	0	3,000	0	3,000	0	5,000	0	<b>11,000</b>
Cherwell	0	0	0	0	4,000	2,500	0	0	<b>6,500</b>
Chorley	0	0	0	0	0	0	0	2,000	<b>2,000</b>
Colchester	0	0	0	0	0	0	4,000	0	<b>4,000</b>
Cotswold	0	0	0	0	0	2,000	0	0	<b>2,000</b>
Daventry	1,000	0	2,000	0	2,000	0	3,000	0	<b>8,000</b>
Derwentside	0	0	1,000	0	4,000	0	2,000	0	<b>7,000</b>
Dover	0	0	0	0	0	0	1,000	0	<b>1,000</b>
East Lindsey	2,000	0	1,000	0	1,000	0	0	0	<b>4,000</b>
East Staffordshire	0	0	2,000	0	0	0	3,000	0	<b>5,000</b>
Epping Forest	2,500	0	0	0	0	0	0	0	<b>2,500</b>
Exeter	0	0	0	0	2,000	0	3,000	0	<b>5,000</b>
Gloucester	2,000	0	0	0	0	0	0	0	<b>2,000</b>
Great Yarmouth	2,000	0	0	0	0	0	0	0	<b>2,000</b>
Hertsmere	1,000	0	0	0	0	0	0	0	<b>1,000</b>
High Peak	1,000	0	0	0	0	0	1,000	0	<b>2,000</b>

**Annex A: Icelandic investments by local authority (continued)**

£000s

	Heritable		Kaupthing Singer & Friedlander Ltd		Glitnir Banki hf		Landsbanki islands hf		Total
	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	
<b>Shire districts (continued)</b>									
Ipswich	1,000	0	0	0	0	0	4,000	0	<b>5,000</b>
Lancaster	0	0	2,000	0	3,000	0	1,000	0	<b>6,000</b>
Lewes	0	0	0	0	0	0	1,000	0	<b>1,000</b>
Mid Devon	1,100	0	0	0	0	0	0	0	<b>1,100</b>
Newark & Sherwood	0	0	0	0	2,000	0	0	0	<b>2,000</b>
Newcastle-under-Lyme	2,500	0	0	0	0	0	0	0	<b>2,500</b>
North Wiltshire	1,000	0	0	0	0	0	3,000	0	<b>4,000</b>
Nuneaton & Bedworth	0	0	0	0	0	0	3,000	0	<b>3,000</b>
Oxford	3,000	0	0	0	1,500	0	0	0	<b>4,500</b>
Purbeck	0	0	0	0	1,000	0	1,000	0	<b>2,000</b>
Reigate & Banstead	0	0	0	0	6,500	0	9,000	0	<b>15,500</b>
Restormel	0	0	0	0	0	0	4,000	0	<b>4,000</b>
Rugby	0	0	0	0	2,000	0	1,000	0	<b>3,000</b>
Rushmoor	0	0	0	0	2,000	0	0	0	<b>2,000</b>
Sevenoaks	0	0	0	0	0	0	1,000	0	<b>1,000</b>
South Hams	1,250	0	0	0	0	0	0	0	<b>1,250</b>
South Oxfordshire	0	0	0	2,500	0	0	0	0	<b>2,500</b>
South Ribble	2,000	0	0	0	0	0	3,000	0	<b>5,000</b>
Stroud	0	0	0	0	3,000	0	0	0	<b>3,000</b>
Surrey Heath	0	0	0	0	3,000	0	1,000	0	<b>4,000</b>
Tamworth	1,500	0	3,000	0	3,000	0	0	0	<b>7,500</b>
Tewkesbury	0	0	0	0	0	0	1,000	0	<b>1,000</b>
Tonbridge & Malling	0	0	0	0	0	0	1,000	0	<b>1,000</b>
Uttlesford	0	0	0	0	0	0	2,200	0	<b>2,200</b>
Vale of White Horse	0	0	0	0	0	0	1,000	0	<b>1,000</b>
West Lindsey	2,000	0	0	0	1,000	0	4,000	0	<b>7,000</b>

**Annex A: Icelandic investments by local authority (continued)**

£000s

	Heritable		Kaupthing Singer & Friedlander Ltd		Glitnir Banki hf		Landsbanki islands hf		Total
	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	Internally Managed	Externally Managed	
<b>Shire districts (continued)</b>									
West Oxfordshire	0	0	1,500	0	5,000	0	2,500	0	<b>9,000</b>
Winchester	1,000	0	0	0	0	0	0	0	<b>1,000</b>
Wychavon	0	0	0	0	0	0	1,500	0	<b>1,500</b>
Wycombe	0	0	0	0	0	2,500	0	0	<b>2,500</b>
Wyre Forest	1,000	0	5,000	0	0	0	3,000	0	<b>9,000</b>
<b>Other authorities</b>									
Dorset Combined Fire Authority	1,000	0	0	0	0	0	0	0	<b>1,000</b>
Dorset Police Authority	2,000	0	0	0	0	0	5,000	0	<b>7,000</b>
East London Waste Authority	1,000	0	0	0	0	0	0	0	<b>1,000</b>
Hertfordshire Police Authority	3,000	0	0	0	0	0	0	0	<b>3,000</b>
Humberside Police Authority	4,570	0	1,000	0	0	0	0	0	<b>5,570</b>
Kent Combined Fire Authority	500	0	0	0	500	0	500	0	<b>1,500</b>
Kent Police Authority	3,200	0	0	0	2,000	0	5,900	0	<b>11,100</b>
Lancashire Combined Fire Authority	0	0	0	0	0	0	410	0	<b>410</b>
Lancashire Police Authority	0	0	0	0	0	0	668	0	<b>668</b>
Metropolitan Police Authority	0	0	0	0	0	0	30,000	0	<b>30,000</b>
New Forest National Park	500	0	0	0	0	0	0	0	<b>500</b>
Northumbria Police Authority	3,473	0	0	0	0	0	0	0	<b>3,473</b>
South Yorkshire Passenger Transport Authority	0	0	0	0	0	0	5,000	0	<b>5,000</b>
Surrey Police Authority	0	0	0	0	750	0	750	0	<b>1,500</b>
Sussex Police Authority	6,800	0	0	0	0	0	0	0	<b>6,800</b>
Thames Valley Police Authority	0	0	0	0	0	0	5,000	0	<b>5,000</b>
Transport for London	0	0	40,000	0	0	0	0	0	<b>40,000</b>
West Midlands Passenger Transport Authority	4,000	0	0	0	0	0	0	0	<b>4,000</b>
West Midlands Police Authority	0	0	0	0	0	0	5,400	0	<b>5,400</b>
West Yorkshire Police Authority	3,000	0	0	0	0	0	3,000	0	<b>6,000</b>
<b>Total</b>	<b>271,820</b>	<b>0</b>	<b>109,000</b>	<b>2,500</b>	<b>162,400</b>	<b>19,400</b>	<b>347,107</b>	<b>17,000</b>	<b>929,227</b>

## Annex B

### Icelandic bank investments made by local authorities on behalf of other local authorities:

- Dorset invested a total of £36.1m  
£28.1m for itself  
£7m for Dorset Police (£2m with Heritable and £5m with Landsbanki)  
£1m for Dorset Fire (with Heritable)
- Gateshead invested a total of £8m  
£4.527m for itself  
£3.473m for Northumbria Police (with Heritable)
- Hertfordshire invested a total of £31m (with all four banks)  
£28m for itself  
£3m for Hertfordshire Police (with Heritable)
- Kent invested a total of £50.35m (with Heritable, Glitnir and Landsbanki)  
£48.85m for itself  
£1.5m for Kent Fire
- Lancashire invested a total of £10m (all with Landsbanki)  
£8.92m for itself  
£0.67m for Lancashire Police  
£0.41m for Lancashire Fire
- Surrey invested a total of £20m (with Glitnir and Landsbanki)  
£18.5m for itself  
£1.5m invested for Surrey Police Authority
- Wakefield invested a total of £15m  
£9m for itself (with Glitnir, Landsbanki and Heritable)  
£6m for West Yorkshire Police (£3m each with Landsbanki and Heritable)

## **Terminology used in this release**

**Internally Managed Funds** relate to funds invested directly by the local authority.

**Externally Managed Funds** relate to funds placed with a fund manager to invest on behalf of the local authority. The total value of externally managed funds at the end of period are based on reports received from fund managers if available but are estimated if information from fund managers are not yet available.

**Total Outstanding Local Authority Investments** includes all deposits, securities and loans with both internally and externally managed investments.

## **Data quality**

Figures are subjected to validation tests both within the forms themselves and in Communities and Local Government itself as the data are received and stored.

## **Uses made of the data**

The collection of these data was part of an additional supplementary inquiry on local authority Icelandic investments. Data on outstanding investments in Icelandic banks were required by central government in order to record an official benchmark of the level of such investment and to allow this to be measured against other statistics at a specific date.

## **Background Notes**

1. Where an event occurred making it likely that an impairment would be recognised in relation to an investment, the full amount of the investment should be recorded. Nothing should have been deducted due to any prospective or actual impairment. The full amount should have been recorded unless a final settlement was made, whether or not a payment was made.
2. Investments were given as principal amounts. Accrued interest was not included.
3. If an authority had invested money for another authority it included this amount in all parts of the form. An example of this could be a county council investing funds on behalf of a fire or police authority.
4. Enquiries about this release should be addressed to Steven Melbourne at [steven.melbourne@communities.gsi.gov.uk](mailto:steven.melbourne@communities.gsi.gov.uk) (Tel. 020 7944 4068).

**Symbols and convention used in this release**

...	=	not available
–	=	not relevant
-	=	negative
0	=	Zero or negligible

**Rounding**

Where figures have been rounded, there may be a slight discrepancy between the total and the sum of constituent items