

# Capital Programme Application Form



<b>Corporate Priority</b>	To support a prosperous borough
<b>Proposed Scheme</b>	Replacement of Benhall Mill Depot and release of part site for disposal (Update March 2021)
<b>Outline of Proposal, including timescales</b>	<p>This provides for the design and build of a new, streamlined depot on the Benhall Mill site, releasing the remainder of the site for residential development.</p> <p>The design has been procured through the Scape framework with RIBA Stage 2 and 3 being completed. Further design stages are to be completed by Q2 2021 with build commencing in Q3 2021.</p> <p>For the excess site, an appropriate outline planning consent will be applied for at the same time for residential development with disposal targeted for 2022.</p> <p>The scheme already has a gross capital budget of £688,000 approved and following the detailed ground investigation works further issues have been identified in relation to drainage and services. The cost of these works is estimated to be £237,000 and this application is seeking approval for this additional gross budget, there is no additional net cost to the council as the scheme will be fully funded through a capital receipt.</p>
<b>Sources of funding</b>	TWBC Capital
<b>Objectives</b>	To maximise the value of the asset and provide a new purpose-built depot
<b>Benefits</b>	Improves the efficiency of the depot and the future running costs and frees part of the asset for disposal

# Capital Programme Application Form



<p><b>How will the proposal contribute towards:</b></p> <p><b>Corporate Priority?</b></p> <p><b>Local Area Agreement?</b></p> <p><b>Asset Management Plan?</b></p> <p><b>Other plans and strategies (please specify)?</b></p>	<p>The capital project will provide a new, purpose-built depot on a smaller footprint of land and free up the remainder for disposal for development.</p> <p>The new depot should be more efficient to manage and run and will continue to provide the depot services to the crematorium.</p> <p>The project supports the Asset Management Plan by maximising the capital and revenue value of the property portfolio assets and of disposing of or repurposing surplus land and assets.</p> <p>Supports Local Plan</p>
<p><b>Constraints (e.g. time, reliance on external funding, legal or technical factors)</b></p>	<p>The scheme will be reliant on external consultants, and an element of design and build by the successful contractor.</p>
<p><b>Is this scheme already in the Capital Programme?</b></p>	<p>Yes. A contract for the design of the depot has started.</p>

# Capital Programme Application Form



<b>(If so, has the work started or has the contract been let?)</b>	
<b>Does this scheme create new assets, which the Council will need to replace in due course? If so, please give the asset life expectancies.</b>	<p>This scheme replaces an existing tired, near obsolete asset in a more concise footprint. The new asset will need to be maintained and if properly maintained it is anticipated to have a life of 60 years or more.</p> <p>It will release land for development.</p>
<b>Have Accountancy agreed that the proposed expenditure should correctly be treated as capital?</b>	Yes
<b>Implications of proposal being rejected</b>	The existing Benhall Mill depot is in disrepair and will need a large maintenance injection to move it towards being partially efficient. The surplus site will remain underused, which is against the Asset Management Plan
<b>Implications of proposal being delayed</b>	There will be a delayed receipt of the capital from the disposal of the surplus site.
<b>Alternative solutions (If capital funding not available)</b>	To maintain the status quo

# Capital Programme Application Form



<b>Risks (outline risks and action required to meet them)</b>	Unexpected conditions/ contaminants are discovered as further investigative surveys are undertaken, and the construction work is carried out.
<b>How does this proposal impact on equalities?</b>	The decision does not disadvantage or discriminate against different groups of the community. Equalities Impact Assessments will be undertaken through the design and build process and through construction.
<b>Are there any VAT implications?</b>	VAT would be charged at the standard rate of work

# Capital Programme Application Form



Capital Costs				
Expenditure	2019/20	2020/21	2021/22	2022/23
Site Acquisition				
Construction			£720K (including contingency 10% and inflation at 2%) plus VAT	
Structural Maintenance				
Fees	Design fees £41K	Design and survey fees £77K	Design and survey fees £74K	
Vehicles, Plant, Furniture and Equipment				
Grants and Contributions				
Other expenditure		Reinterment £13K		
Total	£ 41,000	£90,000	£794,000	
Less external grants and contributions				
Less sales of related fixed assets			Receipt from disposal of land £1.4M	

# Capital Programme Application Form



			Less legal and surveyor fees on disposal at 2.5%	
<b>Net cost to Tunbridge Wells Borough Council</b>	<b>£41,000</b>	<b>£90,000</b>	<b>(£475,000)</b>	

# Capital Programme Application Form



Revenue Effects of Capital Expenditure				
Expenditure / Income	2019/20	2020/21	2021/22	2022/23
Loss of Interest (3% of net cost)				
Additional revenue costs (please specify)				
Reduced revenue costs (please specify)				
Additional income (please specify)				
<b>Net cost to Tunbridge Wells Borough Council</b>				

<b>Net Present Value</b> (Please speak with Finance if you are unsure what this is)	
---	--

**Date the scheme discussed by the Head of Service with the relevant Portfolio Holder: 25 February 2021**

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

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