

For general release

REPORT TO:	<i>Scrutiny and Overview Committee 4 September 2018</i>
SUBJECT:	<i>Update on Financial Strategy 2018/22 – Asset Investment</i>
LEAD OFFICER:	<i>Richard Simpson, Executive Director Resources and s151 Officer</i>
CABINET MEMBER:	<i>Councillor Simon Hall Cabinet Member for Finance and Resources</i>
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	<i>Richard Simpson, Executive Director Resources and s151 Officer</i>

ORIGIN OF ITEM:	To follow up on the paper that came to July Scrutiny on the new Financial strategy.
BRIEF FOR THE COMMITTEE:	To provide the Committee with more detail on the approach to asset investment and the criteria for making decisions about investment.

1. EXECUTIVE SUMMARY

- 1.1 The Financial Strategy will be presented to Cabinet on 24th September and will set out an estimate of the Council's income and expenditure over the next four years based on a best estimate. It will also set out the key strategies and approach to ensuring we have a balanced budget over the medium term. Included in the strategy is an approach to asset investment to deliver income to the Council to protect front line services. This builds on the priority in the previous Asset Strategy.
- 1.2 The proposal is for a 5 year strategy to reflect the Council's aspiration to secure medium to long term revenue returns from sound property investment within the Borough. It is important to acknowledge that in order to maximise the benefits from property investments, the assets need to be held for a longer period due to the acquisition and disposal costs and the short term fluctuations in capital values. However, if chosen carefully the revenue returns should be consistent and less prone to fluctuation due to the protection within the lease agreements.
- 1.3 In order to compete in what has become a very competitive market it is essential that the Council has a very streamline decision making process so that both the pre-purchase process and the commitment to purchase can be worked through in a systematic and swift manner.

2.1 PURPOSE

2.1 The draft strategy is attached as Appendix A and comments from the Committee are sought in advance of sign off at Cabinet.

Appendices

Appendix 1 - Draft Asset Investment Strategy

CONTACT OFFICER: Steve Wingrave Head of Assets and Estate Management