

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