

ASSET MANAGEMENT SUB COMMITTEE

WEDNESDAY 7TH OCTOBER 2026

Minutes of a meeting of the **ASSET MANAGEMENT SUB COMMITTEE** held in the Council Chamber, Council Offices, School Aycliffe Lane, Newton Aycliffe, on **WEDNESDAY 7TH OCTOBER 2026** at 7.00p.m.

PRESENT

Councillor Chris Clement (Chairman) and:

Councillors: Martin Ashcroft, Lindsey Aston, Jaci Beddard, Tony Beddard, Arun Chandran, Neil Collinson, Luke Ellis, Richard Hutchinson, Sharon Hutchinson, Vijaya Kotur, Carl Robinson and Michael Stead.

OFFICERS

Mr Dan Austin (Town Clerk)

Miss Helen Roberts (Finance Manager)

Mrs Vikki Anderson (Corporate Assistant)

IN ATTENDANCE

Councillor Tracey Williams

One member of the public

It was agreed that Councillor Luke Ellis would act as Vice Chairman for the meeting.

10. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Tunde Akinsanya, Richard Burchell, Phillip Hawkins and Kyle Robinson.

11. MEMBERS' DISPENSATIONS

There were no requests for dispensations.

12. DECLARATIONS OF INTEREST

There were no declarations of interest.

13. PUBLIC QUESTIONS

There were no public questions.

14. MINUTES

It was proposed by Councillor Martin Ashcroft, and seconded by Councillor Lindsey Aston and;

RESOLVED - that the minutes of the meeting of the Asset Management Sub-Committee, held on the 24th June 2026, be confirmed as a correct record and signed by the Chairman.

15. ASSET MANAGEMENT UPDATE

The Town Clerk introduced the report explaining that the purpose of the report was to present a half-yearly update on the delivery of the 2026/27 Capital Programme, following on from agreement at the previous meeting of which projects are to go ahead as essential projects, which are to be held as provisional sums which are to be deferred to a future year.

Appendix 1 and 2 provided progress updates for each individual project broken down between land and building works and other capital works.

Councillor Martin Ashcroft proposed that as the classification of the projects had been previously considered and agreed in detail at the previous meeting, Appendices 1 and 2 of the report should be received subject to answering any member questions.

There were no questions from members.

The Finance Manager then presented a summary of the financial appendices supporting the progress update.

She presented the adjusted 2026/27 Capital Programme Budget which currently totals £1,038,700, of which £616,150 is identified as essential investment to go ahead this year. It was explained that actual spending to 31st August 2026 was £82,150, representing 13% of the value of these essential projects.

If all agreed projects progress to completion this year, estimated expenditure for the year would be approximately £616,000, subject to the use of any of the provisional sums included in the budget or any additional capital budget approvals.

Looking ahead, it was explained that the Medium-Term Financial Plan currently identifies capital requirements of approximately £2.383 million over the period 2026/27 to 2030/31, whilst longer term commitments in the Asset Management Plan total nearly £4 million.

Councillor Vijaya Kotur questioned why there had only been 13% expenditure at this stage, querying if it is a timing issue, how much is contractually committed and what percentage of the full programme will be completed.

The Finance Manager explained that the 13% spent to date covers spending to the end of August and other works will have since been completed therefore the percentage will have increased and that significant progress was expected on the delivery of the remaining programme of work in the second half of the year.

It was advised that an update on the expected outturn position was due to be reported to members at the next Policy and Resources Committee Meeting.

Councillor Arun M Chandran added that under Standing Orders, any additional capital project over the value of £6,000 would be brought to a committee meeting for approval before spending.

Councillor Michael Stead asked how much money is available in the Council's reserves, that is not already committed to projects.

The Town Clerk explained that nearly all of the Council's balances and reserves are earmarked, largely against capital commitments, and a detailed breakdown would be detailed within the expected outturn position at the next Policy and Resources Committee Meeting. He explained that balances are earmarked in specific reserves including the Building Works Reserve, Vehicles and Machinery Reserve, Play Equipment Reserve, Street Equipment Reserve and Office Equipment Reserve.

Councillor Michael Stead asked how much of the projected £3.9 million capital expenditure over the next 10 years would be funded by current resources and how much by new taxpayers' money.

The Town Clerk explained that long-term capital commitments exceed current levels of balances and reserves and this is reviewed each year via the Medium-Term Financial Plan and budget setting process. The Council currently plans a £75,000 contribution to capital reserves into its Revenue Budget to facilitate the partial replenishment of balances, whilst revenue budget savings also helped to replenish balances and reserves.

Councillor Arun M Chandran outlined that he considers the current financial planning approach to be effective and noted that the contribution to capital reserves taken alongside underspends, or savings, were essential to topping up reserves and funding capital projects. He explained that costs needed to be estimated prudently to avoid insufficient funds being available. In addition, where allocated funds are identified as provisional sums, they did not have to be spent, but it is important that the provisional sum should remain available and carry forward to the next year.

It was proposed by Councillor Arun M. Chandran, seconded by Councillor Martin Ashcroft and:

RESOLVED – that it be recommended that:

- i) The Asset Management Update Report and appendices be received.

16. DRAFT CAPITAL PROGRAMME BUDGET 2027/28

The Finance Manager presented the draft 2027/28 Capital Programme Budget for consideration and approval.

It was explained that officers had categorised the planned programme of works between essential investment in buildings, vehicles, machinery and other assets, provisional sums, and those projects that can be deferred to a future year or deleted.

The total draft 2027/28 Capital Programme Budget, consisting of all essential projects and provisional sums currently totals £425,300, and would be funded principally from earmarked capital reserves, supplemented by any external grants or contributions that can be secured.

Councillor Martin Ashcroft thanked the Finance Manager for a clear, detailed and well-written report. He noted that the recent ash dieback survey had highlighted that the problem was worsening, rather than improving as previous inspections had suggested, and asked officers to allow for potential additional costs if necessary.

Councillor Vijaya Kotur asked what the three highest asset management risks were that were identified within the draft budget and which might be brought back to the Committee for approval of additional expenditure in 2027/28 and whether the capital programme can be categorised to provide an indication of the level of priority and risk.

The Town Clerk explained that the Finance Manager had met with every service manager to identify all essential requirements and to seek up to date costings for these. The draft budget therefore already indicated the high priority / risk areas. Provisional sums had also been included for potential expenditure which indicated the lower priority and risk areas. The draft budget will be reviewed over the coming months before the final budget was set in January and review of the capital programme is an ongoing process throughout the financial year via budgetary

control, expected outturn forecasts, budget setting, Medium-Term Financial Plan and Asset Management Plan.

Although no formal risk assessment of the capital programme has been undertaken, the Finance Manager worked closely with managers to ensure all known requirements were included in the budget. Unexpected costs could still arise, in which case the Policy and Resources Committee could be asked to approve an additional capital expenditure approval as it has done previously.

Councillor Carl Robinson noted that the report included provisional sums and identified vehicles as the main expense next year. Provision had also been made for areas such as West Park Lakes. He acknowledged that not every future cost could be anticipated and that some allocated funds might not be spent.

It was proposed by Councillor Martin Ashcroft, seconded by Councillor Lindsey Aston and agreed that the recommendations of the report be agreed.

RESOLVED – that it be recommended that:

- i) That the draft 2027/28 capital programme budget and proposed classification of the budget be agreed for progression through the budget-setting process, subject to continued review and any necessary amendments before final approval in January.

CHAIRMAN