

BRECKLAND COUNCIL

PROFORMA FOR APPROVAL OF THE RELEASE OF RESOURCES
(CAPITAL AND REVENUE BUDGETS)
FROM: Margaret Bailey (Senior Accountant)

THIS PROFORMA PROVIDES THE FINANCIAL IMPLICATIONS
IN RESPECT OF THE ATTACHED

REPORT: Snetterton North End
REPORT DATE: 20th November 2012

	£ Year 1 2012/13	£ Year 2 2013/14	£ Year 3 2014/15	£ Year 4 2015/16	£ Year 5 2016/17
Capital					
923 0001 901 0760	(90,000)				
Share of Contingency under spend	Up to (£5,000) not certain so not included				
Revenue	Nil				
Total Capital + Revenue	(90,000)				

Funding required:		Considered by:	Date:
Total capital cost	(90,000)	Cabinet	20-11-2012
Revenue cost	Nil		

Financial Services Comments

This report seeks approval to transfer land at Snetterton (asset reference 62) at less than market value to allow an affordable housing development. The market valuation also covers additional land to that which is being transferred so is not exactly like for like and there may be some value in the residual land. The market valuation is unlikely to be achievable and the difference in value is effectively a subsidy to deliver affordable housing which is the driver for this arrangement.

The Council will enter into a contractual arrangement with the developer. A review of the developer's financial status has been undertaken (based on 2011 accounts) and whilst it is a small company it is well established and there are no particular risks to highlight.

The developer agreement transfers the risk of cost overruns to the developer and ensures that the Council receives its capital receipt for the land at start on site and should there be any under spends on contingency items, the Council will benefit from this but as it is not expected to be significant so is not included in the forecast income. The developer profit anticipated is 14% which is lower than normally expected in such arrangements.

Financial Risk

The developer agreement will transfer risk to the developer and it is unlikely the Council could achieve more than the £90,000 proposed. At the time of writing this proforma the risks associated with existing licence agreements on the land are not quantified and this will need to be resolved.

This PB is valid for 3 months from PB date	If this PB is not longer required please advise Finance	If there are changes to the original report it may invalidate this document, it must be reviewed by Finance.
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