

BRECKLAND COUNCIL FINANCIAL COMMENTS & APPRAISAL

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

FROM: Alison Chubbock (Assistant Director Finance)
REPORT: Norfolk Environmental Credits
REPORT DATE: 13 March 2023

	£ Year 1 2022-23	£ Year 2 2023-24	£ Year 3 2024-25	£ Year 4 2025-26
Revenue				
Income				
Inclusive Growth Reserve	(-)	(30,000)	(-)	(-)
Costs				
Year 1 running costs of the JV	-	30,000	-	-
Total Revenue	-	-	-	-

Capital				
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Total Capital	-	-	-	-
Considered By:	Cabinet			
Date:	13-03-2023			

Financial Services Comments

This report recommends entering into a Joint Venture (JV) company and committing £30,000 for the first year operating costs of the company.

The one off costs of £30,000 can be funded from the Inclusive Growth reserve (current un-allocated balance £855k). If not all of the 5 authorities join the JV, then this share will increase, but can still be funded from the Inclusive Growth reserve.

Group accounts are likely to be required if the JV grows to be financially material as planned. This will increase the complexity and resource required to produce the annual statement of accounts and no additional resource is provided for this. The Council will also be reliant on the JV to provide timely information on finances to allow inclusion in both the annual accounts and any in year monitoring.

The Council currently receives circa £1.5m in planning income each year. Not addressing the issues raised by Nutrient Neutrality will impact on the income received by the Council, causing additional cost pressures to the revenue budget.

Financial Risk

If the company cannot cover its operating costs from year two, the Council would have to provide further funding in the future.

The JV is proposed to be set up as a company limited by guarantee. Depending on the financial level of the guarantee this could add additional risk to the Council if the JV were to face financial difficulties in future. It is important that this level of guarantee is set appropriately.

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.