

Capital Programme Application Form



Corporate Priority	Providing value
Proposed Scheme	Installation of smart water meters and associated payment facilities allowing residents at Cinderhill Wood Caravan Site to pay for water and sewerage use
Outline of Proposal, including timescales	<p>To allow for each plot to pay for the amount of water used and its disposal. Works to achieve this will be to excavate mains water supplies to individual pitches at the site and install water meters c/w pulse senders in small inspection chambers; connect these to existing electric smart meters to enable desktop consumption monitoring and billing for water and sewerage services supplied.</p> <p>It is anticipated (subject to any COVID restrictions) that installation of meters will take one month, at which point any existing leakage can be identified and water usage by individual plots can be monitored. It is considered that a further three months would then be appropriate to engage in consultation with residents regarding reduced water usage (if appropriate), plus measuring and charging for water supplied in accordance with OFWAT guidance.</p>
Sources of funding	Invest to Save Reserve
Objectives	To facilitate recovery of all water supply and sewerage costs from residents at the site; improved leak identification and management, and emergency response.
Benefits	The Council are currently paying for all water costs associated with Cinderhill, currently the 3 year average is £7,000. These proposals will benefit the Council by allowing for the provision of modern smart meter technology to firstly accurately monitor use of each plot and secondly allows residents to make their payments via the existing web based payment system, which is already used for electricity.
How will the proposal contribute towards: Corporate Priority? Local Area	<p>By undertaking the proposal we intend to reduce expenditure from the existing revenues utilities budgets under codes A28/2300 and A28/2340.</p> <p>Working in conjunction with Property & Estates, Private Sector Housing is aiming to reduce running costs of the Council's Gypsy & Traveller Site in a balanced and fair manner.</p>

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<p>Agreement?</p> <p>Asset Management Plan?</p> <p>Other plans and strategies (please specify)?</p>	
<p>Constraints (e.g. time, reliance on external funding, legal or technical factors)</p>	<p>OFWAT guidance on resale of water to be followed. Such guidance only allows for recovery of costs and no more.</p>
<p>Is this scheme already in the Capital Programme? (If so, has the work started or has the contract been let?)</p>	<p>No</p>
<p>Does this scheme create new assets, which the Council will need to replace in due course? If so, please give the asset life expectancies.</p>	<p>Yes. New assets will be the water meters and pulse senders, which should last at least 10 years.</p>

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Have Accountancy agreed that the proposed expenditure should correctly be treated as capital?	Yes
Implications of proposal being rejected	The Council must continue to subsidise water supply and sewerage charges for site residents – currently averaging £7,000 per annum over the last 3 years and subject to inflationary rises. There is also no incentive for residents to reduce consumption if the Council continue to cover all water charges.
Implications of proposal being delayed	The Council will continue to pay for all water supply and sewerage charges for site residents – currently averaging £7,000 per annum over the last 3 years and subject to inflationary rises
Alternative solutions (If capital funding not available)	None. If capital funding is not available and the meters and changes to pipework are not undertaken the Council must continue to pay for water supply and sewerage charges for site residents – currently averaging £7,000 per annum over the last 3 years and subject to inflationary rises.
Risks (outline risks and action required to meet them)	<p>None identified technically with the work.</p> <p>Due to the residents not being used to paying for water we may need to assist in the necessary behaviour change, this coupled with residents being on low incomes may mean its necessary to part subsidise water costs for a decreasing term (i.e 2 years). Such an approach, if found to be necessary should reduce the potential risk of non-payment and high levels of debt accumulating. If debts do accumulate in the future this would be dealt with using the Council's standard debt recovery procedures.</p>
How does this proposal impact on equalities?	At present residents receive preferential treatment insofar as they do not receive water supply or sewerage bills.
Are there any VAT	No

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implications?	
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Capital Costs				
Expenditure	2021/22	2022/23	2023/24	2024/25
Site Acquisition				
Construction	£20,130			
Structural Maintenance				
Fees				
Vehicles, Plant, Furniture and Equipment				
Grants and Contributions				
Other expenditure				
Total	£20,130			
Less external grants and contributions				
Less sales of related fixed assets				
Net cost to Tunbridge Wells Borough Council	£20,130			

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Revenue Effects of Capital Expenditure				
Expenditure / Income	2021/22	2022/23	2023/24	2024/25
Loss of Interest (3% of net cost)	£600			
Additional revenue costs (please specify)				
Reduced revenue costs (please specify)	-£7,000	-£7,000	-£7,000	-£7,000
Additional income (please specify)				
Net cost to Tunbridge Wells Borough Council	£6,400 saving	£7,000 saving	£7,000 saving	£7,000 saving

Net Present Value (Please speak with Finance if you are unsure what this is)	
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Date the scheme discussed by the Head of Service with the relevant Portfolio Holder: **tba**

Supply email endorsing their support for the approval of funding by Cabinet. **tba**

Work must not commence without budgetary approval from Cabinet (or s151 in an emergency)