

Flexible Capital Receipts Strategy 2022/23 and 2023/24

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1. Summary

- 1.1. Central Government introduced legislation in 2015 that enabled local authorities to utilise capital receipts for once-off revenue expenditure which then resulted in ongoing savings. This has now been extended although some criteria have been amended until 2025.
- 1.2. This statement outlines Somerset Councils intention to utilise capital receipts to fund the once off costs of Local Government Reorganisation in Somerset for 2022/23 and 2023/24. The Business case outlined that £18.5m ongoing savings could be achieved with once-off funding of £16.5m. The flexibility will require up to £15.9m of capital receipts.

2. Issues for consideration / recommendations

- 2.1. The Committee is asked to review the Flexible Capital Receipts Strategy for 2022/23 and 2023/24, whether there are any suggestions for amendments that they would like to recommend to the Cabinet.

3. Background

- 3.1. The government allows local authorities to utilise capital receipts for once-off revenue costs. The ability for Somerset Council to utilise capital receipts will enable the new authority to retain revenue reserves by funding once-off LGR costs through capital receipts.
- 3.2. The appended report sets out the Authority's approach and the 2023/24 impact on the revenue budget.

4. Consultations undertaken

- 4.1. This statement has been reviewed with an assessment of the likely revenue reserves for the new council and consultation with the S151 Officer for Somerset Council

5. Implications

- 5.1. This statement is required under statutory legal guidance issued through the Local Government Act 2003 Sections 16(2)(b) AND 20: Treatment of Costs as Capital Expenditure

- 5.2. The financial implications of the statement directly impact the level of charge to the revenue budget. This will mean that capital receipts do not finance capital spending but this has been funded within the budget for 2023/24.
- 5.3. There are no specific HR implications arising from this report.

6. Background papers

- 6.1. None

Note For sight of individual background papers please contact the report author