

Thursday, 16 February 2023, 10.00 am, County Hall, Worcester

- 5 Reports of Cabinet - Matters which require a decision –
proposed budget amendments *111 - 120***

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Unity Group Amendment to the Cabinet’s proposed 2023/24 Budget for Consideration at Full Council 16 February 2023

Purpose of Report

1. To propose to Full Council one proposed amendment from the Unity Group to the budget recommended by Cabinet on 2nd February 2023, with officer’s technical comments on the impact to the budget.

Background

2. The proposals are set out below:

Revenue Amendment: St Johns and Warndon Libraries

Unity Group Revenue Budget Amendment Proposals 2023/24	£m	£m
Expenditure – to invest in St Johns and Warndon libraries to ensure they remain open. The Unity Group is on the front foot in ensuring that the shortfall in income will be met and the residents of both areas can be served by excellent libraries that enable them to meet, further their education and seek out employment, not to mention warmth during the cost of living crisis created by the Government.		0.178
Funding – amendment to proposed Council Tax increase 2023/24. Increase by 4.99% instead of proposed 4.94%.	(0.152)	
Funding – use of reserves. Note this will be in place for up to three years by which time the Unity Group will have identified a long-term revenue solution and commit to keeping both libraries open and a key part of the communities, and improving the life of its residents.	(0.026)	
Net Total Impact 2023/24	(0.178)	0.178
Balance / Gap		0

3. It has been calculated by Council Officers that a 4.99% increase in Council Tax will take the figure for 2023/24 Council Tax for a Band D property to £1,466.48 – an increase of £0.70 for the year compared to the Band D figure proposed in the draft budget.
4. It has also been calculated by Council Officers that a 4.99% increase in Council Tax would generate an additional £0.152m in revenue, compared to the figure in the Draft Budget.

5. The Unity Group recognise that this will leave a very small shortfall and would seek to fund that from the Council's usable reserves, and it would do that for three years as it seeks to meet this very small gap.

Finance Technical Comments

6. The Government Settlement allows up to a 5% increase in Council Tax in 2022/23 and as such the setting of a 4.99% level is within that permitted level. The use of reserves could be funded from the Business Rates reserves due to the higher than forecast position arising in 2022/23.

Monitoring Officer Technical Comments

7. The proposal is to maintain a service and as such is legal.

Head of Paid Service Technical Comments

8. The proposal has no impact on the staffing of the organisation.

Conclusion

9. The Council is able to consider the amendment

Unity Group Amendment to the Cabinet’s proposed 2023/24 Budget for Consideration at Full Council 16 February 2023

Purpose of Report

1. To propose to Full Council one proposed amendment from the Unity Group to the budget recommended by Cabinet on 2nd February 2023, with officer’s technical comments on the impact to the budget.

Background

2. The proposals are set out below:

Capital Amendment: Disposal of Farming Estates

Unity Group Capital Budget Amendment Proposals 2023/24	£m	£m
Capital Receipt – Disposal of a portion of WCC Farming estate	(12.5)	
Increased investment in Green Technology		2.0
Investment in Positive Activities for Young People		2.0
Investment into Educational settings for SEND		2.0
Investment into Adult Social Care to promote Independence at home		2.0
Investment into Libraries		2.0
Repayment of Capital Borrowing		2.5
Net Total Impact 2023/24	(12.5)	12.5
Balance / Gap		0

3. The Local Authority currently owns circa 2,588 hectares of rural estate holdings.
4. These estates are estimated to have a market value in the region of £25m, subject to tenancies. Where these exist, if opportunities to negotiate surrenders and terminate tenancies are examined, this figure could be increased.
5. Some sites have also been identified as having potential for tree-planting. However, £12.5m total is considered to be a reasonable and prudent estimate of total capital receipts that could be obtained from disposal of some of the sites not earmarked for alternative use.
6. £10m of the Capital Receipts from these sales to be ring-fenced for capital investment into five priority areas – Green Technology, SEND, Positive Activities for Young People, Adult Social Care, and Libraries.
7. The estate holdings currently generate income for the Council of £0.240m per annum. It is therefore reasonable to assume that disposal of £12.5m of these assets will result in loss of income of around £0.1m per annum. Using £2.5m of the Capital Receipts to reduce borrowing already built into the Capital Programme will reduce interest expenditure by £0.10m. The proposal to mitigate this is shown below and forms the 2nd part of this amendment.

Unity Group Revenue Budget Amendment Proposals 2023/24	£m	£m
Reduction in income		0.10
Reduced cost of borrowing	0.10	
Net Total Impact 2023/24	0.10	0.10
Balance / Gap		0

Finance Technical Comments

8. The capital programme and revenue account remains funded as the current proposals and is thus nil impact overall on the Council's finances.

Monitoring Officer Technical Comments

9. The decision to amend the Council's capital programme is reserved to Full Council as part of the budget and policy framework.

Head of Paid Service Technical Comments

10. This does not appear to have any impact on the Council's organisational structure or staffing.

Conclusion

11. The Council is able to consider the amendment

Green & Independent Alliance Group Amendment to the Cabinet’s proposed 2023/24 Budget for Consideration at Full Council 16 February 2023

Purpose of Report

1. To propose to Full Council one proposed amendment from the Green & Independent Alliance Group to the budget recommended by Cabinet on 2nd February 2023, with officer’s technical comments on the impact to the budget.

Background

2. The proposals are set out below:

Revenue Amendment: Revenue Budget for Environmental/Sustainability Feasibility

Green & Independent Alliance Revenue Budget Amendment Proposals 2023/24	£m	£m
Establish a dedicated revenue budget for feasibility study/business case development into environment and sustainability schemes.		0.150
Funding – further drawdown on usable reserves	(0.150)	
Net Total Impact 2023/24	(0.150)	0.150
Balance / Gap		0

3. The Local Authority has recently commissioned surveys of the Council’s buildings to identify a work bank of possible sustainability projects. The process in place is to undertake a feasibility study to determine the scope, risks, cost, benefits and payback and this is then used to produce a Business Case to request capital funding. The typical cost of a feasibility study is £20k, as confirmed by Council Officers.
4. This recommendation would create a dedicated revenue budget to undertake these studies and develop Business Cases. The level of capital funding required would then follow from those Business Cases which show a positive return to reduce revenue costs on an ongoing basis.
5. The proposal is to fund the full amount by drawing down from usable reserves.

Finance Technical Comments

6. It is assumed that the funding will come from the Business Rates Reserve which is forecast to be slightly higher than expected in 2022/23.

Monitoring Officer Technical Comments

7. The proposal can be considered as part of the budget.

Head of Paid Service Technical Comments

8. This does not appear to have any impact on the Council’s organisational structure or staffing.

Conclusion

9. The Council is able to consider the amendment

Green & Independent Alliance Group Amendment to the Cabinet’s proposed 2023/24 Budget for Consideration at Full Council 16 February 2023

Purpose of Report

1. To propose to Full Council one proposed amendment from the Green & Independent Alliance Group to the budget recommended by Cabinet on 2nd February 2023, with officer’s technical comments on the impact to the budget.

Background

2. The proposals are set out below:

Revenue Amendment: Revenue Budget for Fuel Poverty Advisors

Green & Independent Alliance Revenue Budget Amendment Proposals 2023/24	£m	£m
Additional Expenditure – Fuel Poverty Advisors		0.105
Funding – further drawdown on usable reserves	(0.105)	
Net Total Impact 2023/24	(0.105)	0.105
Balance / Gap		0

3. WCC is currently working with Midlands Net Zero Hub and Worcestershire District Councils regarding allocation of government capital funding to decarbonisation measures in fuel poor homes in the county. There is currently some funding available through the Household support programme, which WCC administers.
4. The additional revenue spend would pay for 3 x Act on Energy fuel poverty advisors for a period of one year.
5. This proposal is to fund this from Council Reserves for the full amount.

Finance Technical Comments

6. It is assumed that the funding will come from the Business Rates Reserve which is forecast to be slightly higher than expected in 2022/23.

Monitoring Officer Technical Comments

7. This proposal can be considered by Council as part of the budget.

Head of Paid Service Technical Comments

8. This does not appear to have any impact on the Council’s organisational structure or staffing.

Conclusion

9. The Council is able to consider the amendment

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Green & Independent Alliance Group Amendment to the Cabinet’s proposed 2023/24 Budget for Consideration at Full Council 16 February 2023

Purpose of Report

1. To propose to Full Council one proposed amendment from the Green & Independent Alliance Group to the budget recommended by Cabinet on 2nd February 2023, with officer’s technical comments on the impact to the budget.

Background

2. The proposals are set out below:

Capital Amendment: Capital Budget Business Energy Efficiency

Green & Independent Alliance Capital Budget Amendment Proposals 2023/24	£m	£m
Increase Capital Programme Allocation - Business Energy Efficiency Programme		2.000
Decrease Capital Programme Allocation – Structural Carriageway/Bridgeworks Programme	(2.000)	
Net Total Impact 2023/24	(2.000)	2.000
Balance / Gap		0

3. The Capital Programme presented as Appendix 2 to the budget includes an allocation of £0.450m for Business (SME) Energy Efficiency support. This is the tail end of a £2.0m spend programme across the last 4 years. Council Officers estimate that the £0.450m remaining in the Capital Programme will be spent by June 2023.
4. The programme has proved incredibly popular with Worcestershire Businesses and demand for support from the current programmes has been very high, especially during the current period of high energy prices.
5. The proposal is to increase the amount in the Capital Programme by £2.0m, to allow for support to Worcestershire businesses to continue for a further 4 years.
6. This can be funded by reducing the amount in the Capital Programme for structural carriageway/bridgeworks, from the current £105.9m to £103.9m.
7. Whilst a large proportion of the current £105.9m is funded externally or by grants, it includes £33.9m of local authority borrowing. Therefore, there is scope to reallocate some of this expenditure without reducing external income.

Finance Technical Comments

8. The Capital Programme remains funded with no other impact on the revenue account as this is a swap of projects.

Monitoring Officer Technical Comments

9. The decision to amend the Council's capital programme is reserved to Full Council as part of the budget and policy framework.

Head of Paid Service Technical Comments

10. This does not appear to have any impact on the Council's organisational structure or staffing.

Conclusion

11. The Council is able to consider the amendment