

## **Follow-up Written Answers from Overview and Scrutiny Committee 14 July 2022**

### **Minute 17 Capital Investment Strategy 2023/24**

#### **Question 1 Table 2 Significant Assets at March 2022 (page 114)**

A Member queried whether Banstead car park and Reffels Bridge car park should appear in the list of assets.

#### **Written Answer**

These assets were not of sufficient value to be included at Table 2 in the report.

- Banstead High Street car park was valued at £0.540m
- Linkfield Corner, Reffels Bridge, car park was valued at £0.220m

#### **Question 2 Table 3 Gross Returns (page 116)**

Members asked for confirmation of the rent income that was received for Beech House before it was vacated.

#### **Written Answer**

The full year rent at Beech House when last occupied was £0.400m per annum.

#### **Question 3 Greensand and MRP (page 124)**

Members requested a written response to explain the impact for this authority of the current accounting treatment for impairments in comparison to the revised MRP proposals.

#### **Written Answer**

The Council complies with current requirements, as set out in the Code of Practice for local government accounting and International Financial Reporting Standard (IFRS) 9 on Financial Instruments, whereby an annual assessment is made of any expected credit losses relating to its investments.

If the assessment indicates that the risk of loss or non-payment has increased since the previous year the outcome is an impairment charge (cost) to the General Fund at the end of the year.

The Government is consulting on proposals to change how the Minimum Revenue Provision (MRP) is calculated and reported for loans to council companies. If this change is implemented, it is expected to have the effect of replacing the annual credit loss assessment and charge (as explained above) for this type of investment with an annual MRP charge instead.