

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

4 NOVEMBER 2016

REFERENCE REPORT FROM THE AUDIT COMMITTEE

A.1 COMMENTS TO CABINET FROM THE AUDIT COMMITTEE – POLICY IN RESPECT OF LAND PURCHASES IN JAYWICK

(Report prepared by Richard Barrett)

BACKGROUND

At their meeting on 22 September 2016, the Committee considered the actions in respect of the Annual Government Statement 2016 and in particular the acquisition and development of sites in Jaywick.

At the same meeting, the Committee were informed as part of the Statement of Accounts process that an impairment charge had been made to the HRA in 2015/16 totalling **£0.700m**, which reflected the lower balance sheet or 'book' value of land purchased in Jaywick compared with the actual purchase price.

The existing policy in respect of the purchase and development actions in Jaywick was set out in a report to Cabinet on 5 September 2014 where it was acknowledged that the Council would need to take a leadership role to 'kick start' regeneration in Jaywick and that it can take a longer term view on its initial investment.

COMMITTEE RECOMMENDATIONS AND COMMENTS TO CABINET

The Committee agreed **COMMENTS TO CABINET** as follows:

That Cabinet review the policy in respect of any future land purchases in Jaywick given the impairment loss of £0.700m in 2015/16.

PORTFOLIO HOLDER'S COMMENTS AND RECOMMENDATIONS TO CABINET

It has been and remains the policy that all land purchases are carefully considered to fully assess the financial implications.