CLACKMANNANSHIRE COUNCIL

THIS PAPER RELATES TO ITEM 4

ON THE AGENDA

Report to Clackmannanshire Council

Date of Meeting: 27th February 2025

Subject: Treasury Management Strategy Statement 2025/26

Report by: Chief Finance Officer

1.0 Purpose

1.1 The purpose of this report is to present the Council's Treasury Management Strategy Statement for 2025/26 and Prudential Indicators for 2025/26 to 2027/28.

1.2 CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks."

2.0 Recommendations

2.1 It is recommended that Council:

2.1.1 notes the information contained in this report,

2.1.2 approves the Treasury Management Strategy Statement for 2025/26 and Prudential Indicators for the years 2025/26 to 2027/28, attached as Appendix A, in compliance with the Prudential Code requirements.

2.1.3 notes the continuation of the Borrowing Strategy to support continued capital investment (paragraph 5.6)

2.1.4 notes the investment portfolio position as at 31st January 2025 (Appendix B).

3.0 Background

3.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available to meet spending commitments as they fall due either for day-to-day revenue operations or for larger capital projects. Treasury activities will balance the interest costs of debt and the investment income arising from cash deposits. Surplus monies are invested in low risk counterparties commensurate with the Council's low risk appetite, initially providing adequate liquidity before considering investment return.

3.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously undertaken may be restructured to meet Council risk or cost objectives.

3.3 The Prudential Indicators included in Appendix A have been determined based on the budget proposals contained in the Capital Programmes for both the General Fund and the Housing Revenue Account included within the General Services Revenue and Capital Budget 2025/26 on the agenda for approval at this meeting and the Housing Revenue Account (HRA) Budget 2025/26 previously approved by Council at its meeting on the 30th January 2025.

4.0 Reporting Requirements

Treasury Management Reporting

4.1 The Council or appropriate committee is required to receive and approve as required, a minimum of three main categories of reports each year, which incorporate a variety of polices, estimates and actuals.

1 - Prudential and treasury indicators and treasury strategy (contained within this report) - The first and most important report is forward looking and covers:

- the capital plans (including prudential indicators);
- a policy for the statutory repayment of debt (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

2 - An annual treasury report – This is a reflective review and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates set out within the strategy.

3 - Quarterly reports – In addition to the two reports detailed above, the requirement to provide quarterly reports from April 2023 was introduced. These quarterly reports are presented to Council or Committee as appropriate throughout the year.

5.0 General Services Capital Programme

5.1 In its budget for 2021/22, Council approved a new 20 year capital investment rolling programme covering the years 2021/22 to 2040/41. This programme set out planned significant capital investment areas across the Council's Be The Future priorities and allows investment to support wellbeing and economic performance and recovery. This programme is reviewed annually on a rolling basis and has been updated to cover the 20 year period up to 2044/45. Detail of the capital programme is provided within the General Fund Revenue and Capital Budget 2025/26 also on this agenda.

5.2 The table below shows the planned gross expenditure across the 20 year programme, shown in detail for the first five years and summarised for each of the next five years, and the income expected for each of those years. The Gross Programme Limit represents the level of expenditure that can be incurred before external borrowing increases. This includes the income and repayments to external debt in the year, referred to as the funding envelope.

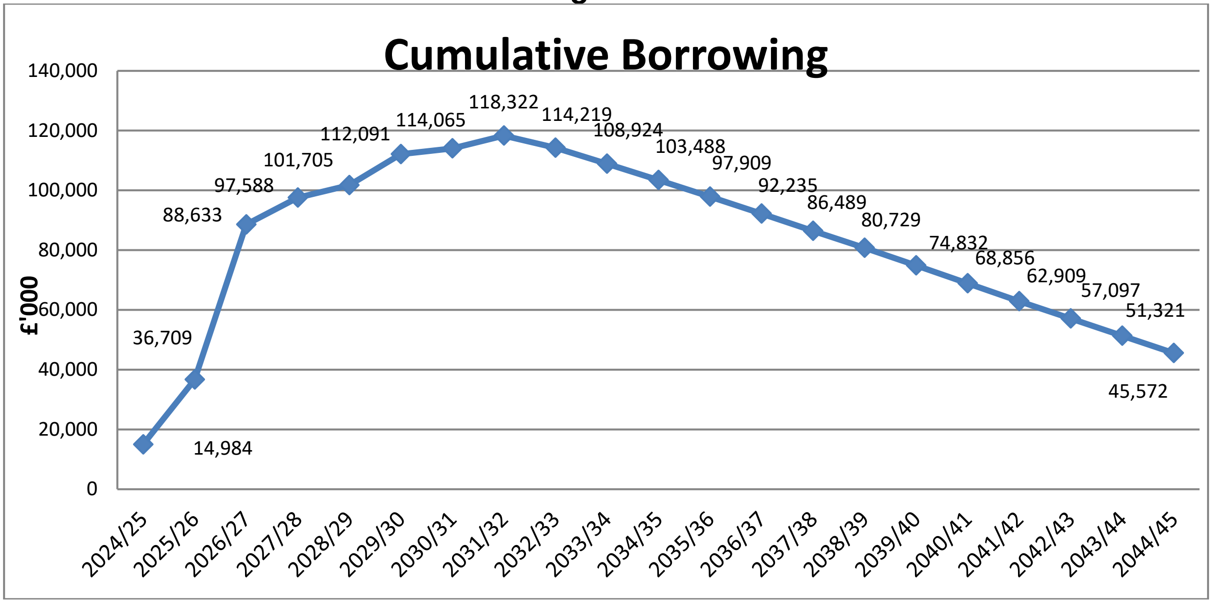
5.3 Table 1 indicates that over the period to 2044/45, there is a total of £256.577m available for capital investment without increasing borrowing. The Council's proposed programme for the period 2025/26 to 2044/45 totals £247.845m, £8.732m below the Gross Programme Limit. This means that the Council's overall level of borrowing is expected to decrease by this amount by the end of the 20 year programme.

Table 1: General Services Capital Funding 2025/26 to 2044/45

	2025/26 **£000**	**2026/27** **£000**	**2027/28** **£000**	**2028/29** **£000**	**2029/30** **£000**	**2030-35** **£000**	**2035-40** **£000**	**2040-45** **£000**	**Total** **£000**
Gross Programme Limit									
Income	(5,718)	(6,781)	(8,416)	(11,776)	(5,566)	(23,830)	(22,830)	(22,830)	(107,747)
Loans Fund Principal Repayments	(1,823)	(1,553)	(2,068)	(2,661)	(3,235)	(30,564)	(33,501)	(34,105)	(109,510)
External Borrowing Principal Repayments	(7,308)	(412)	(2,100)	(10,000)	(500)	(3,000)	(12,000)	(4,000)	(39,320)
Total Gross Programme Limit	(14,849)	(8,746)	(12,584)	(24,437)	(9,301)	(57,394)	(68,331)	(60,935)	(256,577)
Proposed Planned Expenditure	29,266	60,258	19,439	18,554	19,187	45,791	27,675	27,675	247,845
Amount of Planned Expenditure (below)/above Gross Programme Limit	14,417	51,512	6,855	(5,883)	9,886	(11,603)	(40,656)	(33,260)	(8,732)

5.3 The profile of investment over the 20 year programme front loads expenditure within the first 7 years of the programme, thereafter reducing expenditure below the available funding envelope to start to reduce the level of external borrowing back towards the current level as shown in chart 2 below. This is in line with the Council's prioritisation of an investment-led recovery strategy, as supported by the Council's Capital Budget. Throughout the programme, opportunities for additional funding sources will be sought to reduce any external borrowing requirement and expedite the reduction in the overall level of external borrowing.

Chart 1: Level of Additional Borrowing



5.4 In order to support the planned investment outlined above, the previous borrowing strategy to minimise external debt was revised as part of the 2021/22 TMSS. Prior to this the previous strategy, approved in 2012, has delivered significant reductions in external debt of £20.4m to 31st March 2025, bringing the ratio of cost of borrowing to 3.89% projected as at March 2025 which is below the latest reported Scottish average of 5.75% (2023/24). The cost of borrowing is based on the loan charge payments on external borrowing compared to the Council’s general revenue funding and is therefore an assessment of affordability. This low cost of borrowing allows capital investment to be made whilst still being affordable.

5.5 Table 2 below shows the ratio of the cost of borrowing over the life of the capital programme, detailed for the first five years then shown at the end of each of the further five-year periods to 2044/45. Increasing rates to 2034/35 reflect the cumulative additional investment over the first ten years since the programme was approved in 2021/22, primarily in the Council’s Wellbeing Hub and Lochies School, Learning Estate and Digital Developments. Investment slows in future years which also reduces the ratio of the cost of borrowing.

Table 2: Ratio of cost of borrowing

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2034/35 £000	2039/40 £000	2044/45 £000
Loan Charges/ Cost of Borrowing	6,087	7,232	8,286	9,862	11,417	16,355	15,552	14,688
General Revenue Funding	156,310	166,214	169,101	172,276	175,769	191,289	206,192	225,213
Ratio of Cost of Borrowing	3.89%	4.35%	4.90%	5.72%	6.50%	8.55%	7.54%	6.52%

5.6 The cost of borrowing will be reviewed annually as part of the General Fund Revenue and Capital budget and the Treasury Management Strategy to ensure costs of borrowing remain affordable over the longer term.

5.7 Additional Prudential Indicators are shown in Appendix A and reflect the revised capital programme over the three years to 2027/28. These indicators will be updated annually reflecting any changes in the expenditure or funding levels within the proposed programme ensuring that the proposed programme continues to be prudent, affordable, and sustainable.

6.0 Capital Strategy

6.1 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy, which will provide the following:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed, and
- the implications for future financial sustainability.

6.2 The aim of the Capital Strategy is to ensure that Council fully understands the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

6.3 This report sets out the high level Capital Strategy which includes detail on projected capital expenditure, investments and liabilities and treasury management. This shows how stewardship, value for money, prudence, sustainability and affordability is being secured.

6.4 The work carried out to develop the initial 20 year Capital Programme in 2021/22 established the foundations for the Council’s Capital Strategy which is developed annually as part of a rolling 20 year programme. This strategy is also outlined in the General Revenue and Capital Budget report also on this agenda. The capital strategy is also supplemented by the investment strategy approved by Council in March 2023 which provides further detail on the elements outlined above including a capital implementation plan for significant projects. A refresh of this strategy is underway to further develop the strategy in line with the Councils broader transformation ambitions.

7.0 Treasury Management Strategy for 2025/26

7.1 The strategy for 2025/26 covers two main areas:

Capital

- the capital plans and the prudential indicators, and
- the loans fund repayment policy.

Treasury Management

- the current treasury position;
- treasury indicators which limit treasury risk and the activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- statutory repayment of loans fund;
- the investment policy;
- the investment strategy;
- creditworthiness policy;
- country limits and
- policy on use of external service providers

7.2 These elements cover the requirements of the Local Government in Scotland Act 2003, the CIPFA Prudential Code and CIPFA Treasury Management Code (2021 editions), the Local Government Investment Regulations (Scotland) 2010 and the Local Authority (Capital and Financing and Accounting) (Scotland) Regulations 2016.

7.3 This TMSS for 2025/26 incorporates the update to the Treasury Management and Prudential Code published by CIPFA in December 2021.

Training and Advice Services

7.4 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. Training is provided for members in the form of briefings on specific changes and reports. Regular briefings are held prior to presentation of the annual Treasury Management Strategy Statement with a briefing being held in advance of this meeting. MUFG Corporate Markets (formerly Link Group), our treasury management advisors, also provide training sessions for members as required and a training session is also expected to be held during 2025/26.

7.5 A new Scottish Treasury Management Toolkit, developed by the Scottish Treasury Management Forum in partnership with CIPFA provides a series of on-line learning modules developed to assist officers and members to have a minimum level of knowledge and understanding of treasury practices.

7.6 The training needs of treasury management officers are periodically reviewed and training arranged as appropriate. Treasury management officers attend regular meetings with the Council’s treasury management advisors, benchmarking meetings with representatives from other Scottish local authorities and specific training events arranged by the Council's treasury management advisors. A formal record of the training received by officers central to the Treasury function and members is required to be maintained.

7.7 The Council uses MUFG Corporate Markets as its external treasury management advisors, however it recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon the services of our external service providers.

7.8 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment, and the methods by which their value is assessed, are properly agreed and documented and subjected to regular review. Following a procurement exercise during 2019, Link Group (now MUFG Corporate Markets) were retained as the Council's external treasury management advisors until 31st July 2025. A procurement process will be undertaken during 2025/26 to ensure continued external Treasury support.

8.0 Conclusion

8.1 The Treasury Management Strategy for 2025/26 builds on and consolidates the Council's existing Investment Strategy and Prudential Borrowing framework.

8.2 The strategy supports the delivery of the Council's capital investment plans and reflects the updated 20 year capital investment programme proposed within the General Fund Revenue and Capital Budget for 2025/26.

9.0 Sustainability Implications

9.1 None.

10.0 Resource Implications

10.1 *Financial Details*

10.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes ☑

10.3 Finance has been consulted and has agreed the financial implications as set out in the report. Yes ☑

10.4 *Staffing*

10.5 None

11.0 Exempt Reports

Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☑

12.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box☑)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all	☐
Our families; children and young people will have the best possible start in life	☐
Women and girls will be confident and aspirational, and achieve their full potential	☐
Our communities will be resilient and empowered so that they can thrive and flourish	☐

(2) Council Policies (Please detail)

Treasury Management Policy Statement and Practices

13.0 Equalities Impact

13.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes ☐ No ☑

14.0 Legality

14.1 In adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☑

15.0 Appendices

15.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A – 2025/26 Treasury Management Strategy Statement & Annual Investment Strategy (including prudential indicators)

Appendix B – Investment Portfolio as at 31 January 2025

16.0 Background Papers

16.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)
Yes ☑ (please list the documents below) No ☐

Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes 2021

The Prudential Code for Capital Finance in Local Authorities 2021

The Local Government Investment Regulations (Scotland) 2010

Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016

Financial Strategy June 2012

Interest rate forecasts

Economic background

Treasury management practice 1 - credit and counterparty risk management

Treasury management scheme of delegation

The treasury management role of the section 95 officer

MUFG Corporate Markets - Clackmannanshire Council Loans Fund Review

Housing Revenue Account Budget 2025/26 and Capital Programme 2025/26

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2025/26 TREASURY MANAGEMENT STRATEGY STATEMENT & ANNUAL INVESTMENT STRATEGY (including Prudential Indicators)

The suggested strategy for 2025/26 in respect of the following aspects of the treasury management function is based upon the Council's views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, MUFG Corporate Markets.

The strategy for 2025/26 covers the following areas:

- capital expenditure;
- the loans fund repayment policy;
- the current portfolio position;
- treasury indicators which limit treasury risk and the activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- statutory repayment of loans fund;
- the investment policy;
- creditworthiness policy;
- country limits; and
- the investment strategy.

1.0 The Capital Prudential Indicators

1.1 Capital Expenditure

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

The Prudential Code requires the Council to make reasonable estimates of the total capital expenditure that it plans to incur during the forthcoming financial year and the following two financial years. The Code also requires this information to be split between General Fund (GF) Services and Housing Revenue Account (HRA).

To provide a longer-term view, the estimates of gross capital expenditure to be incurred for the next three years together with the projection for the current year and actual for 2023/24 are as follows:

Table 1: Gross Capital Expenditure

	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
	Actual	Projection	Estimate	Estimate	Estimate
General Fund Services	14,167	15,577	29,266	60,258	19,439
Housing Revenue Account	14,756	18,704	14,118	15,666	16,366
Total	**28,923**	**34,281**	**43,384**	**75,924**	**35,805**

The above figures are shown gross of any income and are consistent with the capital programme proposals for General Services contained within the Revenue and Capital Budget report 2025/26 on the agenda for approval at this meeting and the HRA Capital Programme 2025/26 approved at Council on 30th January 2025.

The General Services Capital Programme approved at Council on 24th March 2021 set out planned significant capital investment areas across the Council's Be The Future priorities over 20 years from 2021/22 to 2040/41. The programme provides investment to support wellbeing and economic performance and recovery across the four priority themes and is reviewed annually to ensure it reflects current priorities.

The 20 year capital programme is reviewed annually and as part of the 2025/26 budget process, the GF Capital Programme was reviewed and revised to reflect a rolling programme of 20 years up to 2044/45. Along with capacity to deliver the programme, the availability of funding continued to be a key consideration in the review of the programme to ensure that any additional borrowing was affordable. As such, the revenue charges associated with the level of expenditure across the years are reflected in the proposed revenue budget.

The capital plans for both the General Fund and the HRA take full account of the requirements of the Prudential Code, ensuring that planned expenditure is prudent and affordable. The planned spending figure of £41.164m for 2025/26 will be kept under review through the capital monitoring process and regularly reported to the appropriate Committee during the year.

1.2 Borrowing Need (Capital Financing Requirement)

The calculation of the Capital Financing Requirement (CFR) is intended to reflect the Council's underlying need to borrow for a capital purpose and it is used as a key measure in treasury management decisions for this reason. Capital expenditure that is not financed upfront by the use of capital receipts, capital grants or directly from revenue will increase the CFR of the Council.

The CFR does not increase indefinitely as it is reduced by annual repayments of debt. These repayments are calculated to be broadly commensurate with the period and pattern of benefits of the capital expenditure i.e. reflect the useful life of the asset financed from borrowing.

The CFR also includes the long term liabilities the Council has in respect of the PFI contract for three secondary schools. Whilst this increases the CFR, the Council is not required to borrow for these schemes.

Estimates of the end of year CFR position for the Council are shown in the table below. The table shows the current and future years together with the actual position for the previous year

Table 2: Capital Financing Requirement as at:

	31/03/24	31/03/25	31/03/26	31/03/27	31/03/28
	£000	£000	£000	£000	£000
	Actual	Projection	Estimate	Estimate	Estimate
General Fund Services	139,596	151,018	172,410	223,978	232,551
Housing Revenue Account	22,058	33,235	39,198	47,864	57,045
Total	**161,654**	**184,253**	**211,608**	**271,842**	**289,596**

The combined GF and HRA CFR is estimated to increase over the period to £289.596m by the end of March 2028.

The overall CFR at March 2028 is an increase of £105.343m on the projected level at March 2025. This increase reflects the proposed additional capital investment as set out in the GF and HRA Capital Plans. In the short term, borrowing can be met internally through cash balances, however, the increased level of capital investment in future years will require additional external borrowing to be undertaken in the medium to long term. Before any external borrowing is undertaken, alternative sources of funding such as grant funding, capital receipts and internal borrowing will be considered to reduce the requirement for external borrowing over the longer term. The increase in CFR across both the GF and the HRA also reflects the implementation of the revised accounting policies of the Loans Fund which were agreed in March 2020.

The estimated CFR is likely to be affected by the adoption of IFRS16 – Leases. IFRS16 was originally due for implementation on 1 April 2020 but has been deferred until 1 April 2024. It is anticipated that the adoption of IFRS 16 will increase the CFR and also impact on the authorised limit and operational boundary for external debt. The CFR figures in this report do not include any estimates for the impact of IFRS16 and the impact will be reported through Treasury Management updates once known.

1.3 Liability Benchmark

The Liability Benchmark is a prudential indicator introduced in the 2021 Code. As a minimum, the Council is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years for both the GF and HRA. The chart below estimates the Liability Benchmark to 2044/45 in line with the GF Capital Programme.

The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

There are four components to the Liability Benchmark are:

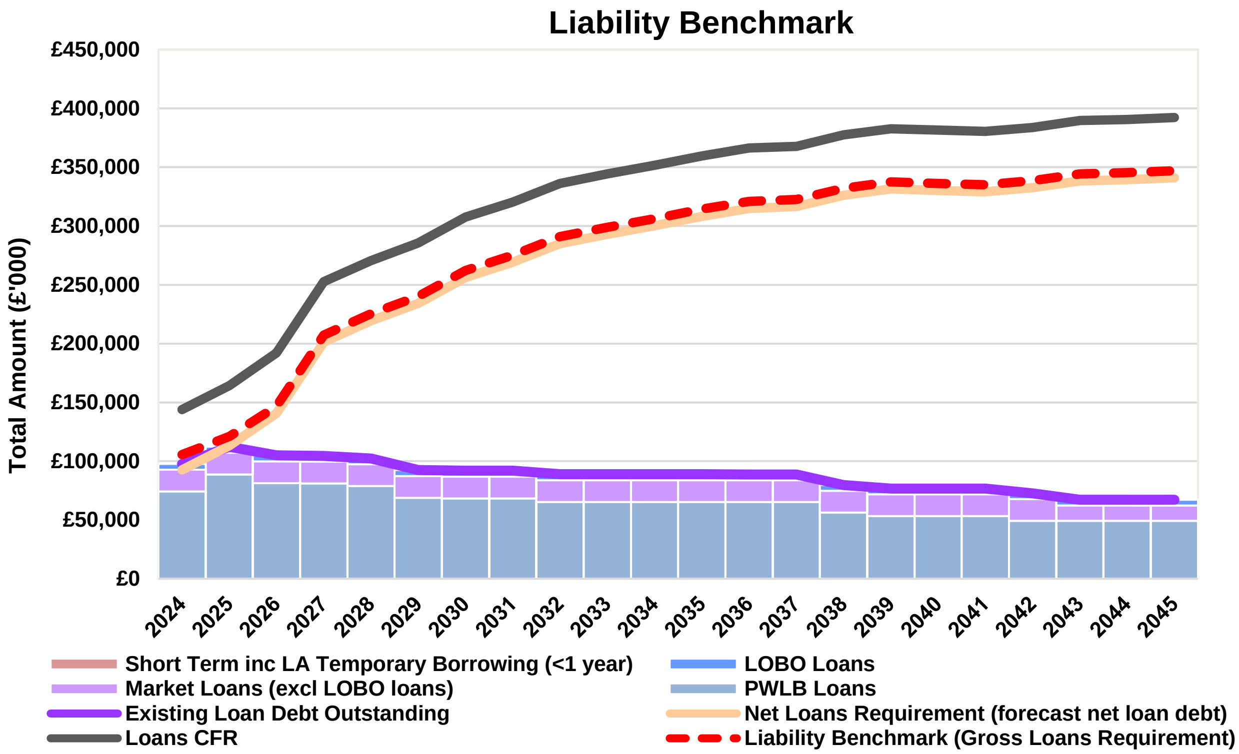
a) **Existing loan debt outstanding**: the Council's existing loans that are outstanding at the end of each financial year.

b) **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing, and planned Loans Fund advances and Loans Fund principal repayments.

c) **Net loans requirement**: this shows the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned Loans Fund principal repayments and any other major cash flows forecast.

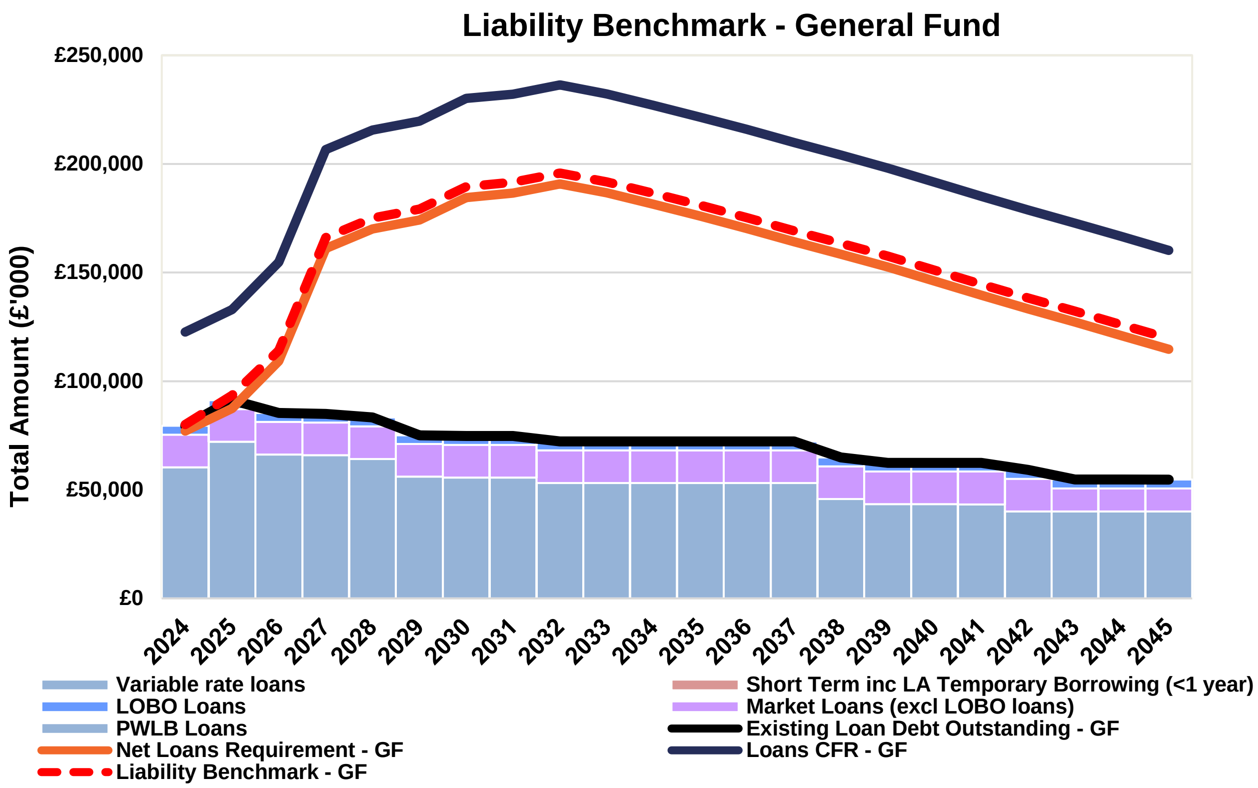
d) **Liability Benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

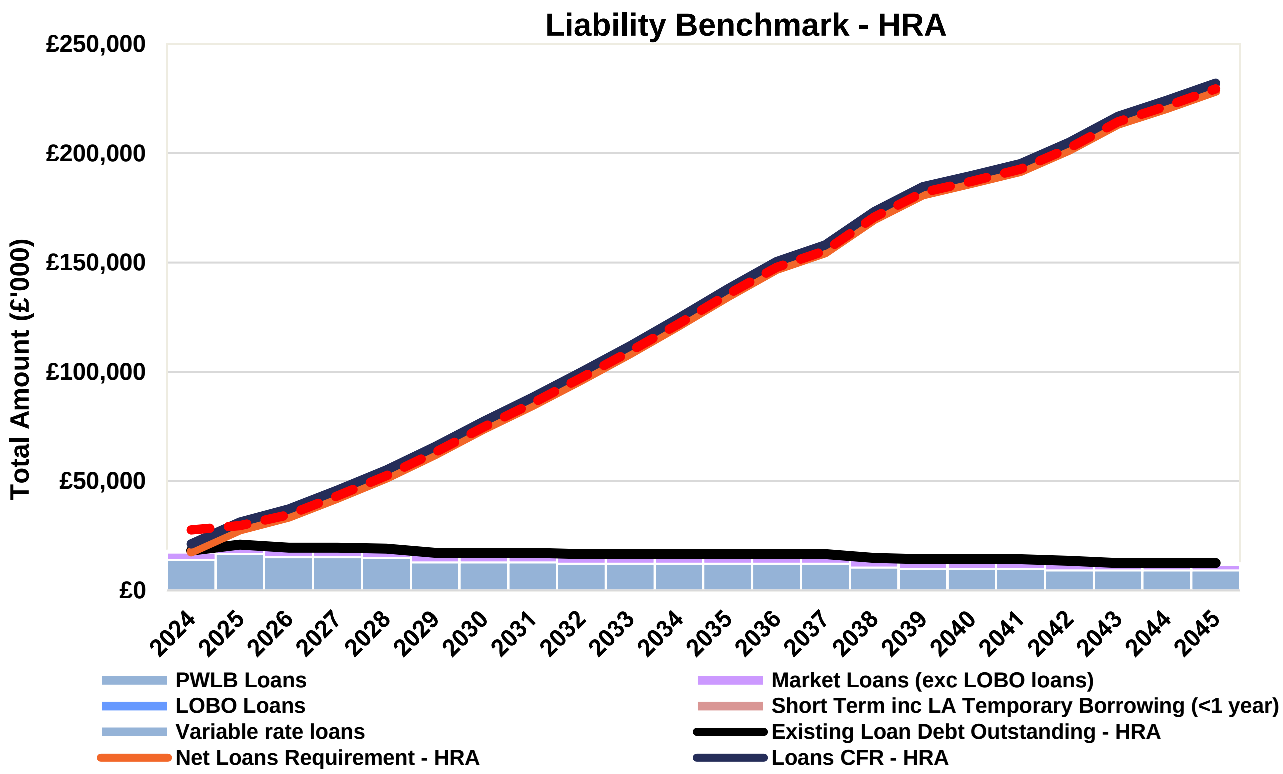
Chart 1 Liability Benchmark



The Liability Benchmark shows that over the short, medium and long-term the Council will need to borrow in order to ensure it holds sufficient funds to finance its capital and revenue spending plans.

The above graph shows the overall position for the Council including both the GF and the HRA. The two graphs below show the GF and the HRA separately. In line with the borrowing strategy for the GF, the borrowing requirement increases then falls towards the end of the programme. The borrowing requirement for the HRA increases year on year and the revenue cost of borrowing will need to be contained within affordable revenue budgets.





1.4 Statutory Repayment of Loans Fund Advances

1.4.1 Policy on Statutory Repayment of Loans Fund Advances

The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

A variety of options to account for loans fund advances are permitted within the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, so long as a prudent provision is made each year. A review of the Council's Loans Fund advances by the Council's treasury management advisors, MUFG Corporate Markets, was undertaken during 2019/20 and as part of the Treasury Management Strategy Statement 2020/21, Council approved the following policy, applicable from 1 April 2019, on the repayment of loan fund advances by the GF and HRA as follows:

a) For loans fund advances made before 1 April 2019, the policy will be to use the Asset Life Method annuity method with all loans being repaid over 35 years at annuity rate of 5%;

b) For loan advances made after 1 April 2019 the policy will be to use the Asset Life Method annuity method with all loans being repaid over 35 years at annuity rate of 5%, and

c) For the assets under construction, the repayment of the first loan fund repayment to be deferred until the financial year following the one in which the asset is first available for use or operational.

The adoption of this policy for advances made before 1 April 2019 smoothed the loans fund repayments and reprofiled the revenue requirement to 2029/30. This 10 year timeframe was linked to the investment proposals within the Be the Future Programme which apply to both GF and HRA.

The approach was taken on a prudent basis following discussions with the Council's treasury management advisors and in line with a review by Audit Scotland and Scottish Government.

The policy has been reviewed and no changes to the assumptions used in the policy are proposed for 2025/26.

1.4.2 Loans fund principal repayment holiday

As part of the 2022/23 Local Authority draft settlement, a one off financial flexibility was offered to Councils relating to the principal repayments of loans fund advances which allowed authorities to take a holiday on their loans fund repayments for 2022/23 and repay this amount over future years. The Council opted to exercise this flexibility for 2022/23 which resulted in a reduction in gross expenditure of £0.966m in that financial year and resulting additional annual repayments of £0.097m from 2023/24 to 2032/33.

1.5 Affordability

Prudential Indicators are required to assess the affordability of capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

1.5.1 Ratio of financing costs to net revenue stream

The Prudential Code requires the Council to make estimates of the ratio of capital financing costs to its net revenue stream.

The indicator is intended to measure the percentage of the Council's total income that it is estimated will be committed towards meeting the costs of borrowing used to fund capital expenditure. For the GF, this is the ratio of financing costs of borrowing against net expenditure financed by government grant and local taxpayers. For the HRA the indicator is the ratio of financing costs to gross rental income.

Estimates of the ratio of financing costs to net revenue stream for the current and future years are:

Table 3: Ratio of financing costs to net revenue stream

	2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	£000	**£000**	**£000**	**£000**	**£000**
	Actual	**Projection**	**Estimate**	**Estimate**	**Estimate**
General Fund	3.72%	3.89%	4.35%	4.90%	5.72%
Housing Revenue Account	7.09%	7.12%	8.95%	11.14%	16.96%

The above figures show that for the GF, the proportion of the budget allocated to loan charges are estimated to steadily increase. The ratios ranging between 3.72% and 5.72% are below the latest reported Scottish Average of 5.75% (2023/24). This initial lower rate is mainly due to the reduced principal repayments, following the previous change in accounting policy for the loans fund as outlined in paragraph 1.3 above. This also reflects the reduced borrowing required to fund the capital programme over previous years in line with the strategy to minimise new borrowing. This is a positive outcome over this period reflecting ongoing capital investment against a backdrop of reducing levels of government grant funding that have been partly offset with increases in council tax income. The rate increase in future years reflects the investment requirements of significant projects within the capital programme.

The level of grant funding the Council will receive is extremely uncertain and as such no increases have been assumed in future years, however, income overall is expected to increase reflecting annual increases in Council Tax. The modest increase in the ratio is a combination of a flat cash assumption in grant funding offset by increased principal and interest payments on the new external borrowing that is anticipated to be undertaken to fund the capital programme. The ratios indicate that capital financing costs are being controlled through the effective implementation of the Council's borrowing and investment strategy however these will need to be closely monitored in future years to ensure borrowing costs remain affordable.

Capital investment and funding in the HRA is detailed in the Housing Revenue Account Budget 2025/26 and Capital Programme 2025/26 approved at Council on 30th January 2025. In line with the GF, the HRA ratio of capital financing costs to rental income shows an increase from 2024/25 to 2027/28 which reflects substantial capital investment and the related principal and interest payments on the forecasted new external borrowing to fund it.

2.0 Borrowing

The treasury management function ensures that the Council’s cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity and investments through the Capital Programme. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury indicators, the current and projected debt positions and the annual investment strategy.

2.1 Current Portfolio Position

Within the Prudential Indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years but also ensures that borrowing is not undertaken for revenue purposes or speculative purposes.

The Council's treasury portfolio projected position at 31 March 2025 with forward projection are summarised in the table below. The table shows:

- the cumulative level of external debt held by the Council which represents the total amount of borrowing that has been undertaken to fund the capital programme;
- the expected change in debt, which is any repayments of maturing debt less new debt undertaken in the year to fund the in-year capital programme;
- Other Long Term Liabilities which is the total of any Finance Lease or PFI arrangements;
- the expected change in Other Long Term Liabilities which refers to the repayments in the year made against this debt;
- the Capital Financing Requirement which is the cumulative amount of borrowing that the Council required to borrow to fund capital expenditure; and
- the under or over borrowing position which is the difference between the required need to borrow and the actual borrowing undertaken.

The Code requires local authorities to maintain an under-borrowed position in the long term, this means that the total amount borrowed does not exceed the need to borrow. An under-borrowed position can occur where cash balances have been used to fund capital expenditure whereas, an over-borrowed position can occur where borrowing has been taken in advance of need. This is permissible in the short term to take account of timing of cash flows but the Council must return to an under-borrowed position in future years.

Table 4: External Debt

External Debt	2023/24 Actual £000	2024/25 Projection £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Cumulative Debt at 1 April	98,228	97,718	119,729	147,600	210,076
Expected change in Debt	(510)	22,011	27,871	62,476	19,766
Other long-term liabilities (OLTL) at 1 April	35,435	33,995	32,357	30,667	29,018

Expected change in OLTL	(1,440)	(1,638)	(1,690)	(1,649)	(1,427)
Actual gross debt at 31 March	131,713	152,087	178,268	239,094	257,434
Capital Financing Requirement	161,654	184,254	211,609	271,842	289,597
Under/(over) borrowing	29,941	32,167	33,341	32,748	32,163

For all years shown in the above table the Council's CFR is forecast to remain above the Gross Debt maintaining a consistent under-borrowed position going forward, therefore meeting the requirement of the indicator to be in an under-borrowed position over the medium term.

It is anticipated that new external borrowing will need to be undertaken to fund the projects within the capital programme. As a result, external debt is forecast to increase to £257.4m by March 2028 in order to ensure sufficient cash is available to meet the capital investment within those years.

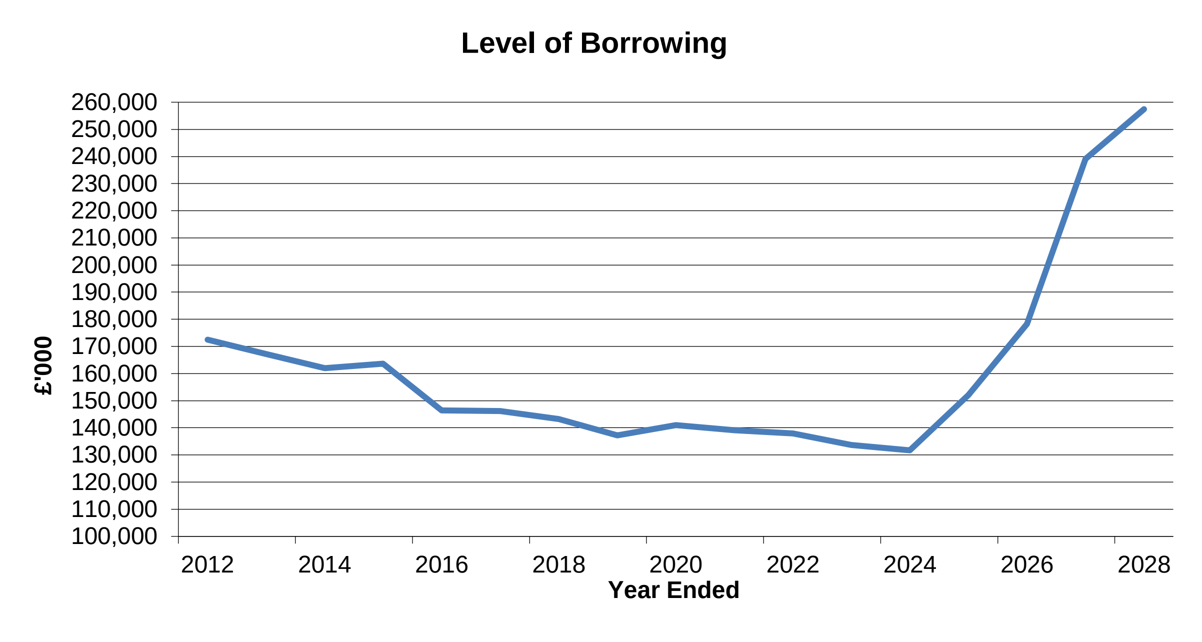
The expected change in debt also reflects PWLB loan repayments of £9.8m scheduled in the next three years to March 2028 which offset new external borrowing to fund capital investment. The new borrowing and the repayment profiles of debt maturity mean there are variations in annual change in debt year on year.

The steady reduction in other long term liabilities reflects the annual repayments towards PFI debt.

The difference between the gross debt and the CFR shows the amount of internal borrowing/utilisation of cash balances to fund capital expenditure that has been undertaken in previous years.

Significant reductions of £40.7m to March 2024 have been achieved since the previous policy to minimise external debt was approved in June 2012. This strategy to minimise long term debt has worked well in reducing long term debt, however, the policy was changed in 2021/22 to reflect the significant investment in key projects over the next few years and the expectation that borrowing may need to increase in the medium term. It is anticipated that once these key projects are complete, borrowing will reduce in line with the strategy. The chart below shows the reduction of external debt made to date and estimates the increase over the next few years.

Chart 2: Level of Borrowing



The increase in borrowing from 2023/24 reflects the Council's planned investment led strategy as set out in the proposed 20 year capital plan with expenditure front loaded over the next 7 years. In the following 10 years expenditure is planned to reduce which will reduce the level of borrowing. This is set out in chart 1 in the main body of this report.

2.2 Treasury Indicators: Limits on Borrowing Activity

2.2.1 Authorised Limit for External Debt

The authorised limit for external debt is required to separately identify external borrowing (gross of investments) and other long term liabilities such as finance lease obligations. This is a key prudential indicator and is the maximum figure that the Council could borrow at any given point during each financial year.

Table 5: Authorised limit for external debt

	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000
Borrowing	129,000	183,000	247,000	269,000
Other long term liabilities including PFI	38,000	37,000	36,000	33,000
Total	**167,000**	**220,000**	**283,000**	**302,000**

The authorised limit set out above is consistent with approved capital investment plans and Treasury Management policy and practice but allows sufficient headroom for unanticipated cash movements. The limit increases in 2025/26 in line with increased expenditure on specific capital projects and the related forecasted external borrowing. The limit is reviewed on an annual basis in line with revisions to the approved capital programme.

If the authorised limit is liable to be breached at any time, the Chief Finance Officer (Section 95 Officer) will report to Council with a proposed recommended course of action which could include raising the authorised limit or to take measures to ensure the limit is not breached.

2.2.2 Operational Boundary for External Debt

The operational boundary is the limit beyond which the external debt is not normally expected to exceed. This is a key management tool for in-year monitoring and is lower than the Authorised Limit as it is based on an estimate of the most likely level of external borrowing at any point in the year. In comparison, the authorised limit is the maximum allowable level of borrowing.

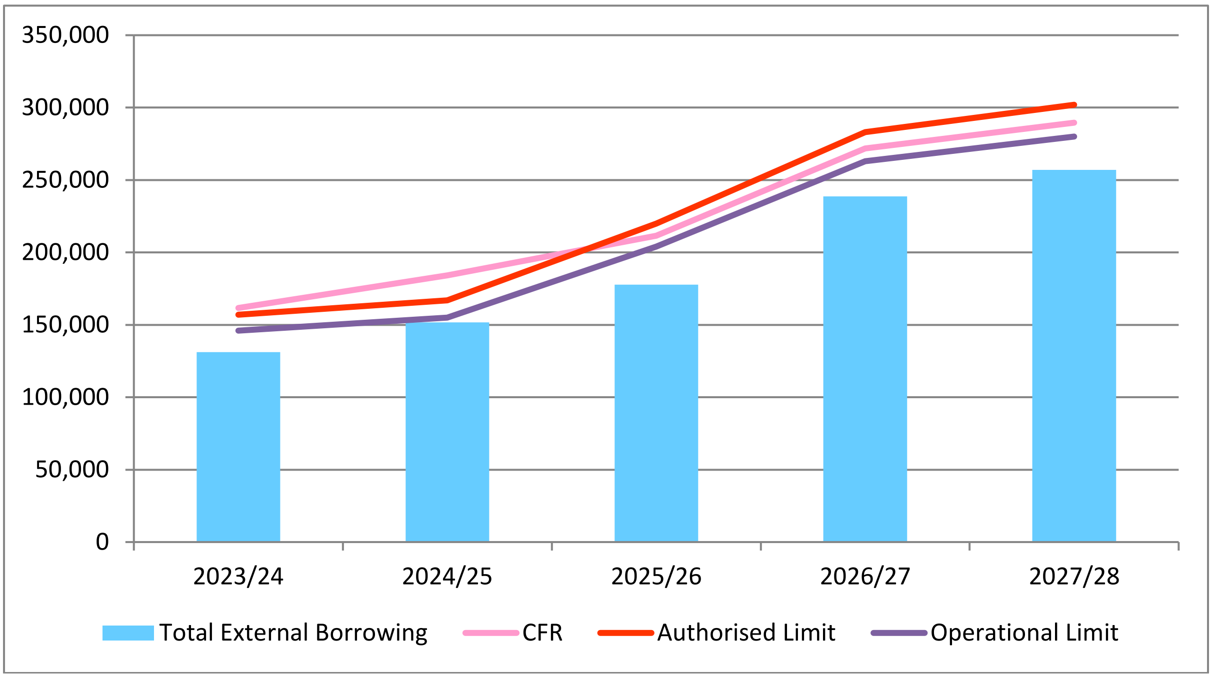
Table 6: Operational Boundary for external debt

	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000
Borrowing	120,000	170,000	230,000	250,000
Other long term liabilities	35,000	34,000	33,000	30,000
Total	**155,000**	**204,000**	**263,000**	**280,000**

This indicator is consistent with the Council's plans for capital expenditure and financing with Treasury Management policy and practice. It is sufficient to facilitate appropriate borrowing during the financial year and will be reviewed on an on-going basis.

The following chart shows the forecasted level of external borrowing, CFR, authorised limit and operational boundary to March 2026.

Chart 3: Borrowing and Capital Financing Requirement



The chart above shows that the total external borrowing does not exceed the CFR which shows that the Council is expected to be in an under borrowed position and the external borrowing is not expected to breach the operation limit or the authorised limit.

3.0 Prospects for Interest Rates

The Council has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives MUFG Corporate Markets' central view.

Table 7: Forecast Interest Rates

Quarter Ended	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
March 2025	4.50	5.00	5.30	5.50
June 2025	4.25	4.90	5.20	5.40
Sept 2025	4.25	4.80	5.10	5.30
Dec 2025	4.00	4.70	5.00	5.20
March 2026	3.75	4.60	4.90	5.10
June 2026	3.75	4.50	4.80	5.00
Sept 2026	3.75	4.40	4.70	4.90
Dec 2026	3.50	4.40	4.70	4.80
March 2027	3.50	4.30	4.60	4.70
June 2027	3.50	4.20	4.50	4.70
Sept 2027	3.50	4.20	4.50	4.60
Dec 2027	3.50	4.10	4.40	4.60

Quarter Ended	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
March 2028	3.50	4.00	4.40	4.50

At its latest meeting on 6th February 2025, the MPC reduced the Bank Rate by 0.25% to 4.50%. The forecast for Bank Rate is to remain at 4.50% by end March 2025 but steadily reduce over the next few years as the MPC continues to take action to combat on-going inflationary and economic uncertainty.

CPI Inflation has fluctuated over the past year and stood at 2.5% in December 2024. The CPIH measure, which includes housing costs, was 3.5%. Geopolitical events continue to impact the UK and world economies. The war in Ukraine shows no sign of ending, and while a ceasefire in Gaza seems to be holding, it remains to be seen how long this will last. The second Trump administration in the US has hit the ground running, and the rest of the world is racing to catch up.

The forecasts and MPC decisions will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Forecasts for average investment earnings beyond the three-year period will be heavily dependent on those economic and political developments mentioned above.

The current economic outlook and structure of market interest rates and government debt yields have key treasury management implications:

- There is expected to be reduction of gilt yields and PWLB rates over the next three years). However, they can be subject to exceptional levels of volatility due to economic recovery from major events such as: geopolitical developments, sovereign debt crisis, emerging market developments and sharp changes in investor actions;
- Investment returns are expected to reduce during 2025/26 as the Bank Rate reduces, and
- Borrowing interest rates have fallen steadily during 2024/25 and are expected to fall over the next three years.

4.0 Borrowing Strategy

Over the medium term the Council is forecasted to maintain an under-borrowed position. This means that the capital borrowing need, the CFR, has been partly funded through cash balances as opposed to external loans. This strategy has been prudent as cash balances have been high and investment returns have previously been low. This strategy has had a positive impact over the last few years reducing overall borrowing and keeping interest charges low.

Against this background and the risks within the economic forecast, the Chief Finance Officer, supported by the Treasury team, will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates* (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates* than that currently forecast, perhaps arising from an acceleration

in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

Going forward, this strategy will be reviewed to avoid incurring higher borrowing costs in the future when borrowing is required to finance new capital expenditure and/or to refinance maturing debt. Treasury activity including the undertaking of external borrowing will continue to be reported through the regular reporting cycle of Treasury Management reports to Council or the appropriate Committee.

4.1 Policy on borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sum borrowed. Any decision to borrow in advance will be within the approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through in-year or annual reports.

4.2 Debt Rescheduling

Rescheduling of current borrowing in the Council's debt portfolio will be considered in year. If short term borrowing rates are cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings taking new debt over the short-term rather than long-term. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy, or
- to enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to Council at the earliest meeting following its action.

4.3 Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts +80 basis points for borrowing and has historically been low compared to other options. However, consideration may still need to be given to sourcing funding at cheaper rates. Options available include:

- Local authorities (primarily shorter dated maturities);
- Financial institutions (primarily insurance companies, pension funds and banks), and
- Municipal Bond Agency.

At the time of undertaking any borrowing, a full appraisal will be carried out to identify the most cost effective type of borrowing in line with the Council's risk appetite.

4.4 Borrowing Requirement

The Council's borrowing requirement shown in the table below is based on the in-year borrowing estimated to be needed to fund the net expenditure in the proposed Revenue and Capital Budget report 2025/26 on the agenda for approval at this meeting and the Housing Revenue Account Budget 2025/26 and Capital Programme 2025/26 approved at Council on 30th January 2025.

The actual timing of any borrowing will be influenced by prevailing interest rates and expectations for future movement on rates.

Under the previous strategy to minimise external debt, repayments towards maturing debt should be higher than any new borrowing being undertaken to fund the capital programme over the longer term. However, as the Council is undertaking a period of capital investment, external debt is expected to rise over the first half of the programme but reduce over the second half as borrowing levels reduce. Fluctuations can also arise in individual years depending on the maturing loans within that year. The table below shows variations in the external borrowing requirement for years to 2027/28.

Table 8: Total Borrowing Requirement / Movement on CFR

	2024/25 Projection £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Net New External Borrowing Requirement	24,995	30,188	62,897	21,875
Repayment of Maturing Debt	(2,396)	(2,833)	(2,663)	(4,121)
Total Borrowing Requirement / Movement on CFR	**22,599**	**27,355**	**60,234**	**17,754**

4.5 Interest Rate Exposure and Maturity Structure of Borrowing

There are three debt related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs/ improve performance. The indicators are:

- Upper limits on fixed interest rate exposure - this identifies a maximum limit, expressed as a % of the total debt and investment, of fixed interest rates borrowing and investments;
- Upper limits on variable interest rate exposure - this is similar to the previous indicator and covers a maximum limit on variable interest rates, and
- Maturity structure of borrowing - these gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Table 9: Treasury Management Limits

	2025/26	2026/27	2027/28
Interest rate exposures			
	Upper	**Upper**	**Upper**
Limits on fixed interest rates based on			
• Debt	100%	100%	100%
• Investments	75%	75%	75%
Limits on variable interest rates based on			
• Debt	25%	25%	25%
• Investments	100%	100%	100%

Maturity structure of fixed interest rate borrowing 2025/26		
	Lower	**Upper**
Under 12 months	0%	25%
12 months to 2 years	0%	25%
2 years to 5 years	0%	50%
5 years to 10 years	0%	75%
10 years and above	0%	100%
Maturity structure of variable interest rate borrowing 2025/26		
	Lower	**Upper**
Under 12 months	0%	25%
12 months to 2 years	0%	25%
2 years to 5 years	0%	50%
5 years to 10 years	0%	75%
10 years and above	0%	100%

5.0 Investment Strategy

5.1 Investment Policy

The aim of the investment strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.

The Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes: -

Treasury management
Arising from the organisation’s cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery
Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is “either

related to the financial viability of the project in question or otherwise incidental to the primary purpose". The Council holds an investment of £500 (at cost) in CSBP Clackmannanshire Investments Ltd. It is anticipated that this will be repaid in 2024/25.

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return. The Council holds investment and commercial properties for the purpose of generating rental income. All properties are located within Clackmannanshire.

The Council does not intend to invest for service delivery or commercial return purposes during 2025/26.

Treasury management investment opportunities arise naturally through treasury management activity and in particular the management of cash flows which can result in variations in the amount of cash required during the year. As at 31st January 2025, the Council held immediately available cash balances of £17.2m as detailed in Appendix B.

During 2025/26 the Council will continue to invest surplus cash balances of which the return contributes to reducing the net expenditure of the Council. As part of the Council's commitment to Wellbeing Economy and Community Wealth Building, opportunities to invest ethically will be considered which fit within the remit of our strategy.

The Council's investment policy has regard to the Local Government Investment (Scotland) Regulations 2010 (and accompanying Finance Circular 5/2010) and the CIPFA Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes 2021 ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second and then return.

In accordance with guidance from the Scottish Government and CIPFA, and in order to minimise the risk to investments, the Council has adopted a prudent approach and defines its risk appetite by the following means:

- Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration of risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings;
- The Council's officers will use ratings and other information provided by MUFG Corporate Markets to ensure creditworthiness as detailed below;
- The Council's officers will also use other information sources which include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties;
- Investments will be place with counterparties from countries with a specified minimum sovereign rating;
- Limits will be set for the amount of principal sums invested for longer than 365 days, and
- All investments will be denominated in sterling.

5.2 Creditworthiness Policy

This Council applies the creditworthiness service provided by MUFG Corporate Markets. This service employs a sophisticated modelling approach utilising a wide array of information sources including credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's.

This approach produces a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Dark pink 5 years for Ultra short dated bond funds with a credit score of 1.25
- Light pink 5 years for Ultra short dated bond funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Council will consider the ratings (Fitch or equivalents) in conjunction with other topical market information to support their use.

All credit ratings of counterparties currently used will be monitored quarterly. The Council is alerted to changes to ratings of all three agencies through its use of the MUFG Corporate Markets creditworthiness service.

In the case where an investment is outwith the scope of the ratings agencies the Council will analyse the financial information available for that organisation such as annual accounts to assess the financial viability of the investment and to ensure a minimal level of financial risk. Joint Venture arrangements, contractual agreements and financial guarantees from the Scottish Government are investment areas previously entered into by the Council where this has applied. The Council currently has no investments of this type.

5.3 Environmental, Social and Governance (ESG) Policy

Environmental, Social and Governance (ESG) considerations are increasingly a factor in global investors' decision making and the TM code requires the Council to set out its policy relating to ESG considerations in investment decision. The Council will not knowingly invest directly in organisations whose activities are inconsistent with the Council's vision set out on the Corporate Plan and its commitment to Wellbeing Economy and Community Wealth Building. It should be noted that the Council's investment priorities continue to be security first, liquidity second and then return. The framework for evaluating ESG investment opportunities is still being developed by financial organisations and the Council will monitor developments in this area.

5.4 Country Limits

The Council has determined that it will only use approved counterparties registered to take deposits in the United Kingdom or approved counterparties registered in other countries who have a similar sovereign credit rating as the UK (currently AA).

5.5 Investment Returns

In-house funds - Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the variations in cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

Investment returns expectations –Bank Rate forecasts for financial year ends (March) are:

- 2024/25 4.50%
- 2025/26 3.75%
- 2026/27 3.75%
- 2027/28 3.50%

Taking account of the current investment returns, the suggested budgeted investment earnings rates for returns on investments placed for periods up to three months during each financial year for the next three years are as follows:

- 2024/25 2.25%
- 2025/26 2.25%
- 2026/27 2.25%
- 2027/28 2.00%

Investment treasury indicator and limit for the total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 365 days			
£m	**2025/26**	**2026/27**	**2027/28**
Principal sums invested > 365 days	£12m	£12m	£12m

For its cash flow generated balances, the Council will seek to utilise its bank instant access accounts, notice accounts and ultra short dated bonds funds in order to benefit from compounding interest (non-distributing). The Council also invests in two money market funds and one ultra short dated bond fund which are distributing which means interest is paid at the end of each month rather than compounded.

The Markets in Financial Instruments Directive (MIFID II)

These regulations govern the relationship financial institutions conducting lending and borrowing transactions will have with local authorities. The effective date of the new regulations was 3 January 2018 and all local authorities are now classified as retail counterparties which determines the types of investments that they can undertake. Local authorities have the ability to apply for Professional status which extends the range of investments that are available but must meet certain qualifying criteria. To date there has been no requirement to apply for Professional Status but this will be considered as part of the on going treasury management reviews.

On-lending to Registered Social Landlords (RSL's)

Under powers granted by the Scottish Government, Scottish Local Authorities can on-lend to Registered Social Landlords in order to assist in the development of affordable housing. Any plans to utilise these powers will be reported for appropriate Council approval.

End of Year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

Appendix B

Investment Portfolio as at 31 January 2025

Short Term Investments – Counterparty	Principal (£000)	Interest Rate	Type
Aberdeen Standard Money Market Fund	4,550	4.75% Net Average Monthly Yield for January	Instant access
Aberdeen Standard Ultra Short Dated Bond Fund	2,500	4.93% Net Average Monthly Yield for January	Instant access
Blackrock Money Market Fund	4,750	4.65% Net Average Monthly Yield for January	Instant access
Blackrock Ultra Short Dated Bond Fund	3,655	5.01% Net Average Monthly Yield for January	Instant access
CSBP Clackmannanshire Investments Ltd	1		
Total Short Term Investments	**15,456**		

Cash and Cash Equivalents – Counterparty	Principal (£000)	Interest Rate
Royal Bank of Scotland plc	1,675	2.75% as at 31st Jan 2025
Bank of Scotland plc	80	0.01% as at 31st Jan 2025
Other Accounts	28	-
Total Cash and Cash Equivalents	**1,783**	

TOTAL INVESTMENTS	**17,239**