

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 16th November 2020

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WARD(S): All

PORTFOLIO: Cllr Akram, Lead Member for Governance and Customer Services

PART I **NON-KEY DECISION**

TREASURY MANAGEMENT ANNUAL REPORT

1 Purpose of Report

This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Investment Guidance. Members are requested to note the report which summarises treasury activity in 2019-20 and the first half of 2020-21.

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the Treasury Management activities for 2019/20 and the beginning of 2020/21 as set out in the body of this report be noted.

3. The Slough Joint Wellbeing Strategy, the Joint Strategic Needs Assessment (JSNA) and the Five Year Plan

The report helps achieve the Five Year Plan by contributing to the Council's overall financial planning processes.

4 Other Implications

(a) Financial

The Financial implications are contained within this report.

(b) Risk Management

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
Cabinet is requested that the Treasury Management activities for 2019/20 and the beginning of 2020/21 as set out in the body of this report be noted.	Counterparty risk- the risk that an institution the council has invested is failing or likely to fail resulting in credit loss. Interest rate risk- if interest rates rise the risk that the council will be subject to higher interest costs. If there is a reduction in interest rates or fund prices are affected by a worsening economy lower dividends from funds invested in and a depreciation of the capital value.	The council will work closely with its Treasury advisors to mitigate interest rate risk. The council has an approved counterparty list contained in the Treasury Strategy setting out the institutions it can invest in, the maximum periods it can invest for and the total value for investing in individual institutions. This counterparty list is constantly under review by its Treasury advisors	9	The council has made a conscious decision not to put money in unsecured and low yielding banks and Building Societies deposits.

Risk	Mitigating action	Opportunities
Legal	None	None
Property	None	None
Human Rights	None	None
Health and Safety	None	None
Employment Issues	None	None
Equalities Issues	None	None
Community Support	None	None
Communications	None	None
Community Safety	None	None
Financial: Detailed in the report and above	As Identified	Returns out perform the budgeted income
Timetable for delivery	None	None
Project Capacity	None	None
Other	None	None

(c) Human Rights Act and Other Legal Implications

None Identified

(d) Equalities Impact Assessment

No identified need for the completion of an EIA

5 Supporting Information

5.1 Background

5.1.1 The Treasury Management Strategy for 2019/20 has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2017, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.

5.1.2 The Code also recommends that members are informed of Treasury authority is embracing best practice in accordance with CIPFA's recommendations.

5.1.3 Treasury management is defined as: "The management of the local authority's investments and cash flows, 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."

5.1.4 In addition to reporting on risk management related to treasury activities, the Treasury Management Code also requires the Authority to report on any financial instruments entered into to manage treasury risks. This report summarises treasury activity in 2019-20 and the first part of 2020-21.

5.2 External Context

5.2.1 **The Economic background**

UK Consumer Price Inflation (CPI) for June 2019 was 2.0% year/year, coming in at consensus and meeting the Bank of England's inflation target. The most recent labour market data for the three months to May 2019 showed the unemployment rate remain at a low of 3.8% while the employment rate of 76.0% dipped by 0.1%, the first quarterly decrease since June to August 2018. The 3-month average annual growth rate for pay excluding bonuses was 3.6% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.7%.

5.2.2 There was a rise in quarterly GDP growth in the first calendar quarter for 2019 to 0.5%, from 0.2% in Q4 2018 with stockpiling ahead of the (now delayed) 29th March 2019 Brexit distorting data. Production and construction

registered positive output and growth, however at the end of June 2019, seasonally adjusted Market UK Construction PMI (Purchasing Manager's Index) logged a record-low figure of 43.1, suggesting that construction has suffered a largest contraction in output since April 2009. GDP growth was 1.8% year/year, however with the service sector slowing and a weaker global backdrop the outlook was for subdued growth.

- 5.2.3 The spread of the coronavirus pandemic dominated during the period as countries around the world tried to manage the delicate balancing act of containing transmission of the virus while easing lockdown measures and getting their populations and economies working again. After a relatively quiet few months of Brexit news it was back in the headlines towards the end of the period as agreement between the UK and EU on a trade deal was looking difficult and the government came under fire, both at home and abroad, as it tried to pass the Internal Market Bill which could override the agreed Brexit deal, potentially breaking international law.
- 5.2.4 The Bank of England (BoE) maintained Bank Rate at 0.1% and its Quantitative Easing programme at £745 billion. The potential use of negative interest rates was not ruled in or out by BoE policymakers, but then a comment in the September Monetary Policy Committee meeting minutes that the central bank was having a harder look at its potential impact than was previously suggested took financial markets by surprise.
- 5.2.5 Government initiatives continued to support the economy, with the furlough (Coronavirus Job Retention) scheme keeping almost 10 million workers in jobs, grants and loans to businesses and 100 million discounted meals being claimed during the 'Eat Out to Help Out' (EOHO) offer.
- 5.2.6 GDP growth contracted by a massive 19.8% (revised from first estimate - 20.4%) in Q2 2020 (Apr-Jun) according to the Office for National Statistics, pushing the annual growth rate down to -21.5% (first estimate -21.7%). Construction output fell by 35% over the quarter, services output by almost 20% and production by 16%. Recent monthly estimates of GDP have shown growth recovering, with the latest rise of almost 7% in July, but even with the two previous monthly gains this still only makes up half of the lost output.
- 5.2.7 The headline rate of UK Consumer Price Inflation (CPI) fell to 0.2% year/year in August, further below the Bank of England's 2% target, with the largest downward contribution coming from restaurants and hotels influenced by the EOHO scheme. The Office for National Statistics' preferred measure of CPIH which includes owner-occupied housing was 0.5% y/y. In the three months to July, labour market data showed the unemployment rate increased from 3.9%

to 4.1% while wages fell 1% for total pay in nominal terms (0.2% regular pay) and was down 1.8% in real terms (-0.7% regular pay). Despite only a modest rise in unemployment over the period, the rate is expected to pick up sharply in the coming months as the furlough scheme ends in October. On the back of this, the BoE has forecast unemployment could hit a peak of between 8% and 9%. The US economy contracted at an annualised rate of 31.7% in Q2 2020 (Apr-Jun). The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% but announced a change to its inflation targeting regime. The move is to a more flexible form of average targeting which will allow the central bank to maintain interest rates at low levels for an extended period to support the economy even when inflation is 'moderately' above the 2% average target, particularly given it has been below target for most of the last decade. The European Central Bank maintained its base rate at 0% and deposit rate at -0.5%.

- 5.2.8 Equity markets continued their recovery, with the Dow Jones climbing to not far off its pre-crisis peak, albeit that performance being driven by a handful of technology stocks including Apple and Microsoft, with the former up 75% in 2020. The FTSE 100 and 250 have made up around half of their losses at the height of the pandemic in March. Central bank and government stimulus packages continue to support asset prices, but volatility remains. Ultra-low interest rates and the flight to quality continued, keeping gilts yields low but volatile over the period with the yield on some short-dated UK government bonds remaining negative. The 5-year UK benchmark gilt yield started and ended the June–September period at -0.06% (with much volatility in between). The 10-year gilt yield also bounced around, starting at 0.21% and ending at 0.23% over the same period, while the 20-year rose from 0.56% to 0.74%. 1-month, 3-month and 12-month bid rates averaged 0.02%, 0.06% and 0.23% respectively over the period. At the end of September, the yield on 2-year US treasuries was around 0.13% while that on 10-year treasuries was 0.69%. German bund yields remain negative across most maturities.
- 5.2.9 Credit default swap spreads eased over most of the period but then started to tick up again through September. In the UK, the spreads between ringfenced and non-ringfenced entities remains, except for retail bank Santander UK whose CDS spread remained elevated and the highest of those Arlingclose monitor at 85bps while Standard Chartered was the lowest at 41bps. The ringfenced banks are currently trading between 45 and 50bps. After a busy second quarter of the calendar year, the subsequent period has been relatively quiet for credit changes for the names on our counterparty list. Fitch assigned a AA- deposit rating to Netherlands lender Rabobank with a negative outlook and prior to that, while not related to our counterparty list but quite significant, revised the outlook on the US economy to Negative from Stable while also affirming its AAA rating. There continues to remain much uncertainty around the extent of the losses banks and building societies will

suffer due to the impact from the coronavirus pandemic and for the UK institutions on our list there is the added complication of the end of the Brexit transition period on 31st December 2020 and what a trade deal may or may not look like. The institutions on Arlingclose's counterparty list and recommended duration remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

5.3 Debt Management

	Balance on 01/04/2019 £'000	Maturing Debt £'000	Transfers £'000	New Borrowing £'000	Balance on 31/03/2020 £'000	Increase/ (Decrease) in Borrowing £'000
CFR	561,008				678,836	
Short Term Borrowing ¹	215,012	(246,011)	8,939	300,500	278,440	63,428
Long Term Borrowing	302,288		(8,939)	58,000	351,349	49,061
TOTAL BORROWING	517,300	(246,011)		358,500	629,789	112,489
Other Long Term Liabilities	41,721	(2,383)			39,338	(2,383)
TOTAL EXTERNAL DEBT	559,021				669,127	110,106
Average Rate % / Life (yrs)	2.12% / 13.59yrs				1.95% / 13.29yrs	

5.3.1 The Authority's underlying need to borrow as measured by the Capital Financing Requirement (CFR) at 31/03/2020 was £678.836 million.

5.3.2 The Authority's chief objective when borrowing money has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

5.3.3 Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continued to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

5.3.4 At 1st April 2019 the Authority held £517.3 million of loans, as part of its strategy for funding previous years' capital programmes.

5.3.5 During 2019-20, the council undertook £58m of long term PWLB borrowing- £25m on 21st June 2019, £13m on 25th July 2019 and £10m on 2nd September 2019 respectively. The loans were taken out on an Equal Instalment of Principal (EIP) basis meaning that the principal amount is amortised over the life of the loan. The purpose of the borrowing was the replacement of short-term borrowing held with other local authorities to mitigate against the risk of potential interest rate rises.

5.3.6 With short-term interest rates having remained much lower than long-term rates, it was more cost effective to borrow short term to fund capital expenditure. Short term borrowing will continue to be the most cost effective means of funding £118.372m of capital expenditure. However, the Council acknowledges that this position will not be sustainable over the medium term and the Authority expects it will need to borrow £107.977m for capital purposes by the end of 2020-21. Borrowing options and the timing of such borrowing will continue to be assessed in conjunction with the Authority's treasury advisor. While short term borrowing is currently cheaper there is a risk that the council could be exposed to future interest rate rises. While interest rates are not expected to rise in the short term the council

¹ Loans with maturities less than 1 year.

has converted some of its temporary borrowing into longer term PWLB borrowing in order to reduce its exposure to this interest rate risk. Most of the longer term borrowing has been on an Equal Instalment of Principle basis whereby a repayment of the principle sum is made every six months alongside an interest payment. The table below shows that a total of £58m longer term PWLB borrowing was taken out in 2019-20. The council will continue to explore new opportunities to take out new longer term borrowing in order to reduce its exposure to interest rate rises in the future.

Loan Ref	Start Date	Maturity Date	Length of Loan Years	Principle	Interest Rate	Type	Principle Outstanding	Financial Year
509380	21/06/2019	21/03/2039	20	25,000,000	1.69	EIP	24,375,000	2019-20
509540	25/07/2019	25/07/2034	15	13,000,000	1.40	EIP	12,566,667	2019-20
509818	02/09/2019	02/03/2031	11.5	20,000,000	1.07	EIP	19,130,435	2019-20
				58,000,000			56,072,101	

- 5.3.7 On 9th October 2019 the PWLB raised the cost of certainty rate borrowing to 1.8% above UK gilt yields making it relatively expensive. As a result the Council has temporarily ceased borrowing from PWLB. Market alternatives are available, however the financial strength of individual authorities will be scrutinised by investors and commercial lenders. The Chancellor's March 2020 Budget statement included significant changes to Public Works Loan Board (PWLB) policy and launched a wide-ranging consultation on the PWLB's future direction. Announcements included a reduction in the margin on new Housing Revenue Account (HRA) loans to 0.80% above equivalent gilt yields. The value of this discount is 1% below the rate at which the authority usually borrows from the PWLB. £1.15bn of additional "infrastructure rate" funding at gilt yields plus 0.60% has been made available to support specific local authority infrastructure projects for England, Scotland and Wales for which there is a bidding process.
- 5.3.8 The consultation titled "Future Lending Terms" allows stakeholders to contribute to developing a system whereby PWLB loans can be made available at improved margins to support qualifying projects. It contains proposals to allow authorities that are not involved in "debt for yield" activity to borrow at lower rates as well as stopping local authorities using PWLB loans to buy commercial assets primarily for yield. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances. The consultation closed on 31st July 2020 with the announcement and implementation of the revised lending terms expected in the latter part of this calendar year or early next year.

5.3.9 Current Debt Outstanding

	Balance on 01/04/2020 £'000	Maturing Debt £'000	Transfers £'000	New Borrowing £'000	Balance on 07/10/220 £'000	Increase/ (Decrease) in Borrowing £'000
CFR	678,836				678,836	
Short Term Borrowing ²	278,440	(243,470)		315,000	349,970	71,530
Long Term Borrowing	351,349				351,349	0
TOTAL BORROWING	629,789	(243,470)		315,000	701,319	71,530
Other Long Term Liabilities	39,338	(2,434)			36,904	(2,434)
TOTAL EXTERNAL DEBT	669,127	(245,904)		315,000	738,223	69,096
Average Rate % / Life (yrs)	1.95% / 13.59yrs				1.71% / 12.53yrs	

5.3.10 The council currently has £345.5m short term borrowing from other Local Authorities and the table below summarises the current position.

Start Date	Maturity Date	Days	Loan Amount	Interest Rate %
20/04/2020	20/10/2020	183	5,000,000	0.85
24/10/2019	22/10/2020	364	2,000,000	0.80
24/04/2020	26/10/2020	185	5,000,000	0.85
31/10/2019	29/10/2020	364	2,000,000	0.80
05/03/2020	30/10/2020	239	2,000,000	1.12
01/11/2019	30/10/2020	364	5,000,000	0.98
01/11/2019	30/10/2020	364	3,000,000	0.83
06/11/2019	04/11/2020	364	5,000,000	0.98
07/11/2019	05/11/2020	364	3,000,000	0.95
07/11/2019	05/11/2020	364	2,000,000	0.95
07/05/2020	09/11/2020	186	5,000,000	0.85
11/05/2020	11/11/2020	184	4,000,000	0.75
12/08/2020	12/11/2020	92	5,000,000	0.05
19/02/2020	19/11/2020	274	8,000,000	0.97
22/11/2019	20/11/2020	364	5,000,000	0.95
25/11/2019	23/11/2020	364	1,000,000	0.95
29/05/2020	30/11/2020	185	3,000,000	0.85
29/05/2020	30/11/2020	185	3,000,000	0.85
29/05/2020	30/11/2020	185	3,000,000	0.85
01/06/2020	01/12/2020	183	1,000,000	0.40
02/09/2020	02/12/2020	91	1,000,000	0.02
02/06/2020	02/12/2020	183	3,000,000	0.60

² Loans with maturities less than 1 year including PWLB

Start Date	Maturity Date	Days	Loan Amount	Interest Rate %
18/12/2019	16/12/2020	364	2,000,000	0.95
01/04/2020	18/12/2020	261	5,000,000	1.01
19/03/2020	21/12/2020	277	5,000,000	1.00
22/06/2020	22/12/2020	183	5,000,000	0.85
01/10/2020	04/01/2021	95	2,000,000	0.05
09/07/2020	11/01/2021	186	5,000,000	0.19
09/07/2020	11/01/2021	186	5,000,000	0.50
22/01/2020	15/01/2021	359	5,000,000	1.00
21/01/2020	20/01/2021	365	4,000,000	0.95
20/02/2020	26/01/2021	341	5,000,000	0.95
29/01/2020	27/01/2021	364	2,000,000	0.98
29/01/2020	28/01/2021	365	3,000,000	0.95
31/01/2020	29/01/2021	364	5,000,000	0.95
03/08/2020	03/02/2021	184	5,000,000	0.50
02/06/2020	25/02/2021	268	10,000,000	0.90
12/06/2020	01/03/2021	262	5,000,000	0.50
25/03/2020	25/03/2021	365	2,000,000	1.20
30/04/2020	31/03/2021	335	5,000,000	1.05
28/04/2020	31/03/2021	337	5,000,000	1.05
18/06/2020	01/04/2021	287	10,000,000	1.00
05/06/2020	01/04/2021	300	2,500,000	0.95
02/04/2020	01/04/2021	364	2,000,000	0.96
21/08/2020	06/04/2021	228	4,000,000	0.30
13/07/2020	13/04/2021	274	5,000,000	0.50
07/09/2020	19/04/2021	224	5,000,000	0.25
21/05/2020	26/04/2021	340	5,000,000	1.00
28/08/2020	28/04/2021	243	4,000,000	0.26
28/08/2020	28/04/2021	243	1,000,000	0.26
30/04/2020	29/04/2021	364	10,000,000	1.00
21/09/2020	30/04/2021	221	5,000,000	0.30
16/09/2020	30/04/2021	226	3,000,000	0.30
10/06/2020	30/04/2021	324	5,000,000	0.95
13/05/2020	12/05/2021	364	5,000,000	1.00
19/05/2020	18/05/2021	364	5,000,000	0.95
28/08/2020	28/05/2021	273	3,000,000	0.25
28/08/2020	28/05/2021	273	5,000,000	0.30
01/06/2020	28/05/2021	361	2,000,000	1.00
29/05/2020	28/05/2021	364	5,000,000	1.00
29/05/2020	28/05/2021	364	5,000,000	0.95
29/05/2020	28/05/2021	364	4,000,000	0.90
08/06/2020	07/06/2021	364	5,000,000	0.80
09/09/2020	09/06/2021	273	5,000,000	0.32
14/09/2020	14/06/2021	273	5,000,000	0.30
15/06/2020	14/06/2021	364	5,000,000	0.80
25/09/2020	15/06/2021	263	2,500,000	0.20
15/09/2020	15/06/2021	273	3,000,000	0.15

Start Date	Maturity Date	Days	Loan Amount	Interest Rate %
19/06/2020	18/06/2021	364	5,000,000	0.70
21/09/2020	21/06/2021	273	2,000,000	0.30
26/06/2020	25/06/2021	364	2,000,000	0.90
26/06/2020	25/06/2021	364	2,000,000	0.40
16/09/2020	28/06/2021	285	2,000,000	0.32
30/09/2020	01/07/2021	274	5,000,000	0.22
06/10/2020	06/07/2021	273	5,000,000	0.20
31/07/2020	30/07/2021	364	5,000,000	0.40
12/08/2020	11/08/2021	364	5,000,000	1.00
14/08/2020	13/08/2021	364	7,000,000	0.45
14/08/2020	13/08/2021	364	5,000,000	0.35
21/08/2020	20/08/2021	364	5,000,000	0.45
16/09/2020	15/09/2021	364	2,000,000	0.37
25/09/2020	24/09/2021	364	1,500,000	0.22
28/09/2020	28/09/2021	365	5,000,000	0.37
30/09/2020	29/09/2021	364	2,000,000	0.25
01/10/2020	01/10/2021	365	3,000,000	0.37
			345,500,000	

5.3.11 PWLB Borrowing

PWLB Certainty Rate and Project Rate Update

The Authority qualifies for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate) for a 12 month period from 01/11/2018. The application for the certainty rate needs to be submitted to CLG by 30th September 2020 to access this reduced rate for a further 12month period from 1st November 2020 should it be required.

Debt Rescheduling:

The increase in PWLB repayment rates during the quarter lowered the premium that would apply on premature redemption of loans, but the premia was still relatively expensive for the loans in the Authority's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

5.3.12 A year after their commencement, the £125.8m of loans borrowed on 28th March 2012 for the HRA self-financing settlement became eligible for rescheduling. These loans were borrowed at one-off preferential rates made available specifically for the settlement. If the increases in gilt yields and PWLB redemption rates seen at the end of this quarter prevail in subsequent months, they may present early loan repayment opportunities at close to par. Early repayment or rescheduling will first be assessed against the requirements of the HRA business plan and any future borrowing requirements. Where rescheduling is appropriate, the Authority will consider alternative refinancing to achieve cost savings and a reduction in risk. (Conventional PWLB to PWLB debt restructuring is limited by the new borrowing and repayment spread.) The Authority is currently considering options for debt rescheduling in conjunction with its Treasury Management advisors.

5.3.13 LOBOs:

The Authority holds £13m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £4m of these LOBOS had options during 2018-19 none of which were exercised by the lender. The Authority acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options. In June 2016, Barclays Bank waived their right to increase interest rates in the future so this is now treated as a long term, fixed rate market loan.

5.4 Investment Activity

5.4.1 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.

Investment activity 2019-20

Investments	Balance on 01/04/2019 £'000	Investments Made/Transferred £'000	Maturities/ Investments Sold/Transferred £'000	Balance on 31/03/2020 £'000	Average Rate % and Average Life (years)
Short Term Investments	48,146	10,000	(48,146)	10,000	
Long Term Investments	48,474	23,491		71,965	
Cash Equivalents	17,250	372,220	(376,380)	13,090	
TOTAL INVESTMENTS	113,870			95,055	3.37%/3.69 years

The £95.055m balance on 31st March 2020 is broken down further below:

Type of Investments	Principle Sum Outstanding £m	Valuation £m
Money Market Funds	13.090	13.090
Pooled Property Fund	10.000	10.770
Other Pooled Funds	8.500	7.877
Local Authorities	10.000	10.000
Municipal Bonds Agency	0.050	0.050
Slough Urban Regeneration Old Library Site LLP	5.585	5.585
James Elliman Homes	47.700	43.793
St Bernard's School	0.130	0.130
	95.055	91.295

5.4.2 Security of capital remained the Authority's main investment objective. This was maintained by following the Authority's counterparty policy as set out in its Treasury Management Strategy Statement for 2019/20 which defined "high credit quality". The authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

5.4.3 The Council's budgeted investment income for 2019-20 was estimated at £2.483m (£2.896m 2018-19) and it achieved £4.363m (£2.754m in 2018-19). The average cash balances were £66.599m during 2019-20. Also income of £0.216m was realised by making an upfront payment to the pension scheme.

5.4.3 Externally Managed Funds:

The council has invested a total of £10m into a Property Fund The Local Authorities' Property Fund is administered by CCLA Investment Management limited (a company specialising in fund management on behalf of Churches, Charities and Local Authorities) (CCLA). The Fund was launched in 1972, was valued at £599 million on 31st March 2016 and has a track record of income distribution yield of over five per cent per annum paid quarterly. The distribution yield is after property management costs and CCLA's fund management fee of 0.65 per cent. The fund has outperformed the Investment Property Databank (IPD) Balanced Property Unit Trusts index which is their benchmark over the past 10 years. Due to high entry fees this is seen as a long term investment with at least a 5 years time horizon. During 2019-20 the CCLA fund, generated £482,917 a return of 4.83%, which has thus far proved the highest returning of our investments. Also the £10.770m valuation as at 31st March 2020 is considerably higher than the £10m Principal Sum invested. However the fund depreciated in value by £400k in 2019-20.

5.4.4 Similar to many other property funds, dealing (i.e. buying or selling units) in the CCLA Local Authorities Property Fund was suspended by the fund in March 2020. The relative infrequency of property transactions in March as the pandemic intensified meant that it was not possible for valuers to be confident that their valuations correctly reflected prevailing conditions. To avoid material risk of disadvantage to buyers, sellers and holders of units in the property fund, the management company was obliged to suspend transactions until the required level of certainty is re-established. The dealing suspension was lifted in September 2020. There has also been a change to redemption terms for the CCLA Local Authorities Property Fund; from September 2020 investors are required to give at least 90 calendar days' notice for redemptions.

5.4.5 The council has also invested £3.5m in the CCLA Diversified Income Fund,. This is another pooled fund administered by CCLA Investment Management and recommended by the council's Treasury advisors, Arlingclose. The Fund is suitable for long term investors seeking a balanced return of income and capital growth for whom control of relative risk is important. The fund generated an income yield of 3.54% during 2019-20 though the fund did depreciate in value by £293k during the year.

5.4.6 The Council's other Investment in Pooled Funds is the £5m it has in invested in the Columbia Threadneedle Strategic Bond Fund. It is a Strategic Bond Fund which

invests in a mix of Investment Grade Corporate Bond, High Yield and Emerging Market Bonds. The fund produced dividends of £122,415 during 2019-20 a return of 2.45%. At the end of March 2020 the fund had depreciated by 6.61 with a valuation of £4.670m since the council first invested in the fund in October 2015. However the valuation at the end of September 2020 was £5.129m meaning that the fund has appreciated in value by just over £129,000.

All three funds are supported by our Treasury Advisors, are secure and offer reasonable liquidity. The values of the funds vary (Variable Net Asset Value) but are an excellent way of diversifying the council's investment portfolio

5.4.7 Safe Custody Arrangements

The Council set up a custody account with King & Shaxson in February 2012. By opening a custody account with King & Shaxson, the Council now has the ability to use a number of approved investment instruments as outlined in the 2017/18 Treasury Strategy and diversify the investment portfolio. Investment instruments requiring a custodian facility include Treasury Bills, Certificates of Deposit, Gilts, Corporate Bonds and Supranational Bonds. By establishing custody arrangements, the Council is better-placed to consider the use of alternative investment instruments in response to evolving credit conditions. At the beginning of 2017-18 the council had two Floating Rate Note Covered Bonds with the Leeds Building Society and Abbey Treasury Services (part of Santander UK Bank) respectively. The bonds are secured against mortgages and are exempt from bail-in risk. Both are AAA rated so there is little credit risk, and the rate the council receives is linked to the 3 month LIBOR rate that re-fixes every three months so there is very little interest rate risk also. The Abbey Treasury Services Floating Rate Note Bond matured in April 2017 and the Leeds Building Society Floating Rate matured in February 2018. However as the council's cash balances have diminished there is less scope to use the custodian account and the council now has no investments in alternative investment instruments.

5.4.8 Investment Activity in 2020/21

Investments	Balance on 01/04/2020 £'000	Investments Made	Maturities/ Investments Sold £'000	Balance on 07/10/2020 £'000	Avg Rate % and Avg Life (yrs)
Short Term Investments	10,000	15,000	(10,000)	15,000	
Long Term Investments	71,965	11,470		83,435	
Cash Equivalents	13,090	236,430	(201,885)	47,635	
TOTAL INVESTMENTS	95,055			146,070	3.53%/6.48 years

The £146.070m is broken down further below:

Type of Investments	£m
Money Market Funds	27.635
Uk Banks- call accounts	20.0
Pooled Property Fund	10.0
Other Pooled Funds	5.0
Diversified Income Fund	3.5
James Elliman Homes	51.70
Local Authority	15.0
Municipal Bonds Agency	0.05
Slough Urban Regeneration Old Library Site Residential LLP	13.055
St Bernard's School	0.130
	146.07

5.4.11 Budgeted Income and Outturn

The average cash balances have been £90.016m so far in 2020-21. The UK Bank Rate was reduced from 0.75% to 0.25% on 11th March 2020 with a further reduction to 0.10% on 19th March 2020. Short-term money market rates have remained at low levels (see Table 1 in Appendix 2).

The Authority's budgeted investment income for the year is estimated at £3.108m. The following table shows the current projection for both interest payable and receivable in 2020-21.

Interest Receivable Projection	2020-21
Columbia Threadneedle Strategic Bond Fund	(173)
CCLA Property Fund	(470)
HRA Internal Loan	(262)
James Elliman Homes	(1,507)
Money Market Funds	(49)
Upfront Pension Payment	(89)
Interest on Bank Accounts	(95)
CCLA Diversified Income	(115)
Temporary Investments	(95)
North West Quadrant LLP	(827)
SUR Old Library Residential LLP	(542)
	(4,224)
Interest Payable Projection	2020-21
PWLB Loans	9,120
Market Loans	540
Temporary Loans	2,495
	12,155

5.4.12 Credit Risk

Counterparty credit quality as measured by credit ratings is summarised below:

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/03/2020	4.12	AA-	3.72	AA-
30/06/2020	4.06	AA-	3.90	AA-

Scoring:

-Value weighted average reflects the credit quality of investments according to the size of the deposit

-Time weighted average reflects the credit quality of investments according to the maturity of the deposit

AAA = highest credit quality = 1

D = lowest credit quality = 26

- Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

5.5 Non-Treasury Investments

5.5.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in Ministry of Housing, Communities and Local Government's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

5.5.2 As at 31st March 2020 the Council held £159.801m of such investments in

- directly owned property £106.386m
- loans to James Elliman Homes £47.700m
- loans to Slough Urban Renewal Old Library Residential LLP £5.585m
- loan to St Bernard's School £0.130m

A full list of the Authority's non-treasury investments is shown in Appendix 4.

These investments generated £5.282m of investment income for the Authority after taking account of direct costs, representing a rate of return of 5.72%.

5.5.3 During 2019-20, the council has purchased the following properties for investment purposes in order to continue the council's policy of purchasing income generating assets to support the revenue budget.

Property	Capital Expenditure	Annual Rent Due	% Return on Investment	Type
Odeon, Churchill Way, Basingstoke	8,473,686.10	611,245.00	7.21%	Retail
Acquasulis House, 12-14 Bath Road	7,676,350.02	443,867.00	5.78%	Office
Freehold interest of 21, Roydsdale Way, Euroway Industrial Estate, Bradford, West Yorkshire	12,899,916.28	774,304.00	6.00%	Distribution
Purchase 233-249 High Street	4,061,322.64	259,608.00	6.39%	Retail
	33,111,275.04	2,089,024.00	6.31%	

5.5.4 A further £4m in capital loans has been made to James Elliman Homes during 2020-21 and the principle for the Wexham Nursery Loan Note was fully repaid on 8th July 2019. All non-Treasury investments made for the purpose of generating income yield at least 5% which compares favourably to the best performing Treasury Investment the CCLA Property Fund which generated 4.83% income in 2019-20.

5.6 Compliance with Prudential Indicators

5.6.1 The Authority confirms compliance with its Prudential Indicators for 2020/21, which was set in February 2019 as part of the Authority's Capital Strategy Statement.

5.7 Outlook for Remainder of 2019-20

5.7.1 The medium-term global economic outlook is weak. While the strict initial lockdown restrictions have eased, coronavirus has not been suppressed and second waves have prompted more restrictive measures on a regional and national basis. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed. The global central bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic and social conditions than otherwise. This has supported a sizeable economic recovery in Q3. However, the scale of the economic shock to demand, on-going social distancing measures, regional lock downs and reduced fiscal support will mean that the subsequent pace of recovery is limited. Early signs of this are already evident in UK monthly GDP and PMI data, even before the latest restrictions.

This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets have priced in a chance of negative Bank Rate. Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or if the UK leaves the EU without a deal.

Arlingclose expects Bank Rate to remain at the current 0.10% level and additional monetary loosening in the future most likely through further financial asset purchases (QE). While Arlingclose's central case for Bank Rate is no change from the current level of 0.1%, further cuts to Bank Rate to zero or even into negative territory cannot be completely ruled out.

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Official Bank Rate													
Upside risk	0.00	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

Gilt yields are expected to remain very low in the medium term. Shorter-term gilt yields are currently negative and will remain around zero or below until either the Bank of England expressly rules out negative Bank Rate or growth/inflation prospects improve.

Downside risks remain in the near term, as the government dials down its fiscal support measures, reacts to the risk of a further escalation in infection rates and the Brexit transition period comes to an end.

6 **Comments of Other Committees**

Not Applicable

7 **Conclusion**

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2019/20 and the first quarter of 2020/21. As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

8 **Appendices Attached**

- 1 - Prudential Indicators
- 2 - Money Markets and PWLB Rates
- 3 - Maturity Rates for New Investments

9 **Background Papers**

Financial detail provided from the Council's Treasury Management System and General Ledger.

Capital Financing Requirement

Estimates of the Authority's cumulative maximum external borrowing requirement for 2020/21 to 2023/24 are shown in the table below:

Slough Borough Council					
Balance Sheet Summary and Projections					
31st March	2020	2021	2022	2023	2024
	Estimate £000s	Forecast £000s	Forecast £000s	Forecast £000s	Forecast £000s
General Fund Capital Financing Requirement	514	603	665	695	720
HRA Capital Financing Requirement	164	168	178	178	178
Total Capital Financing Requirement	678	771	843	873	898
Less: Other long-term liabilities *	(39)	(36)	(54)	(54)	(54)
Loans Capital Financing Requirement	639	735	789	819	844
Less: External borrowing **	(630)	(706)	(756)	(786)	(806)
Internal (over) borrowing	9	29	33	33	38
Less: Usable reserves	(85)	(89)	(93)	(97)	(97)
Net Borrowing Requirement/(Investments)	(76)	(60)	(60)	(64)	(59)

In the Prudential Code Amendment (November 2012), it states that the chief finance officer should make arrangements for monitoring with respect to gross debt and the capital financing requirement such that any deviation is reported to him, since any such deviation may be significant and should lead to further investigation and action as appropriate.

	31/03/2020 Estimate £'000	31/03/2021 Estimate £'000	31/03/2022 Estimate £'000	31/03/2022 Estimate £'000
CFR	678,836	771,400	843,623	873,023
Gross Debt	669,026	742,053	810,304	840,304
Difference	9,810	29,347	33,319	32,719
Borrowed in excess of CFR? (Yes/No)	No	No	No	No

Except in the short term, external debt (i.e. borrowing for any purpose and other long-term liabilities) should not exceed the CFR.

Usable Reserves

Estimates of the Authority's level of Usable Reserves for 2020/22 to 2022/23 are as follows:

	31/03/2020 Actual £'000	31/03/2021 Estimate £'000	31/03/2022 Estimate £'000	31/03/2023 Estimate £'000
Usable Reserves	(81,228)	(83,522)	(85,823)	(88,368)

Prudential Indicator Compliance

(a) Authorised Limit and Operational Boundary for External Debt

The Local Government Act 2003 requires the Authority to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.

The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.

The Section 151 Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during the year; borrowing at its peak in 2018-19 was £182m.

	Authorised Limit (Approved) as at 31/03/2020 £000s	Operational Boundary (Approved) as at 31/03/2020 £000s	Actual External Debt as at 31/03/2020 £000s
Borrowing	742	712	630
Other Long-term Liabilities	59	59	39
Total	801	771	669

(b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.
-

	Approved Limits for 2020/21 £	Maximum during Q2 2020/21 £/%
Upper Limit for Fixed Rate Exposure	£550m	£337m
Compliance with Limits:	£337m	Yes
Upper Limit for Variable Rate Exposure	£300m	£193m
Compliance with Limits:	£193m	Yes

(c) Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 07/10/2020 £000s	% Fixed Rate Borrowing as at 23/08/2019	Compliance with Set Limits?
under 12 months	75	0	358,439	51.11%	Yes
12 months and within 24 months	50	0	18,939	2.70%	Yes
24 months and within 5 years	50	0	34,817	4.96%	Yes
5 years and within 10 years	75	0	75,196	10.72%	Yes
10 years and within 15 years	95	0	61,003	8.70%	Yes
15 years and within 20 years	95	0	79,417	11.32%	Yes
20 years and within 25 years	95	0	47,008	6.70%	Yes
25 years and above	95	0	26,500	3.78%	Yes

(The 2011 revision to the CIPFA Treasury Management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date³)

(d) Total principal sums invested for periods longer than 364 days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2019/20 Approved £000s	7/10/2020 Actual £000s	31/03/2021 Estimate £000s	31/03/221 Estimate £000s
	45,000	18,500	18,500	18,500

³ Page 15 of the Guidance Notes to the 2011 CIPFA Treasury Management Code

Appendix 2

Money Market Data and PWLB Rates

The average, low and high rates correspond to the rates during the financial year rather than those in the tables below.

Please note that the PWLB rates below are Standard Rates. Authorities eligible for the Certainty Rate can borrow at a 0.20% reduction. Borrowing eligible for the project rate can be undertaken at a 0.40% reduction.

Table 1: Bank Rate, Money Market Rates

Date	Bank Rate	O/N LIBID	7-day LIBID	1-month LIBID	3-month LIBID	6-month LIBID	12-month LIBID	2-yr SWAP Bid
01/04/2020	0.10	-0.062	-0.002	0.110	0.450	0.595	0.709	0.48
30/04/2020	0.10	-0.072	-0.030	0.077	0.469	0.558	0.701	0.42
30/06/2020	0.10	-0.072	-0.062	-0.035	0.016	0.169	0.304	0.18
30/09/2020	0.10	-0.078	-0.078	-0.080	-0.064	-0.038	0.026	0.07
Average	0.10	-0.071	-0.043	0.018	0.218	0.321	0.435	0.289
Maximum	0.10	-0.062	-0.002	0.110	0.469	0.595	0.709	0.485
Minimum	0.10	-0.078	-0.078	-0.080	-0.064	-0.038	0.026	0.074
Spread	--	0.016	0.076	0.189	0.533	0.632	0.682	0.410

Table 2: PWLB Borrowing Rates - Fixed Rate, Maturity Loans (Standard Rate)

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2020	380/20	1.96	1.94	2.22	2.71	2.75	2.73	2.60
30/04/2020	250/20	1.97	1.94	2.18	2.63	2.64	2.65	2.48
30/06/2020	168/20	2.05	2.09	2.27	2.62	2.59	2.64	2.34
30/09/2020	130/20	2.09	2.12	2.30	2.73	2.73	2.76	2.52
	Low	1.96	1.94	2.18	2.62	2.59	2.64	2.34
	Average	2.02	2.02	2.24	2.67	2.68	2.70	2.49
	High	2.09	2.12	2.30	2.73	2.75	2.76	2.60

Approved Counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Government	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£15m 5 years	£15m 20 years	£15m 50 years	£5m 20 years	£5m 20 years
AA+	£15m 5 years	£15m 10 years	£15m 25 years	£5m 10 years	£5m 10 years
AA	£15m 4 years	£15m 5 years	£15m 15 years	£5m 5 years	£5m 10 years
AA-	£15m 3 years	£15m 4 years	£15m 10 years	£5m 4 years	£5m 10 years
A+	£15m 2 years	£15m 3 years	£15m 5 years	£5m 3 years	£5m 5 years
A	£15m 13 months	£15m 2 years	£15m 5 years	£5m 2 years	£5m 5 years
A-	£15m 6 months	£15m 13 months	£15m 5 years	£5m 13 months	£5m 5 years
None	£3m 12 months	n/a	£5m 25 years	n/a	£5m 5 years
Pooled funds	£10m per fund				

This table must be read in conjunction with the notes below

† The time limit is doubled for investments that are secured on the borrower's assets

* But no longer than 2 years in fixed-term deposits and other illiquid instruments

** But no longer than 5 years in fixed-term deposits and other illiquid instruments

Appendix 4

James Elliman Homes						
Principal	Start	End	Interest Rate %	No.of Days	Interest Due	Transfer Date
2,223,610.00	01-Apr	01-Apr	3	365	66,708.30	17/07/2017
2,000,000.00	01-Apr	01-Apr	3	365	60,000.00	19/07/2017
2,500,000.00	01-Apr	01-Apr	3	365	75,000.00	12/01/2018
3,200,000.00	01-Apr	01-Apr	3	365	96,000.00	17/04/2018
3,000,000.00	01-Apr	01-Apr	3	365	90,000.00	20/07/2018
5,000,000.00	01-Apr	01-Apr	3	365	150,000.00	09/08/2018
5,000,000.00	01-Apr	01-Apr	3	365	150,000.00	28/09/2018
2,000,000.00	01-Apr	01-Apr	3	365	60,000.00	19/12/2018
1,500,000.00	01-Apr	01-Apr	3	365	45,000.00	08/02/2019
1,500,000.00	01-Apr	01-Apr	3	365	45,000.00	15/03/2019
2,000,000.00	01-Apr	01-Apr	3	365	60,000.00	15/03/2019
876,390.00	01-Apr	01-Apr	3	365	26,291.70	16/04/2019
3,000,000.00	01-Apr	01-Apr	3	365	90,000.00	23/05/2019
2,950,000.00	01-Apr	01-Apr	3	365	88,500.00	04/07/2019
2,950,000.00	01-Apr	01-Apr	3	365	88,500.00	08/11/2019
2,000,000.00	01-Apr	01-Apr	3	365	60,000.00	02/01/2020
3,000,000.00	01-Apr	01-Apr	3	365	90,000.00	06/02/2020
3,000,000.00	01-Apr	01-Apr	3	365	90,000.00	07/03/2020
2,000,000.00	04-May	01-Apr	3	332	54,575.34	04/05/2020
1,000,000.00	14-Jul	01-Apr	3	261	21,452.05	14/07/2020
1,000,000.00	16-Sep	01-Apr	3	197	16,191.78	16/09/2020
51,700,000.00					1,507,027.40	

SUR Old Library (Residential) LLP

Senior Debt					
Principal	Start Sate	End date	No.of Days	Interest Rates	Interest Due
300,000.00	01/04/2020	01/04/2021	365	5.09%	15,270.00
900,000.00	01/04/2020	01/04/2021	365	5.00%	45,000.00
800,000.00	01/04/2020	01/04/2021	365	5.08%	40,640.00
700,000.00	01/04/2020	01/04/2021	365	5.00%	35,000.00
830,000.00	14/04/2020	01/04/2021	352	5.00%	40,021.92
490,000.00	19/05/2020	01/04/2021	317	5.00%	21,278.08
470,000.00	17/06/2020	01/04/2021	288	5.00%	18,542.47
1,090,000.00	14/07/2020	01/04/2021	261	5.00%	38,971.23
400,000.00	10/08/2020	01/04/2021	234	5.00%	12,821.92
1,090,000.00	20/08/2020	01/04/2021	224	5.00%	33,446.58
400,000.00	16/09/2020	01/04/2021	197	5.00%	10,794.52
580,000.00	16/10/2020	01/04/2021	167	5.00%	13,268.49
8,050,000.00					325,055.21
Loan B 5%					
Principal	Start Sate	End date	No.of Days	Interest Rates	Interest Due
184,558.00	01/04/2020	01/04/2021	365	5.00%	9,227.90
213,331.00	01/04/2020	01/04/2021	365	5.00%	10,666.55
234,158.00	01/04/2020	01/04/2021	365	5.00%	11,707.90
145,000.00	01/04/2020	01/04/2021	365	5.00%	7,250.00
492,953.00	01/04/2020	01/04/2021	365	5.00%	24,647.65
325,000.00	01/04/2020	01/04/2021	365	5.00%	16,250.00
475,000.00	01/04/2020	01/04/2021	365	5.00%	23,750.00
2,070,000.00					103,500.00
Loan A 7%					
Principal	Start Sate	End date	No.of Days	Interest Rates	Interest Due
313,736.00	01/04/2020	01/04/2021	365	7.00%	21,961.52
501,264.00	01/04/2020	01/04/2021	365	7.00%	35,088.48
					57,050.00
TOTAL					485,605.21

Strategic Property Acquisitions								
Property	Capital Expenditure	Annual Rent Due	2018-19	2019-20 Projection	2020-21	% Return on Investment	Type	Purchase Date
202-206 High Street (BHS)	2,932,763.52						Retail	29/11/2015
174-178 High Street (WH Smith)	5,310,540.96	288,000.00	238,600.00	289,000.00	289,000.00	5.42%	Retail	30/01/2016
5 Hillersdon	368,000.00						Strategic	24/04/2016
Halfords 380 Bath Road	4,288,918.25	281,775.00	281,775.00	281,775.00	281,775.00	6.57%	warehouse-re	28/07/2016
Land at Norway Drive	235,000.00						Strategic	02/11/2016
Waitrose Gosport - Stoke Road	3,717,512.07	220,000.00	219,999.96	219,999.96	219,999.96	5.92%	Retail	08/01/2017
Wickes West Street Wolverhampton	7,083,087.88	482,640.00	482,640.00	482,640.00	482,640.00	6.81%	ehouse-re	22/01/2017
Leaseplan 165 Bath Road	19,807,613.04	1,150,000.00	1,140,000.00	1,150,000.00	1,150,000.00	5.81%	Office	02/05/2017
Land South Side Stoke Road (Stoke Wharf)	2,117,250.39						Strategic	14/06/2017
Purchase of Cornwall House	1,736,807.94	17,000.00	46,848.00	27,465.00	27,465.00	0.98%	Office	29/06/2017
Leasehold interest of the 5th Floor, Hatfield Car Park	228,042.00	20,000.00	12,000.00	20,000.00	20,000.00	8.77%	Strategic	16/08/2017
100A Wexham Road	807,902.48						Strategic	06/06/2018
Gala Bingo, 3 Bath Road	4,891,617.53	40,000.00	20,000.00	39,999.96	39,999.96	0.82%	Strategic	22/08/2018
Lego, 33 Bath Road	13,834,938.13	1,132,430.00	547,679.97	815,650.00	1,132,430.00	8.19%	Office	27/09/2018
Upton Lodge 2A Yew Tree Road	6,361,495.26	347,000.00	86,800.00	347,000.00	347,000.00	5.45%	Office	17/12/2018
Unit 26 Wexham Business Village	612,302.40	10,000.00				1.63%	Office	21/01/2019
Odeon, Churchill Way, Basingstoke	8,475,801.30	611,245.00		492,763.95	611,245.00	7.21%	Retail	30/05/2019
Acquasulis House, 12-14 Bath Road	7,387,761.70	447,125.00		386,935.10	386,935.10	6.05%	Office	07/07/2019
Freehold interest of 21, Roydsdale Way, Euroway Industrial Estate, Bradford, West Yorkshire	12,744,924.30	774,304.00		555,802.00	774,304.00	6.08%	warehouse	09/07/2019
Purchase 233-249 High Street	4,044,153.52	259,608.00		172,776.00	260,000.00	6.42%	Retail	04/08/2019
Unit 27.28 Wexham Business Village	725,798.40	14,400.00				2.05%	Office	18/08/2020
10-12 Wheelwrights Place, Colnbrook	589,061.25							
	108,301,292.32	6,095,527.00	3,076,342.93	5,281,806.97	6,022,794.02	5.72%		
202-206 High Street the old BHS building was sold on 29th March 2018. Told Capital Receipt generated was £3.8m								