

# Capital Programme Application Form



<b>Corporate Priority</b>	<p>A Prosperous Borough - Affordable housing built as part of a Section 106 mixed tenure housing scheme assists in enhancing the built environment of our rural towns.</p> <p>A Confident Borough - Providing homes at a social rent assists in delivering our priority of working with Town and Country Housing to address social deprivation in the Borough.</p>
<b>Proposed Scheme</b>	Spending of £104,870 - release of S106 commuted sum held in lieu of affordable housing provision on site at Woodham Hall, Hawkhurst - 16/500797/FULL to spend on subsidising affordable rented housing at Millwood Homes development at land east of Heartnoak Road, Hawkhurst planning ref 18/02165/FULL
<b>Outline of Proposal, including timescales</b>	The £104,870 was received in lieu of on site affordable housing provision at Woodham Hall in October 2018. The Section 106 stipulates that the sum must be spent in the Parish of Hawkhurst for affordable housing delivery by October 2023. Town and Country Housing are providing on site affordable housing at land east of Heartnoak Road with Millwood Homes. The subsidy will enable a change of tenure of the affordable housing from affordable, (80% of open market rent) to social (50% of open market rent) for three family homes. TCH require the funds by the end of March in order to enter into contract with Millwood Homes on this basis.
<b>Sources of funding</b>	The £104,870 was paid by the developer at Woodham Hall to the Council in October 2018 for the specific purpose of affordable housing delivery in Hawkhurst and is controlled by the Section 106 Agreement attached to this report.
<b>Objectives</b>	To assist in the provision of new social rented housing in the parish of Hawkhurst
<b>Benefits</b>	New affordable housing will be provided at lower, (social) rents.
<b>How will the proposal contribute towards:</b>  <b>Corporate Priority?</b>  <b>Local Area</b>	<p>Confident Borough -The new affordable housing at land east of Heartnoak provides social rented housing through Town and Country Housing that will assist in addressing social deprivation and improving outcomes for residents of the Borough.</p>

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<p><b>Agreement?</b></p> <p><b>Asset Management Plan?</b></p> <p><b>Other plans and strategies (please specify)?</b></p>	<p>West Kent Homelessness Strategy objective of increasing the supply of affordable housing.</p>
<p><b>Constraints</b></p> <p><b>(e.g. time, reliance on external funding, legal or technical factors)</b></p>	<p>The release of funds needs to be achieved by the end of March so that Town and Country can enter into contract with Millwood Homes for the delivery of the affordable housing. There are no other projects to spend the Section 106 funds on in the Parish. Whilst the end date is 2023 for spending the sum we are not aware of other similar opportunities with certainty of delivery. There is therefore a risk that the money would need to be returned to the developer.</p>
<p><b>Is this scheme already in the Capital Programme?</b></p> <p><b>(If so, has the work started or has the contract been let?)</b></p>	<p>No</p>
<p><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>	<p>No</p>

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<b>Have Accountancy agreed that the proposed expenditure should correctly be treated as capital?</b>	Yes – meeting with Bronwyn Boast and Zoe Jagniaszek on 7 <sup>th</sup> January 2020.
<b>Implications of proposal being rejected</b>	Risk that units are delivered at higher affordable rents. Risk that money returned unspent to the developer.
<b>Implications of proposal being delayed</b>	That Town and Country do not provide the affordable housing at social rent.
<b>Alternative solutions (If capital funding not available)</b>	There is no other fund to subsidise affordable housing in Hawkhurst.
<b>Risks (outline risks and action required to meet them)</b>	<p>The agreement for the commuted sum does not expire until September 2023.</p> <p>Given that there are no alternative projects however there is a risk that the money will remain unspent as we have currently exhausted the search for any other projects.</p> <p>The amount of money collected for the Woodham Hall development is only enough to cover a scheme that already has permission for affordable housing</p>
<b>How does this proposal impact on equalities?</b>	There is a positive impact on equalities as there will be additional housing available for households unable to buy or rent on the open market.

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<b>Are there any VAT implications?</b>	No
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Capital Costs				
Expenditure	2019/20	2020/21	2021/22	2022/23
Site Acquisition				
Construction				
Structural Maintenance				
Fees				
Vehicles, Plant, Furniture and Equipment				
Grants and Contributions	104,870			
Other expenditure				
Total				
Less external grants and contributions	(104,870)			
Less sales of related fixed assets				
<b>Net cost to Tunbridge Wells Borough Council</b>	<b>0</b>			

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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)	
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**Date the scheme discussed by the Head of Service with the relevant Portfolio Holder:**

**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)**