

BRECKLAND COUNCIL FINANCIAL COMMENTS & APPRAISAL

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

FROM: Margaret Bailey (Senior Accountant)
REPORT: Breckland Bridge Strategic Site Review – Planning Activity
REPORT DATE: 16/11/2016

	£ Year 1 2016-17	£ Year 2 2017-18	£ Year 3 2018-19	£ Year 4 2019-20
Revenue				
Income				
N/A	(-)	(-)	(-)	(-)
Costs				
Planning Application	120,000	0	0	0
Total Revenue	120,000	0	0	0
Capital				
Income				
Not certain therefore not included	(-)	(-)	(-)	(-)
Costs				
N/A	-	-	-	-
Total Capital	-	-	-	-
Considered By:	Cabinet			
Date:	22/11/2016			

Financial Services Comments

This report requests release of £120,000 to progress two planning applications in the district. The money will be passed to Breckland Bridge to progress the applications. The costs relate to third party fees and this is not income to the Council's partner. The Strategic Property Manager advises that the fee level is in accordance with what would be expected for an application for 27 houses. Breckland Bridge is not charging additional fees for this work as potentially, if planning permission is achieved and the Council decides to develop the site through Breckland Bridge, the partners would earn a share of the development profit at some future point. In addition the Manager of Breckland Bridge is obliged to demonstrate value for money with its suppliers as set out in the Development Services Management Agreement (DSMA) (para 4.2.1 and 3.4)

This arrangement could lead to planning permission for approx 54 houses and either generate a capital receipt to the Council from sale of the land in excess of £1m or, the Council may decide to sell the land to Breckland Bridge to develop the sites and achieve a capital receipt from the land and a development surplus upon sale of the completed houses (all subject to extension of the partnership, appraisal and full risk analysis).

If approved this money could be funded from the growth fund which is available to provide funds for economic growth within the region and provide a revenue return of 4%. £469,434 is available at the time of writing this proforma B. This would achieve a 3-4% return from additional council tax and new homes bonus depending on the number of houses and the exact banding but this does assume that planning permission is achieved and that the land is sold and developed. If sold and developed, this would also generate an additional capital receipt and/or development surplus if developed through Breckland Bridge in addition to the 3-4% return detailed above but is subject to approval, full appraisal and risk analysis.

Risk

Money may be expended without achieving a planning permission or a capital receipt and growth fund money may therefore not achieve its anticipated return. In addition, depending on whether the land is

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

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sold or developed through Breckland Bridge there may be a delay in achieving the return as this is not currently an approved project within the Breckland Bridge Business plan.

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