

## **Appendix 1 - Chief Finance Officer view on decision-making parameters, value for money interpretation and audit implications**

The Authority resolved in March 2012 to purchase the site for £650,000 and to re-sell the site, with appropriate conditions, as a touring caravan facility. The District Valuer's initial estimate of sale price was £400,000, leaving a net cost to the Authority of the intervention of "£250,000 or thereabouts". Officers have used a net intervention of £300,000 as being an acceptable cost ceiling for the site in carrying out this resolution.

The Chief Finance Officer gave financial advice that the full cost of the site should be budgeted for in order to underwrite the full the risk of not achieving the required resale value, and this was achieved using revenue and capital resources.

He also gave value for money advice on the intervention in the Authority report, in respect of use of public funds for this purpose. His advice was that the cost of a solution must be reasonable in respect of the proportion of the Authority's resources being used, compared to the core National Park purposes being achieved. This judgement needed to be made by Members in respect of the landscape impact of the site should it be developed as a park home site and not a touring caravan site. He also advised that using the Authority's resources to reduce the current permission to a lesser permission or even no permission, would need to face a higher value for money threshold as it would be using resources to reverse its previous, comparatively recent, decision making (i.e. to grant planning consent for a caravan site in 1998 and further development in 2003). The Authority could be vulnerable to a complaint that the expenditure was not in the public interest and the external auditors may consider a public interest report under s.8 of the Audit Commission Act 1998, or qualify their opinion on value for money in the course of the annual audit, if they felt the Authority had not gone through a considered decision making process.

He advised that the cost of an intervention of under £200,000 had relatively little impact on the Authority's financial position. **A commitment of resources of between £200,000 and £500,000 would need to demonstrate that the action was a significant National Park issue and required this much greater call on resources to achieve National Park purposes, with the decision making and supporting valuation process important in countering value for money criticism.** Commitment of resources above £500,000 was not considered to be reasonable and no options supporting this were presented in the report.