



# Northumberland County Council

COUNTY COUNCIL

21 February 2024

## **Strategic Acquisition Fund**

**Report of Councillor(s)** : Councillor Wojciech Ploszaj, Cabinet Member for Supporting Business and Opportunities

**Responsible Officer(s)**: Simon Neilson, Executive Director – Place and Regeneration

### **1. Link to Key Priorities of the Corporate Plan**

- **Driving Economic Growth** – supporting the Council to create the conditions for growth, specifically via the acquisition of strategic land and / or property with the purpose of encouraging business investment and job creation across the County
- **Tackling Inequalities** – Supporting job creation is a key route to supporting greater prosperity and wellbeing for individuals; wrap around employability and skills programmes ensure jobs that are created will benefit local residents and contribute to tackling inequalities
- **Achieving Value for Money** – Investing in strategic land and / or property which drives economic growth activities, regeneration objectives and brings private investment and jobs into the County demonstrates strong return on investment in the form of increased Business Rate income, spend in the wider economy and wider economic and social outcomes for residents.

### **2. Purpose of report**

The report seeks the approval of Council to make a £15.000 million provision in the Capital Programme, for the current year, 2023-24, for the acquisition of strategic land and/or property in support of economic growth and job creation in the County.

### **3. Recommendations**

Council is requested to:

- 3.1 Approve the creation of a £15.000 million Strategic Acquisition Fund and add to the Council's 2023-24 Capital Programme.
- 3.2 Agree that an allocation of £15.000 million is made from the Strategic Management Reserve to fund the Strategic Acquisition Fund.

- 3.3 Note that the money from the Strategic Management Reserve will be transferred to the revenue budget and there will be a contribution made from revenue to fund the expenditure incurred from the Strategic Acquisition Fund at the appropriate time.
- 3.4 Note that there may be the requirement to reprofile all or some of the £15.000 million allocation and funding into financial year 2024-25 from 2023-24. Members will be advised if this is necessary through the financial monitoring reports produced by the Executive Director of Transformation and Resources.
- 3.5 Agree that in order to replenish the Strategic Management Reserve, £15.000 million of the money set aside during 2022-23 for the early repayment of debt as voluntary minimum revenue provision (MRP) is reversed in 2023-24 as part of the close down of the Council's accounts. This creates the headroom in the revenue budget to make a contribution of £15.000 million to the Strategic Management Reserve.
- 3.6 Approve a contribution of £15.000 million to the Strategic Management Reserve from the revenue budget in 2023-24.

#### **4. Forward plan date and reason for urgency if applicable**

The report has been added to the agenda by reason of special circumstances, which shall be specified in the minutes. The chairman of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. The reason for this is to ensure opportunities are not missed to use to Strategic Acquisition Fund in order to further economic growth and job creation in the County. This is not an executive function and not a key decision.

#### **5. Background**

A key role of the Council in delivering on its corporate priority to drive economic growth is to create the conditions for growth, including supporting business growth and investment into the County which ultimately leads to job creation and greater prosperity across the County.

A key part of this role is investment through the acquisition of land and/or property to accelerate regeneration objectives and realise local economic development outcomes, providing long-term strategic benefits to our communities and in doing so realise the ambitions of the Corporate Plan.

The creation of the Strategic Property Fund will allow the Council to respond to investment opportunities within commercial timescales and ensure opportunities to drive economic growth through strategic land acquisitions is maximised.

It is proposed that the capital allocation is funded from the Council's Strategic Management Reserve, therefore no additional borrowing from the Council is necessary to create this Fund and that the Strategic Management Reserve is replenished by reversing the voluntary MRP which was set-aside to repay debt in 2022-23.

Any future capital receipts achieved from land sales, as a result of acquisitions funded by the Strategic Acquisition Fund will fund the capital programme in general and will reduce the Council's borrowing requirement in the year in which the capital receipts are realised.

## 6. Options open to the Council and reasons for the recommendations

Not having an allocation in the Capital Programme would mean there was no provision to respond to significant opportunities for land acquisition which are key to driving growth and job creation in Northumberland.

## 7. Implications

<b>Policy</b>	The purpose of the fund proposed in this report provides strong support to the policies and priorities within the Corporate Plan; particularly that of driving economic growth as it will allow the Council to respond to opportunities to acquire strategic land and/or property in key locations to further growth and investment.
<b>Finance and value for money</b>	The financial implications of this proposal are detailed within the recommendations to this report. The Council's Section 151 Officer is satisfied that there is sufficient funding available to fund this capital scheme.
<b>Legal</b>	This report is being included in the agenda under the urgency provisions contained in s.100B Local Government Act 1972. This decision is one which is reserved to Council under the The Local Authorities (Functions and Responsibilities) (England) Regulations 2000
<b>Procurement</b>	N/A
<b>Human resources</b>	N/A
<b>Property</b>	The Strategic Acquisition Fund will allow the Council to maximise economic growth opportunities through the acquisition of strategic land / property
<b>Equalities Act: is a full impact assessment required and attached?</b>	No- not required at this point Northumberland County Council seeks to actively narrow inequality under the terms of the Equality Act 2010. An assessment as to the need for an impact assessment will be undertaken at the time of drawing down the funding.
<b>Risk assessment</b>	N/A
<b>Crime and disorder</b>	N/A
<b>Customer considerations</b>	The creation of the fund will support economic growth ambitions through the creation of jobs for local residents.
<b>Carbon reduction</b>	N/A

<b>Health and wellbeing</b>	The creation of the Fund will positively support the Inclusive economy priorities of the Northumberland County Council, particularly by supporting the creation of jobs which will have a positive impact on the Health and Wellbeing of residents
<b>Wards</b>	All wards

**8. Background papers**

Not applicable

**9. Links to other key reports already published**

Not applicable

**10. Author and Contact Details**

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