PERTH AND KINROSS COUNCIL

27 February 2019

TREASURY & INVESTMENT STRATEGY and PRUDENTIAL INDICATORS 2019/20 – 2028/29

Report by the Head of Finance (Report No. 19/59)

PURPOSE OF REPORT
This report details the Council's proposed Treasury Strategy and activities for 2019/20 to 2028/29 and the Investment & Property Strategy for 2019/20.

1. BACKGROUND / MAIN ISSUES

1.1 The Treasury and Investment Strategy details the expected activities of the treasury function for the relevant financial years. Its submission to the Council is a requirement of the Council's approved Treasury Management Practices (TMPs) and is also a requirement under the CIPFA Code of Practice for Treasury Management. The Investment Strategy details the Permitted Investments of the Council, and outlines the risks associated with the expected investment activities. The submission of an annual Investment Strategy is a requirement of the Local Government Investments (Scotland) Regulations 2010.

1.2 In determining the Treasury Strategy, the Council is required to review its Prudential Indicators. The Council approved its 10-year Composite Capital Budget for the period to 2028/29 at its meeting on 20 February 2019. Therefore, the new Prudential Indicators for the 10 years 2019/20 to 2028/29 are based on the approved Capital Budget.

1.3 The proposed strategy for the financial years 2019/20 to 2028/29 in respect of the treasury management function covers:

- The current Treasury position
- Prospects for interest rates
- Capital requirements and the borrowing strategy 2019/20 to 2028/29
- The Investment Strategy 2019/20
- Investment properties 2019/20
- Debt rescheduling opportunities
- The Prudential Code
- Prudential Indicators 2019/20 to 2028/29

2. THE CURRENT TREASURY POSITION

2.1 In order to put the proposed treasury strategy into context, the Council's treasury position as at 31st January 2019 is shown below:

		PRINCIPAL AMOUNT (£million)	AVERAGE RATE (%)
Fixed Rate	• Public Works Loan Board (PWLB)	320.0	3.09
	• Market Bonds	0.5	0.00
		320.5	3.08
Variable Rate	• Market Bonds	43.2	4.59
	• Local Loans	4.1	0.58
		47.3	4.24
TOTAL GROSS DEBT		**367.8**	**3.23**
TOTAL SHORT TERM MARKET INVESTMENTS		**47.6**	**0.99**
TOTAL NET DEBT		**320.2**	**3.57**

2.2 The projected Borrowing Requirement for each of the next ten years, which is a significant determinant of treasury activity, is summarised below. This reflects the approved capital expenditure within the Council's Composite and Housing Capital Investment Budgets which is to be funded by new borrowing. The Borrowing Requirement also takes into account maturing debt requiring to be refinanced, less an annual amount charged (amortised) to the Revenue Budget (to ensure the total debt on the ongoing programme matches the remaining useful life of the underlying assets).

£'M	2019/20	2020/21	2021/22	2022/23	2023/24	2024-2029	Total
Borrowing Requirement	44.2	77.0	91.2	102.1	52.5	103.9	470.9

2.3 The above figures are based on the provisional Composite Capital Budget for 2019/20 to 2028/29 considered by the Council on 20 February 2019 (report 19/47 refers), and the Housing Revenue Account Capital Investment Programme for 2019/20 to 2023/24 approved by the Housing & Communities Committee on 23 January 2019 (report 19/12 refers). As the Housing Capital Investment Programme covers a shorter time period than the Composite Programme, Housing estimates have been included for the years to 2028/29 in order to ensure the time periods match.

2.4 The above figures do not take account of the estimated annual borrowing requirement carried-forward between years in order to match cashflow requirements. However, they do highlight the front loading of much of the borrowing requirement in the 10 year programme to earlier years to finance major capital projects such as the Cross Tay Link Road and the replacement of Perth High School.

3. PROSPECTS FOR INTEREST RATES

3.1 The Council's treasury adviser, Link Asset Services Ltd, assists the Council in formulating a view on interest rates. Appendix I shows forecasts of the Bank Base Rate (or short-term/variable rates) and longer-term fixed interest rates, whilst Appendix II shows the forecast in graphical form.

3.2 The Monetary Policy Committee (MPC) increased the Bank Rate to 0.75% in August 2018 and indicated that further increases would be likely over the following 2 year period in order to manage anticipated inflationary pressures from projected economic and wage growth. However, against this, there remains significant uncertainty over the UK economy as the UK negotiates its departure from the EU. This is particularly the case whilst the prospect of leaving with "no deal" has perceived to have increased. This could delay any further increases in interest rates, or even lead to a reduction. The forecast at Appendix I is, however, based on the MPC's forward guidance and the assumption that the UK has an "orderly" departure from the EU.

3.3 The above forecasts will be liable to further amendment as economic data and developments in financial markets transpire over the next year. Political developments, especially due to Brexit, as well as in the US and China, could also have a major impact. Such issues have become unpredictable and have resulted in increased volatility in financial markets in recent years.

3.4 The Council's borrowing costs are largely determined by the Public Works Loan Board's (PWLB) rates, which in turn are determined by the yield on UK Government gilts. The underlying longer term forecast remains for gilt yields (and PWLB rates) to rise gently. Recent increases in US interest rates and the decision of the Federal Reserve to reduce its quantitative easing programme has had an upward influence on yields. Reducing quantitative easing in the UK would also lead to yields rising, however, the timing remains unknown. This has been countered by reduced economic growth and economic and political uncertainties, particularly in the UK, US, China and Europe.

3.5 All of the above factors indicate that longer term rates will remain relatively low over the next year, and follow a rising trend in subsequent years. There are, however, significant uncertainties in the coming years which could impact upon the timing and pace of future interest rate movements.

4. CAPITAL REQUIREMENTS AND BORROWING STRATEGY

4.1 Interest rate forecasts throughout the period covered by the 10 year Capital Programme must be considered, particularly when determining the most appropriate new borrowing. This is particularly the case as the Council has approved a Borrowing Requirement in recent years which is larger than historic levels, much of which is required in the earlier years of the 10-year programme. The Treasury Strategy approved by the Council on 7 March 2018 (report 18/67 refers) was to undertake borrowing in the low interest rate environment. The current interest rate forecast indicates that the present period of low interest rates and volatility is likely to continue during 2019, but with rates gradually increasing in subsequent years.

4.2 Therefore, it is anticipated that opportunities for new borrowing at low rates will continue in the coming year. The forecasts also show that short term borrowing will continue to be cheaper than longer term borrowing. However, consideration will be given to longer term borrowing to make longer term savings and reduce the refinancing risk in later years.

4.3 This strategy will be continuously reviewed, including accelerating longer term borrowing to meet future requirements should rates start to increase faster than forecast. This additional flexibility to borrow in advance of need is permissible, where it can be shown to be cost-effective, but must be considered in conjunction with the associated additional risks and low returns of the resultant increase in short term investments. Alternatively, some of the current long term borrowing requirement may be delayed if rates stay low, with short term temporary borrowing used to meet immediate cashflow requirements.

4.4 Other appropriate market instruments may offer favourable rates in comparison to the Public Works Loan Board (PWLB), and may be used where appropriate.

4.5 The Council's Treasury Strategy is based on being "risk-aware" and the Council will actively seek to manage its treasury risks. Any changes in the Council's borrowing position will be reported to the Council at the next available meeting as part of the Quarterly Treasury Activities and Compliance report.

4.6 As with any forecast, the above interest rate expectations are subject to variation. The main sensitivities of the above forecast are likely to be as follows:

- An unexpected further fall in long term rates which, for example, could occur if economic growth or inflation fell significantly from their current levels. Further, a "disorderly Brexit" could cause rates to fall, as financial markets anticipate this would lead to economic disruption and act as a restraint to economic growth. Other political risks, particularly in America and China, could also contribute to downward pressure on rates. In this scenario, long-term borrowing would be deferred until rates were anticipated to have troughed, with short term borrowing used to meet immediate requirements.

- An unexpected sharp rise in both long and short term rates which could occur if, for example, economic growth increased significantly, or if inflation continued to increase, thus bringing forward increases in the Bank Rate. Further, a delay or revocation of Brexit could also lead to a sharp rise in interest rates by reducing any economic uncertainty in the UK. In addition, an unwinding of the quantitative easing programmes undertaken in recent years would also cause a sharper rise in rates. In this scenario, fixed rate funding would be considered during the year whilst rates were still relatively low, including the consideration of borrowing to meet future requirements.

4.7 The Prudential Code also requires authorities to detail their strategy on gross and net debt where there is a significant level of both investments and borrowing. It is not possible or desirable to have no investments at all, due to the daily variations in the Council's cashflow, or following the borrowing of long term debt. In addition, the level of investments may also increase where there are significant levels of Reserves. The Council's investments only arise from cashflow variations and will be maintained at a level consistent with an acceptable level of risk and subject to short-term variations.

5. INVESTMENT STRATEGY 2019/20

5.1 The requirement to set an annual Investment Strategy is determined by the Local Government Investments (Scotland) Regulations 2010. These requirements include specifying the Permitted Investments of the Council and setting an annual strategy, including identifying the risks associated with the strategy and the minimum reporting requirements.

5.2 The proposed Permitted Investments of the Council are shown at Appendix III. These reflect low risk investment products and, together with the application of the approved Lending & Investment Policy (*TMP4, Schedule 4.6 Approved Lending & Investment Policy*), ensure investments are only made with low risk counterparties.

5.3 It is not proposed to make any changes to the range of investment instruments or monetary limits. The current limits ensure that the Council maintains sufficient liquidity and a spread of investments at all times, whilst the counterparty list is reviewed continuously in light of credit-rating changes and other market information.

5.4 Details of how investments are managed are contained in the Treasury Management Practices (TMPs). The TMPs are reviewed annually, whilst the treasury policies are reviewed continuously in light of prevailing economic and market conditions. A copy of the Treasury Systems Document, which includes the TMPs, is available on the Councillor's CHIP Sharepoint site.

5.5 The Council generally only invests short-term cashflow surpluses. Such investments in total are unlimited, as they are determined by cashflow balances. However, investments are limited with each counterparty to ensure any risk is spread. Longer term investments may arise where the Council has significant cash-backed reserves, or following a decision to borrow in advance of need within the determined Capital Financing (Borrowing) Requirement. Longer term investments carry greater counterparty risk and a higher market risk of adverse movements in interest rates. Therefore, such investments are limited to £10M in total and up to a maximum of 3 years, and would only be undertaken after consideration of cashflow and interest rate forecasts to determine the optimum duration. Given current interest rate forecasts and counterparty limits, it is unlikely that any investments for more than one year will be made during 2019/20. This strategy will be reviewed continuously in light of economic forecasts and market developments.

5.6 It is anticipated that the level of investments may increase early in the financial year, before falling again in the second half of the year as a result of uneven cashflows over the year. The total level of investments is not expected to exceed £80,000,000 at their peak during the year, unless further new borrowing is undertaken early in the year or if the profile of the Council's expenditure during the year is later than originally anticipated.

5.7 It is anticipated that the following type of investments will be used by the Council in 2019/20:

- Money Market Funds (MMFs)
- Bank deposits on instant access or notice accounts,
- fixed investments for periods of up to one year,
- negotiable instruments.

5.8 The level of investment in MMFs, instant access or notice accounts vary in line with daily fluctuations in the Council's cashflow. The amounts are dependent on several factors, such as changes in cashflow, including long term borrowing, available rates and market opportunities which may arise.

5.9 The Permitted Investments also include loans to third parties, which may be given on preferential terms or interest rates. Such loans will be constrained by virtue of the Service having to meet all costs related to the granting of such loans, including any loses to the recoverable amount and any accounting adjustments relating to "soft loans" (ie, loans given on interest free or below market rate terms). All loans to third parties must be individually approved by the full Council.

5.10 The Investment Strategy and Activities are approved and scrutinised by the Council, in line with current Treasury Management arrangements. This will be achieved by the submission of Quarterly Treasury Activity & Compliance reports throughout the year, which include monitoring of the investment policies. In addition, the Annual Treasury Report to the Council includes retrospective details of the investment strategy adopted, and compliance and performance against the strategy for that year.

5.11 The Common Good Funds operate with relatively small cash balances and with no other financial investments. The Common Good Committees also have authority to grant loans to third parties, and these are included as Permitted Investments. However, the granting of such loans in practice is rare, with each individual proposed loan requiring specific approval of the Common Good Committee. It is proposed that investments with the Perth & Kinross Council Loans Fund, together with third party loans, remain the only Permitted Investments for the Common Good Funds. It is not proposed to change the terms under which the Common Good funds place deposits with the Loans Fund.

5.12 In addition, the Common Good Funds hold various properties which generate rental income, and which are therefore deemed to be Investment Properties, and covered by the investment regulations. The Common Good's Property Investment Strategy is included within the Council's Property Investment Strategy (see Section 6 below).

5.13 Investments made by any charity or trust administered by the Council are not within the scope of the Investment Regulations and this Strategy. However, any other Council funds that are managed by external investment managers would be covered by this strategy, and the investment manager would be, therefore, bound by this Investment Strategy in relation to those funds. It is not proposed to use any external investment manager during 2019/20, other than for the Council's charitable funds.

6. INVESTMENT PROPERTIES 2019/20

6.1 Properties held solely to earn rental income and/or for capital appreciation, and not used by the Council for service delivery or administrative purposes, are also covered by the Investment Regulations. Accordingly, an additional permitted investment category of "Investment Property" has been included in the list of Permitted Investments. The Council's initial limit was established as "unlimited", and this remains unaltered.

6.2 Budgeted gross income of the portfolio in 2018/19 is £1,717,000, with the latest projection indicating that the final income will be £1,867,000 as a result of movement in tenancies and vacancies in the small business units. For 2019/20, the projected income is £1,830,000 which will continue to be closely managed in context of the prevailing economic and market conditions and any opportunities to grow income.

6.3 The Annual Property Investment Strategy 2019/20 is attached in Appendix IV and covers property purchased or managed for the following purposes:

- Socio Economic e.g. precinct shops and community facilities
- Economic development e.g. Industrial Estates and workshop units.
- Revenue generation e.g. St Johns Centre head lease

6.4 The overall aim of the attached Property Investment Strategy for Perth & Kinross Council is to support the objectives of the "2018/22 Corporate Plan – Securing the Future", and in doing so, it meets the requirements of the Regulations.

6.5 In November 2017 the Strategic Policy and Resources Committee (report 17/390 refers) approved the updated Commercial Property Investment Programme (CPIP) approach to effective delivery of corporate property development and investment activities. The Committee approved a refreshed approach which could include future property investment and development activities, including potential joint venture and innovative funding arrangements for property projects working with the market as opportunities arise. A report with an updated CPIP will be submitted to the Strategic Policy & Resources Committee in 2019.

6.6 As part of this proposed approach the intention is to focus on strategic sites with development potential, partnering with the private sector via Memorandums of Understanding intended to explore and exploit development and incoming-producing opportunities. Further details of such opportunities that may arise will be reported to the Council as part of the Quarterly Treasury & Investment reports.

7. DEBT RESCHEDULING

7.1 Debt rescheduling involves prematurely repaying existing loans at higher interest rates and replacing them with new loans at lower current rates. Any savings in interest costs, however, must be assessed against the premium payable to the lender to compensate for their loss of interest. The amount of premium payable to the PWLB is calculated by reference to the interest rates on the existing loan and the prevailing interest rates for new borrowing. The main benefits of undertaking rescheduling include:

- Generating interest savings, without exposing the Council to additional risk,
- Ensuring a better balanced maturity profile and volatility ratio in the portfolio,
- Reducing the level of investments.

7.2 The current low interest rate environment, together with the PWLB’s premature repayment terms, means that any early redemption of PWLB loans is likely to be prohibitively expensive and unlikely to generate savings. Further, the low average rates and maturity profile of the Council’s long term debt mean that it is unlikely that the current portfolio will offer any further significant opportunities. Consequently, there is unlikely to be any debt rescheduling undertaken in 2019/20, however interest rates will continue to be monitored to identify any opportunities which may arise.

8. THE PRUDENTIAL CODE

8.1 The Prudential Code requires the Council to set Prudential Indicators for at least the next three years to ensure that the Council’s plans are affordable, sustainable and prudent. However, to improve longer term strategic and forward planning, the Council now maintains a ten year Capital Budget, and the Prudential Indicators are therefore set for the whole ten year period.

8.2 The Council has a statutory duty (under the Local Government in Scotland Act 2003) to determine, and keep under review, how much it can afford to allocate to Capital expenditure. The level of Capital Financing Costs strongly influences the level of borrowing that is affordable and, therefore, the size of the ongoing Capital programme. Effective and proactive Treasury Management aims to minimise these costs (“Loan Charges”) and their impact on the overall finances of the Council, whilst not exposing the Council to undue risk in the longer term. Adverse movements in interest rates, for example, would directly impact on the level of Capital expenditure which is affordable and sustainable.

8.3 The average borrowing costs for all Scottish local authorities are published annually and in recent years the average interest rate payable by this Council (the Loans Fund pooled rate) has consistently been within the three lowest in Scotland. This reflects the Council's prudent and pro-active approach to its borrowing and investment strategy and to minimising its borrowing costs.

9. PRUDENTIAL INDICATORS 2019/20 to 2028/29

9.1 The principal means of monitoring and controlling adherence to the Council's capital and treasury plans, and ensuring that they remain affordable, sustainable and prudent, is the determination and monitoring of Prudential Indicators. These Indicators must relate to, and be consistent with, the Council's approved Capital Budget and Treasury Management Strategy.

9.2 It is, therefore, proposed to set new Prudential Indicators for the ten year period covered by the Composite Capital Budget considered by the Council on 20 February 2019. In addition, as detailed at Section 2.3 (above), provisional estimates have been assumed for the Housing Capital Programme for the years 2024/25 to 2028/29 in order to match the time period covered by the Capital programmes.

9.3 The full set of proposed Prudential Indicators for 2019/20 to 2028/29, including limits, is shown at Appendix V. The Council is free to set each indicator or limit at any level felt appropriate, however, once set, they must not be breached. Any amendment to these limits must be approved by the Council. The limits proposed are based on the levels of capital investment that have been calculated as being affordable and sustainable, on a prudent basis. In the case of Treasury Management, the proposed limits have been set to allow sufficient flexibility for the Council to consider new opportunities which may arise, such as debt rescheduling exercises, or to manage exceptional (short-term) cashflows whilst maintaining the desired level of control and risk management.

9.4 The Indicators include estimates of the Council's underlying need to borrow for a Capital purpose (Capital Financing Requirement or Borrowing Requirement), and also ensure that the borrowing periods are consistent with the type of capital expenditure being funded. The amount of external debt is measured at two levels:

- <u>Operational Boundary</u> – is the level of external debt *<u>estimated</u>* for each year. The actual level of debt may exceed this level in the short-term following exceptional cashflows, however the trend over the period being considered should be consistent with the Operational Boundary. As such it is not a limit, but an indicator of the probable level of external debt.

- <u>Authorised Limit</u> – is the *<u>maximum</u>* level of external debt approved by the Council, and is also known as the "Statutory Limit", and must not be exceeded. It includes headroom over the Operational Boundary to allow for some unexpected fluctuations or movements. It therefore measures the level of debt which could be affordable in the medium-term, but which may not be sustainable in the longer term. Any increase to the Authorised Limit, for example following revision to the Council's Capital Plans or due to unforeseen circumstances, would require the prior approval of the Council.

9.5 For the current Capital plans and Treasury Strategy described in this report, it is proposed to increase the Authorised Limit from £770M to £900M for each year from 2019/20 to 2028/29. The increase in this limit arises as a result of rolling forward the period covered, the inclusion of the new DBFM funding arrangements for Bertha Park High School, and the consequences of extending the asset lives and accordingly the period over which debt is repaid within the Loans Fund. The limit is also consistent with the funding strategy for the Council's Capital plans, Loans Fund policies and the Medium Term Financial Plan. It is based on total gross external borrowing and long-term liabilities under PPP/PFI arrangements and takes account of when the borrowing requirement is at its peak over the ten year period which is then applied in each year (to allow flexibility). The Operational Boundary for each year is also shown within Appendix V.

9.6 All of the proposed Indicators at Appendix V comply with the CIPFA Code of Practice for Treasury Management in the Public Services.

10. CONCLUSION AND RECOMMENDATIONS

10.1 Treasury operations are undertaken within a dynamic and volatile environment, which can significantly affect the cost of borrowing and returns from investing. Given that annual interest charges are currently in the region of £12M per annum and projected to rise to around £23M by 2028/29, the setting of an appropriate strategy is considered essential in ensuring that the Council is not exposed to undue risks and costs. The strategy outlined in this report is, therefore, designed to ensure that the Council achieves the best possible returns on its borrowings and investments, whilst seeking to minimise risk in light of prevailing and forecast market conditions.

10.2 The Investment Strategy outlined in this report covers all matters required by the Investment Regulations, and lists the proposed Permitted Investments, including Investment Property, and the strategy for undertaking investments. These will be reviewed on an ongoing basis as the economic environment changes and/or new investment products are introduced into the financial markets. The proposed Permitted Investments for 2019/20 remain unchanged from last year and there are no proposed changes to investment limits, nor to the definition of approved counterparties.

10.3 The Investment Strategy, in conjunction with the Treasury Management Practices (TMPs), also includes references to the various risks associated with investments, how these will be controlled, and the considerations and procedures to be followed. Security and liquidity of sums invested remains the primary objectives over investment income. The proposed Permitted Investments carry a low level of risk.

10.4 The report also outlines the link between Treasury Management and the Capital Budget. Accordingly, the proposed new Prudential Indicators are also detailed in this report.

10.5 It is recommended that the Council:

1. Approves the ten year Treasury Strategy for 2019/20 to 2028/29, as detailed in this report, which is submitted in accordance with the Council's approved Treasury Management Practices (TMP).

2. Approves the Permitted Investments and Investment Strategy for 2019/20 outlined at Sections 5 and 6 and detailed at Appendices III and IV of this report.

3. Approves the Prudential Indicators, including increasing the Authorised Limit to £900M, as outlined in Section 9 of this report and detailed at Appendix V, which are submitted in accordance with the CIPFA Prudential Code.

Author(s)

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Approved

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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	**Yes / None**
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

(i) Giving every child the best start in life;
(ii) Developing educated, responsible and informed citizens;
(iii) Promoting a prosperous, inclusive and sustainable economy;
(iv) Supporting people to lead independent, healthy and active lives; and
(v) Creating a safe and sustainable place for future generations.

1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

2.1 There are no direct financial implications arising from this report other than those reported within the body of the main report.

Workforce

2.2 There are no direct workforce implications arising from this report other than those reported within the body of the main report.

Asset Management (land, property, IT)

2.3 There are no direct asset management implications arising from this report other than those reported within the body of the main report.

3. Assessments

Equality Impact Assessment

3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

3.4 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

4.1 The Chief Executive, and the Council's Treasury advisors, Link Asset Services, have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

Appendix I – Outlook for Interest Rates.
Appendix II – Forecast for Interest Rates (Link Asset Services Ltd).
Appendix III – Permitted Investments 2019/20.
Appendix IV – Property Investment Strategy 2019/20
Appendix V – Prudential Indicators 2019/20 to 2028/29