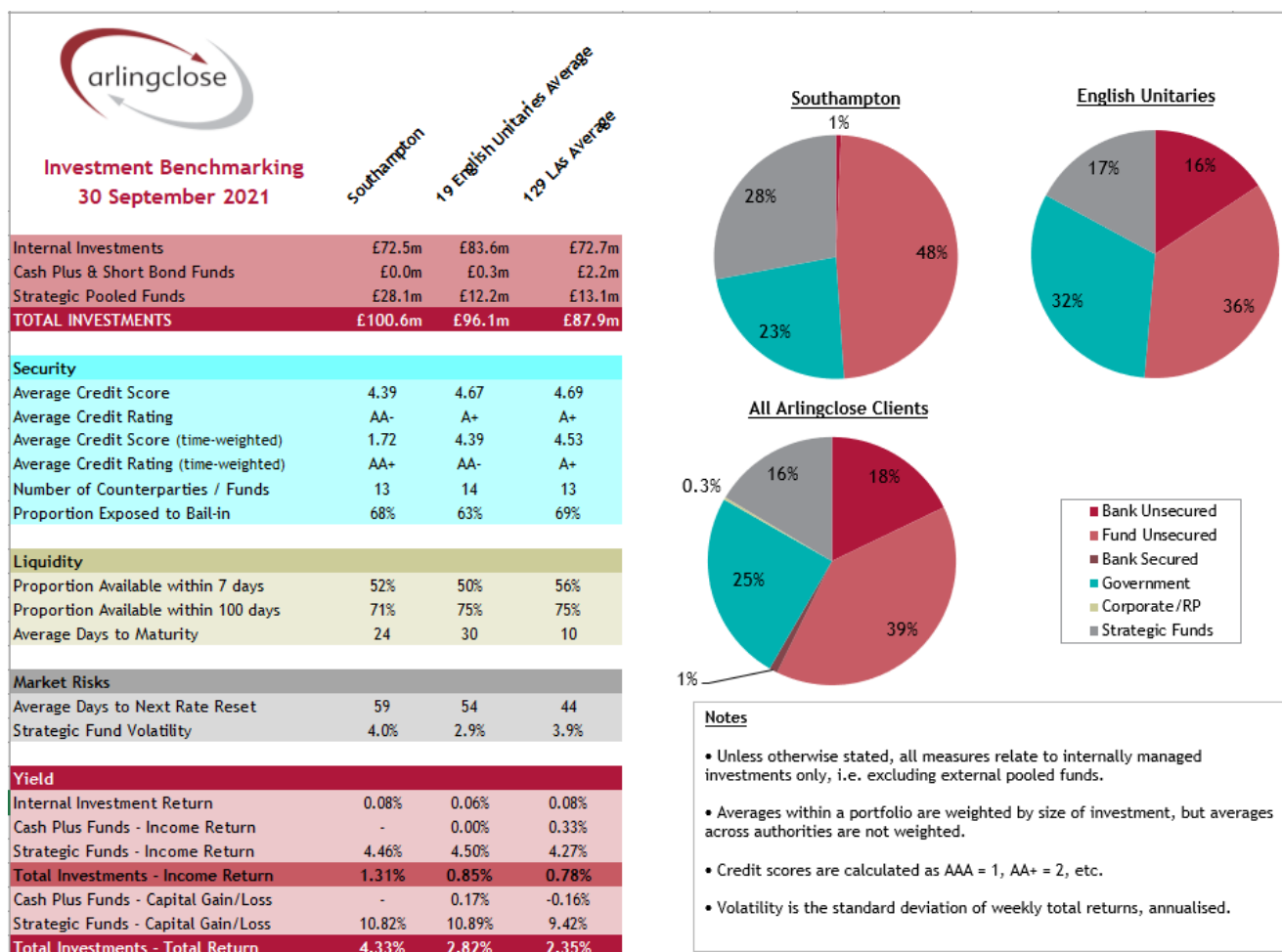


Southampton Benchmarking Scores 30th September 2021

The above highlights:

- Following the recent borrowing of two PWLB loans we have currently have slightly higher internal investments than both the average English Unitary and other Local Authorities £101M compared to £96M and £88M but this is expected to be utilised throughout the year and will drop significantly by year end, in line with our policy of minimising investments to avoid borrowing, lowering both investment risk and cost of carry (difference in interest earned on investments and that of borrowing which is usually higher). These investments are held for cash flow purposes and money markets are primarily used at the moment as they offer a higher rate than bank call accocunts and are available on demand unlike short term fixed term deposits that offer a similar rate of return.
- Internal investments average yield at 0.08% reflects current market position and is in line with other authorities.
- We have maintained an average credit rating of AA- which is higher than the average English Unitary and other Local Authorities and above our minimum rating of A- whilst achieving a higher income return at 1.31% compared to 0.85% and 0.78%.
- Our Strategic Investments at 28% is higher than the average at 17% and the income yield on these is 4.46% is higher than LA average of 4.27 % but slightly below average Ununitary at 4.50%.
- Due to the recovery of the value of the fund over the period, total return is higher at 4.33% compared 2.82% and 2.35%.