

THE DISTRICT COUNCIL OF TANDRIDGE

HOUSING COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber - Council Offices on the 23 January 2024.

PRESENT: Councillors Pursehouse (Chair), Damesick (Vice-Chair), Evans, Chris Farr, Gaffney, Groves, Hammond, O'Riordan, Robinson, Shiner and Smith

PRESENT (Virtually): Councillor North (Substitute – in place of O'Driscoll)

ALSO PRESENT: Councillors Allen and Sue Farr

APOLOGIES FOR ABSENCE: Councillor O'Driscoll

219. MINUTES OF THE MEETING HELD ON THE 23 NOVEMBER 2023

The minutes were confirmed and signed as a correct record.

220. BRONZEOAK - BUDGET

A report was submitted to members for the approval of a budget increase for the Bronzeoak House housing scheme. The scheme aimed to provide 12 2- bed general needs flats and 14 1- bed sheltered housing flats for households on the Council's Housing Register at affordable rents.

The Bronzeoak Project was originally forecast to be completed in the summer of 2022, but had been negatively impacted by a series of national and international events. As a result of this, the original contractor experienced significant financial issues and, in addition to issues on other projects, the company entered into administration in May 2023 meaning the site had been inactive since then.

Officers had considered options for the most appropriate route to take to complete the scheme in the most cost-effective way possible. Re-tendering the project in its entirety to a new main contractor, who in turn would tender and appoint sub-contractors, would have left the Council without warranties in place for the work which had already been undertaken. This would have likely resulted in partial de-construction, additional delays and increased costs for the scheme.

The report recommended that Members approve the use of a Construction Management Contract (CMC). This would then allow the Council to directly contract with the previous sub-contractors, meaning the Council could benefit from original obligations. The Council would look to appoint a construction manager to supervise the project for an agreed fee.

Officers had already been working with a CMC on a consultancy basis to engage with the former sub-contractors, gauge willingness to return to complete the project and begin negotiations over the terms upon which they would return. Through costing exercises, it was considered that a CMC route represented better value for money.

The report requested that authority to award the contract be delegated to the Director of Resources, in consultation with the Chairman and Vice-Chairman.

The costing exercises undertaken have informed a new budget forecast, with an increase in budget of £2.6m for completion of the project.

In response to member questions, Officers explained that:

- The nature of a CMC contract was that there was no fixed price, so the full cost of the project would not be known until it was completed.
- Commuted Sums were being considered to help subsidise the cost of the project, however any use of these funds would have an impact on the delivery of other affordable housing schemes by housing association providers. Officers would seek Member approval before using commuted sums for this project.
- While the Council was not under any obligation to pay any of the debts of those owed by the former contactor. Through costing exercises, it was confirmed that recruiting new sub-contractors would be more expensive than appointing the existing sub-contractors and contributing towards their losses. Officers highlighted the case of the lift contractor as an example, but noted that this was the only former sub-contractor requesting full costs of the losses incurred on the project from the previous contractor.
- Work on the site was forecast to resume in March 2024 and completion forecast for December 2024.
- If rents were charged at 90% or more of market rate then the scheme would no longer deliver affordable housing and would not then be suitable for those who were on the Housing Register. Existing rents were taken into consideration for those who were being considered for decanting into the new scheme.

RESOLVED – that:

- A) approval be given for the appointment of a construction management contractor to facilitate the completion of the Bronzeoak House development in Caterham.
- B) authority be delegated to the Director of Resources, in consultation with the Chairman and Vice Chairman of the Housing Committee, to award the contract to the contractor, Cast & Teller Limited, following completion of due diligence and a value for money report from the Council's employer's agent.
- C) the increase in project budget from £10.6m to £13.2m be approved.

221. HOUSING COMMITTEE – 2024/25 DRAFT GENERAL FUND BUDGET AND MEDIUM TERM FINANCIAL STRATEGY

A proposed 2024/25 revenue and capital budget programme for the Housing Committee was presented as part of the overall Council's budget. The budget had been proposed in line with the principles set out in Paragraph 1.5 of the report. The overall budget would be presented to the Strategy and Resources Committee on 30 January and Full Council on 8 February.

The report set out a proposed revenue budget of £0.678m for 2024/25, and the proposed fees and charges for 2024/25. A 2024/25 capital programme of £420k was also proposed.

In response to member questions, Officers explained that:

- In relation to the Meadowside site, the proposed increase in pitch fees would be spent on the refurbishment of the site.
- Significant site improvements had been undertaken in the previous year, further work had been scheduled for 2024/25.
- The residents paid for the pitch licence, which also covered access to communal facilities and officers to assist with managing the site.
- Under the Mobile Homes Act rent increases could be increased in accordance with RPI in September which was 10.1%, however officers proposed an increase in line with uplift on Housing Rents.

RESOLVED – that:

- A) the Housing General Fund – Proposed Revenue Budget for 2024/25 of £0.678m, as shown in Appendix A of the report, taking account of pressures and savings allocated to the Committee be agreed, and it be noted that further allocations will be made to distribute an amount equal to increments and the agreed Council pay award, subject to approval by Strategy & Resources Committee and Full Council.
- B) the Committee’s Fees and Charges for 2024/25 as shown in Appendix C of the report be agreed.
- C) the Committee’s Capital Programme for 2024/25 being the sum of £0.4m, as shown in Appendix D of the report, be agreed, subject to approval by Strategy & Resources Committee and Full Council.
- D) the Subjective Revenue Budgets in Appendix B of the report, setting out movements from 2023/24 to 2024/25 and an estimated amount for 2025/26, be noted.

Clerk’s note: Following the Committee, an urgent decision was taken by Officers under Standing Order 35 of the Constitution on 26 January 2024. This related to resolution C, specifically Fees & Charges relating to Meadowside plot fees. The urgent decision can be found on the Council’s website at:

<https://tandridge.moderngov.co.uk/ieDecisionDetails.aspx?ID=173>.

222. HOUSING REVENUE ACCOUNT – 2024/25 DRAFT BUDGET

The Committee considered a report outlining the proposed Housing Revenue Account (HRA) revenue budget and capital programme for 2024/25. The report recommended:

- That in accordance with Government social rent policy, social and affordable rents be increased by 7.7%, and that garage rents, service charges and Sheltered and Older Persons service charges also be increased by 7.7%; and
- The approval of the draft Capital Programme for 2024/25 of £19.1m and the 2024/25 draft Revenue Budget with a net operating surplus of £3.7m.

RESOLVED – that:

- A) the proposed revenue budget for 2024/25 with net income from services of £3,729,400 before capital financing and interest charges, as shown in Appendix A of the report be agreed, subject to approval by Strategy & Resources Committee and Full Council.
- B) the proposed Capital Programme for 2024/25 for the sum of £19,135,100, as shown in Appendix B of the report be agreed, subject to approval by Strategy & Resources and Full Council.
- C) Social Rents (excluding service charges) and Affordable Rents (including service charges) for 2024/25 be increased by 7.7% in accordance with Government social rent policy guidance.
- D) rent for garages be increased by 7.7% for 2024/25 to produce a standard weekly rent of £15.61 to tenants, or £18.73 (including VAT) for let to private tenants.
- E) service charges be increased by 7.7% for 2024/25 to produce an average weekly charge of £8.78.
- F) Sheltered and Older Persons service charges be increased by 7.7% for 2024/25 to £16.51 and £3.61 respectively.
- G) that the PWLB HRA Loan of £3.450m, due for repayment in 2024/25 be re-financed.

223. CAP ON SAFE AND LEGAL ASYLUM ROUTES – CONSULTATION RETURN - DECISION TAKEN UNDER URGENCY POWERS

The committee received a report on a decision taken under the Council's urgency powers (Standing Order 35) by the Chief Executive and other Chief Officers, following consultation with Group leaders and Chairman of this Committee, to return the consultation response and offer accommodation to two households in relation to the Council's response to the Cap on Safe and Legal Asylum Routes Consultation.

The aim of the consultation was to assist the government in determining what the cap on numbers of asylum seekers entering the UK through the safe and legal routes should be. The initial deadline for the submission was 15 December 2023, later delayed until 9 January 2024.

Due to the need to obtain information from Surrey County Council on a number of areas, there was little information available for the committee to have made an informed decision prior to the deadline.

Officers had anticipated that a single household would be accommodated within the Council's housing stock in a harder to let property and that the family sized household would be accommodated within the private sector.

In response to member questions, Officers explained that:

- The dates that the households would be received were at that time unknown, but would be within the 2025 calendar year. Officers would contact the Home Office when a vacancy arose, this would be followed by a three months lead-in time before each household takes residence.

- The Local Authority Housing Funds that were set up for the Homes for Ukraine Scheme and the Afghan Resettlement Programme were not part of this scheme.
- The houses that would be used for the scheme were not currently vacant but were forecast to become vacant within the next 12-18 months. Certain properties within the Housing stock were known to be hard to let due to location and amenities, if there would be no interest from those on the Housing register for these properties when they were to become available, then the property would be offered for the scheme.
- It was likely that the single occupant would have some support requirements, so could be offered a property within the sheltered schemes that has low take-up or is hard to let.

RESOLVED - that the decision made to offer support to two households under the Council's urgency powers and to complete the consultation on the cap on safe and legal routes be ratified.

Rising 8:29 pm