

## BRECKLAND COUNCIL FINANCIAL COMMENTS &amp; APPRAISAL

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

**FROM:** Margaret Bailey (Senior Accountant Capital and Treasury)  
**REPORT:** Property Acquisition, Riversdale, Thetford  
**REPORT DATE:** 9 December 2021

	£ Year 1 2021-22	£ Year 2 2022-23	£ Year 3 2023-24	£ Year 4 2024-25
<b>Revenue</b>				
<b>Income</b>				
Description/Code	(-)	(-)	(-)	(-)
<b>Costs</b>				
Design and planning permissions	-	200,000	-	-
<b>Total Revenue</b>	-	200,000	-	-

<b>Capital</b>				
<b>Income</b>				
	(-)	(-)	(-)	(-)
<b>Costs</b>				
Purchase and associated costs	430,000	-	-	-
<b>Total Capital</b>	430,000	-	-	-
<b>Considered By:</b>	Council			
<b>Date:</b>	9/12/2021			

### Financial Services Comments

The report requests release of £430,000 capital for the purchase of the property and a further £200,000 revenue for the planning and design fees. The primary purpose of the purchase is for regeneration of the area in Thetford to support the Council's *Thriving Places* priority.

The decision to release funding is delegated to Full Council due to the value and as the project is for future regeneration the £630,000 for the whole life of the project should be approved (and not just the capital purchase sum). Based on the current draft budget for 2022-23 to 2025-26 the £430,000 capital spend can be funded from our capital reserves in the short term until the capital receipt is generated in future years (expected 2026-27). The Council can utilise 'internal borrowing' from its own balances during this time frame.

The revenue £200,000 can be funded from the Growth and Investment Reserve as this project forecasts to generate a return through the capital receipt, the unallocated balance is £2,444,960 at the 31/10/2021.

There should be no ongoing revenue costs in the interim 3-5 year period between purchasing and selling the property as the property will be leased back to the vendor.

Project Management and delivery of milestones will be monitored through Breckland Bridge. The risks associated with the value of the spend and the extended timeline for a receipt are therefore managed via this process.

### Financial Risk

The report does identify other dependencies such as tenant obligations and removal of car parking that may impact on costs. The capital values of the car parks are not included in this Proforma B but their value would be lost when the site is sold for £1m which is the assumption in this report. In addition, the income anticipated from the sale of the property in future years is

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not guaranteed but the draft budget assumes £1m from the future sale of this property in 2026-27. The “surplus” therefore could be eroded.

There is no budget provision included in this report to replace car parking elsewhere once the car parking spaces are removed.

The benefits from this regeneration have not been quantified financially.

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