

SCRUTINY COMMITTEE PRE-MEETING QUESTIONS SUBMITTED

Questions Received from the Scrutiny Committee ahead of the meeting on 19 January 2023

Please note – page, section and figures referred to in the questions below relate to the report presented to Cabinet on 3 January 2023.

Capital Programme Report

1. **P243Aa capital investment in Southwold Enterprise Hub of £600k – where will the MRP come from? Can I see a business plan? What security does ESC have on the project?**

The ESC £600,000 investment into the Southwold Enterprise Hub represents c20% of the project build cost. The security for ESC is a 20% ownership stake in the Enterprise Hub and the right to receive 20% of the rent. STC will have the right after 5 years and in perpetuity to buy out ESC.

The Business Plan was included in the Southwold Enterprise Hub Report to Cabinet on 7 June 2022. Please note this report was an Exempt item (Item 16).

MRP is an annual charge included within the centralised revenue budgets and charged over the accounting asset life.

2. **P252 Appendix G How many new houses were built for £15m?**

Appendix G Shows an original budget of £14.1 million for 22/23 revised down to £1.3 million due to delays in the new build programme. It also shows a budget of £15.9 million for 23/24. These properties have not yet been built, and the spend can relate to projects that span over more than one financial year. £8 million of the £15.9 million relates to developments that will be completed in 24/25 and 25/26, providing 61 new homes.

The remaining £7.9 million will deliver 44 new homes in 23/24. The total cost spanning over several financial years for the developments included in the £15.9 million is £27.744 million, which will provide 105 new homes, giving an average build cost of £264k per property. However, this does include a passivehaus development which is more expensive than a traditional build.