

Reference	
Executive Director	Paul Lakin
Cabinet Member	CLlr O'Brien

Section A

Service Area	BGI
Budget Option Description	Additional Salary Capitalisation generated through capital receipts

Budget Reduction Proposal – Detail and Objectives

The Council's Major Projects Division manage the Council's commercial and other land assets through the Land & Property Service.

The Land & Property Service are currently in the process of disposing of Council land assets to generate capital receipts to support the overall capital programme. This capital will underpin investment priorities for the Council alongside the flexible use of capital receipts process – required to generate the wider corporate savings.

The table below presents the estimated receipts available. Given current instability with the macro economy, the estimates have been adjusted down to account for financial and temporal risk.

Financial Year	Est. Capital Receipts
2022-23	£3,740,500
2023-24	£8,962,577
2024-25	£4,854,537
2025-26	£1,841,805
2026+	£3,312,000
TOTAL	£22,711,419

Of the £22.7m highlighted above, **£1.3m is already secured**/complete. However, it should be noted as per the Capital report a number of these capital receipts are already committed to fund capital projects

The Service is able to capitalise costs associated with the disposal up to 4% of the capital receipt. This will allow further capitalisation of direct labour and direct disposal charges.

	2023/24	2024/25	2025/26
Budget Reduction (£m)	£0.050m	£0.200m	
Staffing Reduction (FTE)	N/a	N/a	

Section B

What impact does the proposal have on:

Property

The proposal is contingent on the disposal of council owned land assets. These disposals have previously been approved by Elected Members via the ALDP.

Service Delivery
<p>The Land & Property Service are currently engaged in wider activity focused on:</p> <ul style="list-style-type: none"> • Income Maximization / Cost reduction – Commercial Assets. • Supporting Capital Project delivery (Regen/Schools/Housing). • Supporting Brownfield Housing Delivery. <p>These activities contribute directly to other budgeted savings associated with increases in Council Tax and Treasury Management.</p> <p>The Service is also carrying a number of vacancies and is capitalising staff resource to capital projects in order to deliver other BGI savings for which there is a resultant FTE reduction.</p>
Organisation (Including Other Directorates/Services)
Workforce – Number of posts likely to be affected.
None
Communities and Service Users
None
Other Partner Organisations
None

Section C

Key Risks and Mitigations

Risks	Mitigations
Land receipts are heavily dependent on the health of the wider economy.	Effective marketing and promotion of land opportunities. Early engagement with the market.

Key Delivery Milestones

Include timescales for procurement, commissioning changes etc.

Milestone	Timeline
In line with previously agreed ALDP.	

Section D

Consultation Required?	No consultation required
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	Start Date	End Date
Staff		
Trade Unions		

Public		
Service User		
Other		

Equality Impact

Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?

Disabled people	No
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA Required?	No EIA required
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Section E

Financial Implications and Investment Requirements

Investment requirements – Revenue and Capital
None

Finance Comments – Will the proposal deliver the savings and within the agreed timescales?
This will require careful monitoring as the Cabinet has recently received a number of reports where the capital receipt achieved was lower than originally anticipated. The Capital strategy report also identifies a number of schemes where the capital receipts from a number of disposals are already committed in order to fund capital schemes and reduce overall borrowing costs.