

## Appendix D

### Non-Treasury Investments

Non-treasury investments are defined within CIPFA's revised Treasury Management Code as:

Directly owned property (commercial property). This is property where the Council has borrowed specifically to fund the purchase

Directly owned property (investment property). This is property that the Council holds as an investment property, but the purchase has not been funded through borrowing. In most cases, the property has been inherited from Berkshire County Council or Newbury District Council, and upon the formation of West Berkshire District Council in 1998.

The property assets held are detailed below, and the valuations below are consistent with the financial data disclosed within the Draft Statement of Accounts for 2023/2024 (published 31 May 2024).

#### Directly owned property (commercial property):

Commercial Property	Actual	31.03.23 Actual	31.03.24 Actual	Year 2023/24	31.3.2025 expected
	Purchase cost	Value in accounts	Value in accounts	Gains or (losses)*	Value in accounts
	£000s	£000s	£000s	£000s	£000s
Dudley Port Petrol Filling Station, Tipton	3,510	4,155	4,155	0	4,155
79 Bath Road, Chippenham	9,106	9,250	9,250	0	9,250
Lloyds Bank, 104 Terminus Road, Eastbourne	2,900	1,675	1,585	(90.00)	1,585
Aldi/Iceland, Cleveland Gate Retail Park, Gainsbor	6,048	5,825	5,495	(330.00)	0
303 High Street and 2 Waterside South, Lincoln	5,665	2,900	2,550	(350.00)	2,550
3&4 The Sector, Newbury Business Park	17,760	14,950	11,100	(3,850.00)	11,100
Ruddington Fields Business Park, Mere Way, Nottingham	6,545	6,700	6,700	0.00	6,700
<b>TOTAL</b>	<b>51,534</b>	<b>45,455</b>	<b>40,835</b>	<b>(4,620.00)</b>	<b>35,340</b>

Note - the Council approved an updated Property Investment Strategy in February 2024, with a view to disinvesting and disposing of directly owned assets. At the time of writing this report, the Aldi/Iceland, Gainsborough site is currently scheduled for disposal.

#### Directly owned property (investment property):

Name and address of property	Property type	Valuation at 31 March 2023 £'000	Gains/(Loss) £'000	Valuation at 31 March 2024 £'000
The Stone Building, The Wharf, Newbury	Café	25	0	25
Pelican Lane Creche, Pelican Lane	Children's Nursery	0	5	5
Rainbow Nursery, Priory Road, Hungerford	Children's Nursery	35	50	85
Clappers Farm/Beech Hill Farm, Grazeley	Tenanted Smallholding	1,750	50	1,800
Bloomfield Hatch Farm, Grazeley	Tenanted Smallholding	1,000	0	1,000
Shaw Social Club, Almond Avenue, Shaw	Community Centre	70	0	70
Swings n Smiles, Lower Way, Thatcham	Children's Day Centre	375	0	375
Units 1 to 7, Kennet Enterprise Centre, Hungerford	Industrial	520	0	520
London Road Industrial Estate, Newbury	Industrial	9,350	(350)	9,000
<b>Valuation total per draft 2023/24</b>		<b>13,125</b>	<b>(245)</b>	<b>12,880</b>

In February 2024, a revised Property Investment Strategy was approved and adopted allowing for the disinvestment and disposal of the commercial property base. The capital programme for 2025/26 does not reflect a provision for investment in or purchase of further commercial assets. This strategy assumes that disposal of the portfolio will occur within the timespan of the MTFs, but that this assumption is subject to annual reappraisal. The tables detailed below assume full disposal of this portfolio.

**Proportionality of investments** - the table below summarises the forecast gross income and expenditure associated with the commercial property portfolio over the term of the MTFs:

Proportionality of investments	2024/25 Forecast £000s	2025/26 Budget £000s	2026/27 Budget £000s	2027/28 Budget £000s	2028/29 Budget £000s
Gross Investment income from Commercial Property	3,112	2,632	2,063	1,137	0
Gross service expenditure on Commercial Property (exc MRP and interest)	343	283	218	112	0

Whilst net income from commercial properties contributes to the cost of funding core services, the Council should not be dependent on such income. The table below details the forecast net income from commercial properties compared to the Council's net revenue budget over the term of the MTFs. Although the removal of income over the medium-term will require mitigation, the net income contribution from the sale of these commercial investments is less than two percent:

Net income from Commercial Investments to Net Revenue Stream	31.3.2025 Forecast £'000	31.3.2026 Budget £'000	31.3.2027 Budget £'000	31.3.2028 Budget £'000	31.3.2029 Budget £'000
Total net income from commercial investments	£3,112	£2,632	£2,063	£1,137	£0
Funds Available (MTFS)	£174,981	£187,024	£195,202	£205,659	£216,741
Proportion of net revenue stream	1.78%	1.41%	1.06%	0.55%	0.00%