

BRECKLAND COUNCIL FINANCIAL COMMENTS & APPRAISAL

THIS DOCUMENT PROVIDES THE FINANCIAL IMPLICATIONS
IN RESPECT OF THE ATTACHED REPORT

FROM: Alison Chubbock (Chief Accountant)
REPORT: Supporting Neighbourhood Planning
REPORT DATE: 15 September 2016

	£ Year 1 2016-17	£ Year 2 2017-18	£ Year 3 2018-19	£ Year 4 2019-20
Revenue				
Income				
Neighbourhood planning grant (NPG)	(5,000)	(22,500)	(22,500)	(22,500)
NPG received to date from reserves	(15,000)	(5,000)	(-)	(-)
NPG claimed in 16-17	(340)	(13,590)	(11,070)	(-)
Reserve funding for fixed term role	(-)	(-)	(7,940)	(19,430)
Costs				
Salary plus on costs	20,340	41,090	41,510	41,930
Total Revenue	-	-	-	-

Capital				
Income				
N/A	(-)	(-)	(-)	(-)
Costs				
N/A	-	-	-	-
Total Capital	-	-	-	-

Considered By: Full Council
Date: 15-09-2016

Financial Services Comments

The report requests an increase to the permanent establishment for one grade 7 role. The costs shown in the table above assume a mid point grade 7 (mid point assumed due to difficulties recruiting to date), starting on 1 October 2016.

Neighbourhood planning grant income is paid to the Council in three tranches for each plan:

1. £5,000 paid on designation of the plan area
2. £5,000 paid on pre-examination of plan
3. £20,000 paid on completion of examination

From this funding the Council could cover the future cost of the neighbourhood planning co-ordinator role, referendum costs and examination costs. At a very high level it is estimated that referendum and examination costs will average up to £15k, leaving £15k available to cover the role costs from each completed plan (as the majority of the NPG is back ended). The approximate time for the average plan would be 2 years.

There remains a risk that the neighbourhood planning grant income will be lower than the costs of the role in any or all years. Whilst this is a risk, it can be partly mitigated in the short term through the use of funding in reserve from grant income already received (£20,000), funding to be contributed to reserves for claims made in 16-17 but not yet received (£25,000) and funding in reserves for the fixed term post (£39,603). In a year when insufficient grant income is received the reserve can be used to top this up and in a year when surplus grant income is received this can be contributed back to the reserve. Over time this will deplete the reserve and once this balance reaches nil, consideration will need to be given to whether the grant income in future is sufficient to fund the post moving forwards. The forecast in the table above shows the reserve funding balance at the end of 19-20 would be around £12,233.

This appraisal is valid for 1 month from issue date

If there are changes to the original report it may invalidate this document & must be reviewed by Finance.