

Cabinet Agenda

Monday, 1 August 2022 at 6.00 pm

Council Chamber, Muriel Matters House, Breeds Place, Hastings, East Sussex,
TN34 3UY

For further information, please contact Democratic Services on 01424 451484 or email:
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Agenda Item 5

York Buildings: Costs & Savings

Capital Cost	
Estimated cost of refurbishment (Subject to final accounts)	£1,100,000
Less Affordable Housing Grant (Homes England Funding)	£303,910
Net Capital Cost to Council (PWLB borrowing required)	£796,090
Cost of Borrowing	
Minimum Revenue Provision (capital repayment based on 2.5% over 40 years fixed)*	£19,902
Loan Interest (2.0% fixed)	£15,922
Net Revenue Cost to Council	£35,824
Income	
Weekly rent for 6 x 1 bed flats (based upon current Local Housing Allowance rates)	£690.42
Income to Council	£35,902
Annual Surplus	£78

Potential TA Savings	
Net current cost to the council of 6 x one bedroom placements	£72,096

The above Annual Surplus does not include running costs moving forward. Factoring in an annual allowance of 30% of the income to cover these costs, this will result in potential TA Savings of £61,403.

Potential savings to council	
Annual Surplus	£78
Potential TA Savings	£72,096
Total	£72,174
Less estimated running costs	£10,771
Net Savings	£61,403

*The Minimum Revenue Provision (MRP) is a statutory requirement to put money aside for the repayment of debt. The amount of MRP is determined by the amount of borrowing divided by the expected life of the asset. For property an upper limit of 40 years is suggested. This equates to 2.5% per year.

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