

Green Group budget amendment 2023

Councillor Bogelein to move and Councillor Galvin to second the following amendment:-

Proposals to increase the following revenue budget items:-

	2023/24 £000	
Investigating both the immediate commercialisation opportunities of retrofitting insulation and renewable energy in homes, and a medium-term strategy to similarly retrofit the council's housing stock ¹	60	This £0.06m would come from the invest to save reserve and would support development of the business case to demonstrate the costs and benefits from the proposed approach. We would seek to establish the principle that some of the benefits of such measures would generate commercialisation opportunities which would initially replenish the invest to save reserve and then provide a future income source for the council.
Scoping an investigation to extend the collective bidding scheme currently applied to Solar Together to other decarbonisation investments such as insulation, heat pumps and private electric vehicle charging points ²	30	The scoping investigation would be funded by £0.03m from the business change reserve and would also provide procurement activity in support of collective bidding schemes.
Capital Strategy Manager ²	80	This £0.08m would come from the business change reserve. It will provide a resource to establish a better strategic overview of capital spending
Grant to Norfolk Citizens' Advice to provide face to face advice ³	30	£0.03m would be funded from general reserves. As this would be funded from reserves this would be a one-off grant to meet the immediate additional need created by the cost-of-living crisis. Any on-going support would need to be considered as part of future years' budgets.
Ongoing tree maintenance ⁴	20	This proposal should be considered alongside the additional capital investment set out in our capital programme proposals. This £0.02m would ensure that the on-going cost of additional tree planting was included in the revenue budget on an on-going

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		basis. It would be funded through the proposed £0.1m permanent decrease from the environmental services contract for grass cutting (See Table 4).
Total revenue budget increase	220	

The additional one-off revenue costs of the above can be met as follows

Table 1

One off items	2023/24 £000
Invest to save reserve ¹	60
Business change reserve ²	110
General reserves ³	30
Total	200

The additional on-going revenue costs of the above can be met as follows

Table 2

On-going items	2023/24 £000
Permanent budget reductions ⁴ (see Table 4)	20
Total	20

Proposals to add the following items into the capital programme:-

	2023/24 £000	2024/25 £000	
Developing a pilot project for enhanced retrofitting of social housing for 20 homes. ^{1,5,6,7} [HRA and General fund capital programme]	250	750	£0.5m would come from government Wave 2 funding. A further £0.325m would be funded by a newly-created municipal bond scheme and £0.150m would be a contribution from the invest to save reserve in recognising the opportunities for commercially retrofitting private housing which would be unlocked. The sum drawn from the invest to save reserve would be replenished from the additional incomes generated from private sector housing. The remaining £0.025m would be saved by not having to replace so many domestic boilers. Fewer domestic boilers would need replacement as opportunities were taken to retrofit alternatives such as air source heat pumps.
Capital project to plant new trees on council-owned land and on-going from permanent reduction to grass cutting provision. [General Fund capital programme]	80	80	This £0.08m spend would be funded as a revenue contribution to capital in both 2023/24 and 2024/25 following the proposed £0.1m decrease in the environmental services contract for grass cutting on an ongoing basis. Grass cutting would be reduced in areas where biodiversity would be improved as a result and grass would continue to be cut where reducing this service would have a detrimental impact on the appearance of an area.
Total capital budget increase	330	830	

The additional capital costs of the above can be met as follows

Table 3

	2023/24 £000	2024/25 £000
Invest to save reserve ¹	150	
Wave 2 social housing funding ⁵		500
A newly-created municipal bond scheme ⁶	75	250
Permanent budget reductions ⁴ (see Table 4)	80	80
Reallocation of existing capital items ⁷	25	
Total	330	830

The capital proposals would be met by the following reallocation of items in the existing capital programme

	2023/24 £000	
HRA upgrades Heating / Boilers Domestic ⁷	(25)	Fewer domestic boilers would need to be replaced as opportunities were taken to retrofit alternatives such as air source heat pumps.
Total	(25)	

To decrease the following revenue budget items on an on-going basis:-

Table 4

	2023/24 £000	
NCSL contract for grass cutting ⁴	(100)	This sum would be used to pay for additional trees to be planted and maintained on an ongoing basis. Grass cutting would be reduced in areas where biodiversity would be improved as a result and grass would continue to be cut where reducing this service would have a detrimental impact on the appearance of an area.
Total	(100)	

Financial Implications

The council's S151 officer has considered the proposals submitted above as budget amendments and confirms that the proposed approach to funding those items are sustainable in the context of the council's overall level of resources including reserves where identified.

There are risks associated with the generation of commercial income from some of the proposals which should be considered fully as part of developing the business case for investment in those areas. The municipal bond scheme is a mechanism of funding capital expenditure that is in essence borrowing and, as such it will if agreed, need to be included as an amendment to the council's treasury management strategy.