

#BRECKLAND COUNCIL FINANCIAL COMMENTS & APPRAISAL

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

FROM: Mandy Chenery (Senior Accountant)
REPORT: WorkSmart 20:20 - Workplace design for an agile future
REPORT DATE: 22 October 2019

	£ Year 1 2019-20	£ Year 2 2020-21	£ Year 3 2021-22	£ Year 4 2022-23
Revenue				
Income				
Office Space rental	(-)	(-)	(48,900)	(48,900)
Costs				
Data storage	-	-	8,000	8,000
4% target already included in budget			32,000	32,000
Total Revenue			(8,900)	(8,900)
Capital				
Income				
n/a	(-)	(-)	(-)	(-)
Costs				
Funded from G&I Reserve	-	800,000	-	-
	-	(800,000)	-	-
Total Capital	-	-	-	-
Considered By:	Council			
Date:	31.10.19			

Financial Services Comments

The report requests release of funding of up to £800,000 from the Capital allocation within the Growth and Investment reserve.

The table above assumes that the spend is capital but if the spend is deemed revenue, funding will still be applied. The return on this exceeds the 4% target for use of Growth and Investment reserve (already included in the budget). The additional income will be included in the budget going forward.

Future ongoing revenue costs for data storage will be off-set by income generated from the vacant office space the project will deliver.

Once spend has occurred, Elizabeth House will be revalued and any new assets will be added to the asset register as appropriate

Financial Risk

No costs have been factored in for data storage until the revenue income is received, however, if this is required in prior years then this will be a cost pressure to the service.

Income is assumed to be revenue but depending on the nature of the lease there is a risk it could be a finance lease with some income deemed capital (cash income will still be the same)

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.