

CAPITAL PROGRAMME 2026/27

Head of Service:	Cagdas Canbolat, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)
Report Author:	Vanessa Newton, Senior Accountant
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 – Proposed Five year Capital Programme Appendix 2 – Capital Appraisal forms

Summary

This report summarises the proposed 2026/27 capital programme and a provisional programme for 2027/28 to 2030/31. The Committee's approval is sought for the programme to be submitted to Council in February 2026.

Recommendation (s)

The Committee is asked to:

- (1) Submit the capital programme for 2026/27 as identified in section 3 of this report to the Council for approval on 10 February 2026;**
- (2) Agree that the two schemes detailed in section 4 be removed from the existing capital programme and the allocated budget returned to the balance of capital receipts available for funding the 2026/27 capital programme;**
- (3) Note the provisional forecast of schemes for the capital programme for 2027/28 to 2030/31.**

1 Reason for Recommendation

- 1.1 To seek the Committee's approval to submit the proposed capital programme for 2026/27 to Council in February 2026 and to inform of the schemes included in the provisional forecast for 2027/28 to 2030/31.

2 Background

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- 2.1 The Capital Strategy was last agreed by Full Council on 11 February 2025 at which time the capital programme was approved for 2025/26. Schemes for 2026-2030 were provisional pending the annual budget review and an annual assessment of funds for capital investment.
- 2.2 The terms of reference for Financial Strategy Advisory Group (FSAG) include the preparation of the annual capital programme. In order to undertake this, FSAG assesses all capital proposals and recommends a programme for approval to the Policy Committees.
- 2.3 The programme assumed funding from capital receipts and government grants. The total proposed level of investment for the 2026/27 programme is £1.945 million - £1.604 million within Community and Wellbeing Committee and a further £341,000 within Environment Committee. Combined with funding from the Disabled Facilities Grants of £974,000, this leaves £971,000 to be funded from the capital receipts reserves and other means if all schemes should be recommended to progress.
- 2.4 The estimated balance of capital receipts at 31 March 2026, assuming funding of the 2025/26 capital programme is £1.97m. The agreed minimum threshold of capital receipts is £1m. Once the balance drops to £1m, future capital programmes will need to be funded from grant, revenue contributions or borrowing.

3 Core Programme 2026/27

- 3.1 FSAG recommended that the following schemes should be considered by this Committee for inclusion in the capital programme in 2026/27, subject to the Committee approving the project appraisals.
- 3.2 The final proposals considered by FSAG on 21 November 2025 to be funded from corporate capital resources amounted to £2.856 million.
- 3.3 Given the limited resources available, FSAG recommended that the Epsom Playhouse toilet refurbishment budgeted at £175,000 not proceed, and the Ashley Centre Level 5 replacement lamp columns budgeted at £240,000 be deferred to a later date.
- 3.4 FSAG agreed to recommend schemes totalling £1.945 million which can be funded within the available balance of capital receipts and external DFG grant. A further two schemes totalling £1.47 million within Community and Wellbeing committee were also supported if available funds can be identified.
- 3.5 FSAG did recommend the following projects within the Environment Committee be submitted to Full Council for approval:

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Capital Scheme	Proposed Budget 2026/27 £'000	Expected Funding Source
Ashley Centre car park - Overcoating waterproof membrane	191	Corporate capital resources
Upper Pond Bank Replacement Phase 2	150	Corporate capital resources
Total Environment Committee	341	

4 Reallocation of Existing Capital Budgets

- 4.1 In addition to considering the proposed schemes for the 2026/27 capital programme, FSAG also considered the existing programme and discussed schemes which had been unable to progress due to the tenders received exceeding budget.
- 4.2 Within Environment Committee, the two schemes which have stalled are detailed in the following table:

Capital Scheme	Approved Budget £'000	Lowest Cost Estimate
Alex Rec Dojo	170	390
Stew Ponds Desilting	150	240
Total	320	630

- 4.3 The original proposal for the Alex Rec Dojo project was based on a spend to save basis. Rental income of £30,000 per annum was expected from a martial arts organisation. When the tenders received exceeded this budget the scheme became unviable. Additional funding was sought from other avenues, but securing it was unsuccessful.
- 4.4 It is understood that the organisation who was going to rent the new building have now found alternative premises, thereby jeopardising the viability of the scheme further. It was therefore suggested that the original allocation of £170,000 be returned to the balance of available capital receipts to fund the 2026/27 programme.

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- 4.5 FSAG reconsidered the scheme to desilt Stew Ponds in light of the revised cost based on a consultant's estimate and concluded that the increased price did not represent value for money for residents. As the proposal for additional budget for this scheme (considered alongside the other 2026/27 proposals) was unsuccessful, it was suggested the original £150,000 allocation be returned to the balance of available capital receipts to fund the 2026/27 programme.

5 Provisional Forecast 2027/28 to 2030/31

- 5.1 FSAG also considered the provisional forecast for the subsequent four years, which has been compiled through drawing information from the Asset Management Plan for buildings and other known capital expenditure requirements.
- 5.2 The 2027/28 to 2030/31 provisional forecast for Environment Committee currently comprises the following sums, with individual schemes shown in Appendix 1:

Provisional Forecast	2027/28	2028/29	2029/30	2030/31	Total
	£'000	£'000	£'000	£'000	£'000
Ashley Centre multi storey car park	240	60	0	0	300
Auriol Pavilion	0	0	300	0	300
Harrier Centre King Georges field	0	0	115	0	115
Hook Road multi storey car park	113	38	38	0	189
Total Environment Committee	353	98	453	0	904

- 5.3 The provisional forecast provides an illustration of the Council's anticipated capital expenditure need from 2027/28 to 2030/31 but is not an exhaustive list as future schemes may be identified through other workstreams such as the Climate Change Action Plan and Annual Plan cycle.
- 5.4 A greater reliance on external funding should be sought to fund capital schemes, however, if it cannot be secured, capital receipts or other alternative funding would be applied instead.

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- 5.5 The Council expects to review its discretionary services in 2026/27. Should a property be impacted by these reviews or Council priorities change, capital works may be deferred until the outcome of reviews is known. Each year, the forthcoming annual programme will be reviewed by FSAG through the annual capital budget setting process with proposals assessed against the agreed criteria, and the programme updated accordingly.

6 Risk Assessment

Legal or other duties

6.1 Equality Impact Assessment

- 6.1.1 None for the purposes of this report.

6.2 Crime & Disorder

- 6.2.1 None for the purposes of this report.

6.3 Safeguarding

- 6.3.1 None for the purposes of this report.

6.4 Dependencies

- 6.4.1 None for the purposes of this report.

6.5 Other

- 6.5.1 None for the purposes of this report.

7 Financial Implications

- 7.1 Officers in the Projects Team have scheduled sufficient capacity to deliver the recommended schemes next year.

- 7.2 **Section 151 Officer's comments:** All financial comments have been included within the body of the report.

8 Legal Implications

- 8.1 **Legal Officer's comments:** None for the purposes of this report.

9 Policies, Plans & Partnerships

- 9.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council.

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- 9.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 9.3 **Climate & Environmental Impact of recommendations:** None for the purposes of this report
- 9.4 **Sustainability Policy & Community Safety Implications:** None for the purposes of this report.
- 9.5 **Partnerships:** None for the purposes of this report.
- 9.6 **Local Government Reorganisation Implications:** LGR introduces a significant degree of uncertainty and transition risk that must be carefully considered in the management of the Council's capital programme.

10 Background papers

- 10.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None.

Other papers:

- [Initial Capital Proposals – 2026/27, Financial Strategy Advisory Group, 27 September 2025.](#)
- [Final Capital Proposals – 2026/27, Financial Strategy Advisory Group, 22 November 2025.](#)
- Capital Strategy for agreement at Full Council in February 2026.