

## Slough Borough Council

Information needed	Details
<b>Briefing To:</b>	Asset Disposal Committee members
<b>Date:</b>	12 <sup>th</sup> September 2024
<b>Agenda Item:</b>	5 - Property Capital Programme Review (Clarification)
<b>Chief Officer:</b>	Pat Hayes – Executive Director (Regeneration, Housing & Environment) Annabel Scholes Executive Director Finance & Commercial
<b>Contact Officer:</b>	Chris Holme – Finance Director (Corporate and Strategic) Peter Hopkins - Director of Property and Assets
<b>Ward(s):</b>	N/A
<b>Exempt:</b>	N/A
<b>Appendices:</b>	N/A

### 1. Clarification - Property Capital Programme Review Report (Agenda Item 5)

1.1 There is what appears to be a discrepancy between paras 1.2 and 3.2 of the above report which requires some clarification.

1.2 In relation to assumed capital receipts from asset disposals paragraph 3.2 states:  
“The objective of the (*debt reduction*) strategy was to realise £200m of disposal by March 2024, with further disposals of between £200m and £400m by end of March 2027. A total of some £400m of disposals has been assumed in the Treasury Management and Medium-Term Financial Strategies up-to and including the 2024/25 Budget.

Whereas paragraph 1.2 states: “assumed asset sales of £400m would be delivered by 31 March 2024 with future sales of £200m following.”

1.3 The statement in para 3.2 specifically relates specifically to the report approved by Cabinet in 20<sup>th</sup> September 2021 entitled “Debt Repayment/Asset Disposal Strategy.” However, on 9<sup>th</sup> March 2023, Council approved the Treasury Management Strategy (TMS) as part of the 2023/24 approved budget. The TMS highlighted that, at the time, capital receipts from asset disposals had significantly exceeded previous assumptions, and on that basis a further £200m receipts from asset disposals were assumed for 2023/24. In approving the TMS, the Council approved the assumptions therein, and so this superseded the September 2021 debt reduction strategy assumptions.

1.4 As at 31<sup>st</sup> March 2023 actual gross receipts totalled £195.5m, including the Akzo Nobel disposal, and did not distinguish between General Fund and HRA. Actual receipts during 2023/24 totalled just £29.7m.

- 1.5 The 2024/25, as approved by Council on 7<sup>th</sup> March 2024 TMS amended the 2023/24 assumptions and stated “asset disposals are now forecast to be £370m by March 2026, with further assets being identified for disposal, working towards a target of £400m by 2027/28. Capital receipts are now expected to be received later than assumed in last year’s treasury management strategy. The slippage in the asset disposal programme has resulted in the increased internal borrowing, CFR and MRP.”
- 1.6 When taking account of costs of disposal and those attributable to the HRA, actual net GF receipts to date total £175m.
- 1.7 What this report informs Committee is the ongoing work to properly review what is achievable and by when, and how this impacts on our revised TMS and Medium Term Financial planning assumptions. The final report for Cabinet will be amended to reflect this clarification.