

Aberdeen City Council Launches And Prices A Bond Issue Of £370m

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Aberdeen City Council today announced the successful pricing of index linked bonds for an aggregate principal amount of £370 million that will help secure investment in the city to deliver its transformational capital and infrastructure programme.

The bond is the first of its kind by a Scottish local authority and demonstrates the strength of commitment to both Aberdeen and the Council by investors.

The Council's Leader Jennifer Laing said 'This is a remarkable achievement by this Council in securing this investment in the future of our city. Having already secured a credit rating from Moody's Investors Service at Aa2, the issue of the bond sees another step forward by the Council in delivering a stable and fiscally prudent financial strategy that is both affordable and sustainable for the future as demonstrated by investor confidence.'

'To continue to compete on an international stage, it is vital that we deliver world class facilities for Aberdeen's citizens, businesses and visitors. Today's announcement is a major boost towards that objective.'

Finance, Policy and Resources committee convener Councillor Willie Young said: 'The bond issue is part of our strategy to maintain a diversified funding portfolio that provides us with greater financial flexibility.'

This flexibility will help Aberdeen anchor its status as both a Global Energy Hub as well as ensuring that we have the infrastructure required to attract world class businesses as we seek to broaden and diversify our economic base.'

The proceeds from the bond issue will be used to drive a capital programme which includes investment in vital infrastructure throughout the city. This includes the comprehensive City Centre Masterplan, school and housing developments, roads construction, digital enhancements and a variety of key projects designed to act as a catalyst for economic growth.

In its credit opinion report of 24 October 2016, Moody's Investors Service reported that Aberdeen City Council's internal governance and scrutiny is strong, supported by recent assessments from the Accounts Commission.' In addition Moody's noted that the 'Council has demonstrated a solid financial record for the last 5 years maintaining a net surplus against budget for the last 5 years with previous forecasts on expected outturns being realistic.'

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