

## Non Treasury Management Investments

13th November 2020

## Appendix 2

### Investment Properties

The criteria the Council has adopted for the recognition of an investment priorities is :-

A property held primarily to generate rental income or for capital appreciation or both.

A property that is used solely to facilitate delivery of services, or to facilitate delivery of services as well as rentals does not meet the definition.

Asset	Value at 31.03.2019 *	Value at 31.03.2020 *	Year Purchased	Purchase Price for investment fund assets including acquisition cost	Asset life for the calculation of MRP	Asset life at March 2020 provided by Valuer
	£ million	£ million		£ million	years	years
Distribution Warehouse at Medway	28.8	31.2	2017/18	31.4	50	55
Ferndown	26.1	26.2	2017/18	27.5	50	50
Fugro House	19.8	19.6	2017/18	20.6	50	50
Gadeon House	15.3	15.4	2017/18	16.9	50	50
Gala Bingo Club	0.3	0.3	n/a	n/a	n/a	20
Torquay Golf Course (Petitor)	1.2	1.2	n/a	n/a	n/a	60
Unit 3 Riviera Park	0.8	0.8	n/a	n/a	n/a	25
Waterside Caravan Park	2.5	2.8	n/a	n/a	n/a	60
Wren Retail Park	18.1	11.5	2016/17	21.1	50	60
Twyver House, Gloucester	12.3	12.8	2018/19	12.5	50	40
Woodwater House Exeter	9.3	9.5	2018/19	9.9	50	60
The Range, Babbacombe	8.8	7.8	2018/19	8.8	40	60
3 Lucknow Road, Bodmin	2.8	2.9	2018/19	3.0	35	30
Travelodge, Chippenham (asset under construction as at 31/3/2019)	0.1	6.5	2019/20	6.3	35	60
Distribution facility, Exeter (asset under construction as at 31/3/2019)	2.6	15.4	2019/20	15.2	50	60
Crown Records, Exeter		1.7	2019/20	1.8	30	30
Bookers, Didcot, Oxfordshire		32.8	2019/20	34.6	40	40
Odeon, Taunton		10.5	2019/20	11.1	40	60
<b>Total</b>	<b>148.8</b>	<b>208.9</b>		<b>220.7</b>		

\* Note: Valuation are made inline with the CIPFA Accounting Code as required for the Council's Statement of Accounts

### COVID19

Please note due to COVID 19, the Council's Valuer has issued the 31st March 2020 valuation report on the basis of 'material valuation uncertainty'. This is in line with

RICS guidance. Therefore a higher degree of caution should be attached to the valuation.

### Loans (over £50k balance outstanding)

All loans over £50k have received Council or Investment Committee Approval in line with Financial Regulations

Debtor	Value Principal	Loan Term (years)	Remaining term as at 31/03/20	Interest rate per annum	Outstanding Balance 30.03.2020	Note	Mitigation of risk
	£ million				£ million		
South Devon College	4.0	25	22 years & 3 months	2.80%	3.6		None - Council decision to accept risk as public sector
TDA - Cockington Car Park	0.6	n/a		n/a	0.0	Not yet taken up	
TDA - Unit E, Torbay Business Park	1.5	40	40 years	1.99%	1.5	New loan 2019/20	
TDA - Tor Vista - Working Capital	1.0				0.1	£0.5m - end Oct 20	Wholly owned subsidiary of the Council
TDA - Tor Vista - Capital loan	25.0	n/a		n/a	0.0	Not yet taken up	
TDA - Kings Ash House	1.5	25	22 years & 3 months	4.50%	1.4		
THAT Group	9.3	Capital repayment starts in 2025 (7 years after the agreement)	36 years from 2025	5.25% to increase in 2023 to 8.5% over BR	9.3	New loan 2019/20	legal agreement and personal guarantee
Effect Photonics Ltd	0.5	6	6	8.00%	0.5	New loan 2019/20	Charge on the equipment
SWISCO - Working Capital	1.0				0.0	Not yet taken up	
<b>Total</b>	<b>44.4</b>				<b>16.4</b>		

<b>Guarantees</b>
None as at 31.3.20

Pension Guarantees (to Pension Fund not Employer)		Note: Any approved guarantees to new entities will be included once operational				
Employer	Nature of Guarantee **	Fund Start Date	Bond Renewal Date	Existing Bond Amount £'000	***2017 Assessed Risk £'000	Mitigation of risk
Action for Children	A	01.08.2012	31.12.2016	80	22	Council contract
Mama Bears	A	08.12.2012	08.01.2018	22	9	Council contract
Healthwatch Torbay	A	01.05.2013	Cash held in Escrow A/C with DCC	13	21	Escrow a/c
Churchill Services (Sherwell Valley)	A	01.10.2014	30.09.2017	24	7	Low value
Torbay Community Development Trust	A	01.03.2014	Cash held in Escrow A/C with DCC	21	18	Escrow a/c
Sanctuary Housing (Intergrated Domestic Abuse)	A	02.09.2014	01.10.2019	10	39	Bond in place until 1.10.19
Torbay Coast and Countryside Trust	C	01.12.1999	n/a	n/a	223	linked charity
Torbay Development Agency - see note	C	01.07.2011	n/a	n/a	525	wholly owned subsidiary
The Childrens Society (Services) Ltd	C	01.01.2014	n/a	n/a	8	Low value
SWISCo	C	01.07.2020	n/a	n/a	tbc	wholly owned subsidiary
Torbay Education Services	C	01.01.2021	n/a	n/a	tbc	wholly owned subsidiary
ISS Torbay Schools	C	01.08.2014	n/a	n/a	21	Low value
LEX Leisure (transfer of Velopark staff )		n/a	1.12.17	If deficit materialises, through LEX becoming insolvent, amount will be added to Council's existing deficit		
Libraries Unlimited (transfer of Libraries staff )		n/a	01.04.18	Any liability arising through Libraries Unlimited becoming insolvent, the amount will be added to the Council's existing fund deficit. In addition, any liability at the end of the contract will also be added to the Council's fund deficit		
Youth Service		n/a	1.2.20	Any liability arising through Youth Service becoming insolvent, the amount will be added to the Council's existing fund deficit. In addition, any liability at the end of the contract will also be added to the Council's fund deficit		
CSW Group (Cornwall Local Government Pension Scheme)		n/a	2008	Torbay Council's liability limited to 8.1% based on population		
TDA Pension Liability Pass Through						
In 2019/20 the Council recognised, under a pass through arrangement, a financial guarantee for the pension liability for the TDA (a subsidiary company) that would require the Council to pay the TDA employer pension payments to the Devon County Pension Fund if the TDA defaulted on the payments. The TDA remains an admitted body to the pension scheme and is making higher employer contributions to mitigate any financial risk to the Council. The TDA will continue to recognise a pension liability under IAS19 and also recognises an asset to the value of that IAS19 Liability. The Council's liability is therefore the value of the TDA IAS19 pension liability.						
**A= Bond is required as part of the organisation's admission agreement C= A bond is not in place and either the letting authority or a guarantor has responsibility for any residual deficit ***The summary shows the 2017 Assessed Risk Value as supplied by the Devon Local Government Pension Scheme						

**Subsidiary Companies (wholly owned by Torbay Council) - see Statement of Accounts 2019/20**

<https://www.torbay.gov.uk/media/14531/soa-1920.pdf>