

Overview and Scrutiny Committee – 11 July 2024

Draft Minute 17 – Capital Investment Strategy 2025/26

The Deputy Leader and Executive Member for Finance and Assets, Councillor Lewanski, introduced the Capital Investment strategy 2025/26.

This report presents the Council's Capital Investment Strategy for 2025/26.

None of the information in this report is new and follows on mostly from the previously approved Treasury Management Strategy and the overall Council Capital Budget approved in February by Full Council.

This Capital Investment Strategy brings all aspects together to demonstrate that the Council plans to ensure that capital spending decisions take account of the authority's stewardship, value for money, prudence, sustainability, and affordability responsibilities.

This is particularly important in the current financial climate, especially in light of those authorities that are now finding themselves in financial difficulties, due in part to not having sufficient control over their capital spending and borrowing commitments.

The report also includes information about the significant assets owned by the Council, how they are used, and how they are performing. Plus information about the new capital assets that the Council is investing in and how they are being funded.

These activities are supported by the work of the Partner, Shareholder and Trustee Sub-Committee and officer boards.

The next step will be to continue the work that is now in progress to confirm future capital investment plans as part of the service and financial planning process.

A question had been submitted by a Member directly to officers on this item:

Page 187 Travelodge, 36, London Road Redhill (part of Warwick Quadrant) Hotel £5.0m (2017) 7.279 0.362 66.7% - I don't understand the Gross Budgeted Yield but this one is so different to the rest.

This was a typographical error in the report, the correct gross budgeted yield was 5%.

The Deputy Leader and Executive Member for Finance and Assets, Councillor Lewanski, invited any comments or questions from O&S members.

The following clarifications were provided:

Income-generating assets

A Member commented that the valuation of £1.056million for the four commercial units at 1-4 Quarrydene Parade in Merstham seemed low. The Chief Finance Officer would refer to the detailed valuer's report to check the previous valuation and provide a written response.

Significant assets

A Member noted that day centres had been renamed as community centres but were referred to as day centres in this report. It was confirmed that this was an oversight and that the report would be amended.

RESOLVED that Overview and Scrutiny Committee:
Noted the Capital Investment Strategy 2025/26 report and made comments for consideration by Executive.