

Council House Building Programme – new scheme - November 2023

Housing Committee Thursday, 23 November 2023

Report of: Chief Finance Officer (S151)

Purpose: For decision

Publication status: Unrestricted

Wards affected: Bletchingley & Nutfield

Executive summary:

This report seeks approval for the demolition of Kentwyns Rise, South Nutfield to allow for the redevelopment of the site to provide up to 23 homes, including two and three-bedroom houses to assist with meeting the need for family housing on the Council's housing register.

This report supports the Council's priority of: Creating the homes, infrastructure and environment we need.

Contact officer Nicola Cresswell and Carol Snowden, Housing Development
ncresswell@tandridge.gov.uk / csnowden@tandridge.gov.uk

Recommendation to Committee:

It is recommended to Members that:

- A. Officers prepare detailed proposals for the redevelopment of Kentwyns Rise, South Nutfield for a mix of 1,2 and 3-bedroom houses and flats for affordable rent and seek pre-planning advice to develop the site;
- B. In the case of recommendation A above approval to proceed which would include the appointment of an architect, Employer's Agent and other specialist consultants and surveyors to act for, or advise the Council and the commissioning of necessary reports all subject to the Council's Standing Orders and Financial Regulations.
- C. In the case of recommendation A above, work to rehouse residents displaced by the redevelopment and commence this following the Committee's decision, including the payment of compensation where eligible;

- D. In the case of recommendation A above, appropriate notices to be served on tenants at the earliest opportunity to preclude the possibility of the Right to Buy; and
 - E. In the case of recommendation A above, authority also be given for Officers to commence the process of appropriating the land from housing to planning purposes in accordance with Section 122 (1) of the Local Government Act 1972.
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Reason for recommendation:

The recommendations supports one of the Council's key strategic objectives and seeks to address in part the District's need for affordable rented housing. Early engagement with affected tenants and seeking planning advice will mitigate the stress and uncertainty for residents. A pre-application budget means that surveys can be undertaken and reports prepared without residents wondering what is happening outside their homes. Officers can also commence with a Section 105 consultation – a legal requirement when secure tenants are likely to be significantly impacted by a landlord's proposals and begin the process of assessment, reassurance and liaison with the affected residents over their re-housing options.

The process of appropriation will ensure that the land and property in question is held for the correct statutory purpose under Section 122 (1) of the Local Government Act in advance of any full planning application being submitted.

Furthermore, to preclude the Right to Buy it is proposed to serve at the earliest opportunity appropriate notices under the Housing Act 1985 on all tenants of the properties.

Introduction and background

- 1 Kentwyns Rise is a former sheltered housing scheme in South Nutfield comprising of 31 dwellings in the form of flats and bungalows. One of the properties is a 2-bedroom flat and the remainder are small one bedroom flats or bungalows with floor areas just over 37sqm. As sheltered housing the scheme had become hard-to-let. Access to the site is via a steep roadway and services in and to the village have diminished since its construction in the early fifties. The flats also no longer met expectations of older residents in terms of accessibility. The flats were served by a lift which had become unreliable and has since been decommissioned.
- 2 Kentwyns Rise was selected as one of the sheltered housing schemes that would be redesignated as general needs as part of the Council's strategic review of its sheltered housing stock in 2016. Properties there have been gradually re-let as general needs and the floating sheltered housing support service was officially withdrawn on 1st April 2022.
- 3 Kentwyns receives cyclical maintenance but will be due a roof replacement within the next 10 years at an estimated cost of £200k -

£250k. There will also be a requirement to install additional fire safety measures in the loft spaces estimated to cost £60,000. None of the properties achieve an EPC rating above D.

- 4 The site at Kentwyns Rise is very large and the dwellings sit within underused communal grounds. As the buildings are reaching the end of their useful life Kentwyns Rise has been identified as suitable for demolition to allow for the construction of family sized dwellings to meet the high needs on the housing register.
- 5 Early indications are that the land at Kentwyns Rise could be redeveloped to provide a combination of flats and houses, ranging from 1 to 3 bedrooms, including gardens, parking and amenity spaces.
- 6 A key part of the Council's Strategic Plan is the building of affordable homes. At its meeting on 11th March 2021 the Committee approved an extension to the house building programme of a further 200 homes over 5 years. The majority of new Council homes are to be delivered on land that the Council already owns with 30% of the programme delivered on purchased land. If approved, this scheme will form part of the extended programme.
- 7 The scheme has been the subject of feasibility study and discussions have been had with Ward Councillors Liam Hammond and Helena Windsor. Since the proposal involves the redevelopment of existing housing it is necessary to rehouse tenants into alternative accommodation and compensate them for having to move home. Considerable care is taken when moving residents, particularly older people, and Officers have gained much experience in doing so in recent years. Compensation covers the costs relating to moving home and, residents of more than 12 months are also eligible for statutory homelessness payment.
- 8 The scheme will be modelled to be let at affordable rent. However, as with most of the Council's new build schemes, the option of social rent will be considered if the project can remain viable.

Budget

- 9 The budget for these schemes will come from the budget envelope of £74m as approved by this committee at its meeting in March 2021 as HRA funding to extend the Council's house building programme by further 200 homes.
- 10 The estimated budget cost of bringing the potential redevelopment of Kentwyns Rise to planning stage is approximately £50,000. This would be used for the appointment of an architect, planning fees, the procurement of the necessary surveys to inform the design (e.g. arboricultural and topographical surveys) and the appointment of an employer's agent to act as a construction professional and project manager, inputting on processes and procedures that will ultimately be included in a construction contract.

- 11 Additional budget is requested to allow for the payment of statutory compensation to any tenants that move to alternative accommodation following the service of an Initial Demolition Notice. It is anticipated that the re-housing of tenants at Kentwyns will take place over a period of years with some residents more willing and able to move than others. The statutory Home Loss Payment is £8,100 per household i.e., where there is a joint tenancy, the payment would be equally split. Following this committee, residents will be re-registered and awarded priority Band A, following which they can begin bidding on alternative Council properties.
- 12 The serving of an Initial Demolition Notice will protect the Council's intention to redevelop the site by preventing any homes being sold under the Right to Buy for the following 7 years. Where homes are sold under the RTB the Council would need to buy them back at full market value to enable any development to proceed.
- 13 Officers will return to the Committee with a scheme proposal and a request for full budget approval once feasibilities have been completed and pre-planning advice received.

Appropriation

- 14 Property and land that is already held for housing purposes must be appropriated for planning purposes and then held by the Council under the statutory provisions of Part 9 of the Town and Country Planning Act. The practical consequence (by virtue of section 237 of the Town and Country Planning Act 1990, as amended by Schedule 9 of the Planning Act 2008) is that the demolition, erection, construction or carrying out of any maintenance of any building or work on the land and subsequent use of the land is authorised under those planning powers, if the works are done in accordance with planning permission, even if they interfere with third party rights. On completion of any development the land would need to be appropriated back to housing land.

Other options considered

- 15 Officers need this Committee's approval to seek full planning consent for an application for Kentwyns Rise and Officers will return to a future Committee with that request. However, it was felt that to proceed with feasibility studies and necessary surveys without first notifying existing residents of the Council's plans or seeking authority of the Committee for a pre-application budget may expose the Council and Members to avoidable criticism.
- 16 If Kentwyns Rise was not re-developed then the Council will need to commit to significant investment in the current buildings. Re-roofing will be required as well as new uPVC windows. Work will be needed on insulating the properties since none of the dwellings achieve an EPC higher than D. The properties are below modern space standards so will continue to be hard-to-let. There is potential for re-modelling to create 2-bedroom flats out of the existing dwellings but such an approach

would be costly and the design would be restricted by the building's current envelope. Any re-modelling would also require existing residents to be re-housed.

- 17 With regard to appropriation, if the Council decided not to appropriate the land, there is the potential that third parties could bring injunction proceedings which could stop the construction of a future development or delay its delivery. By exercising appropriation power, the threat of injunction proceedings for the infringement of third parties would be extinguished. Affected parties would still receive compensation but they will not be able to delay or stop the development.

Consultation

- 18 Ward Councillors have been informed of the proposals for Kentwyns Rise and the impact to existing tenants and how that will be managed. Residents will be formally consulted under Section 105 of the Housing Act. A consultation exercise prior to appropriation of the land will also be undertaken.

Key implications

Comments of the Chief Finance Officer

As noted in the report there is no specific budget set aside for this scheme, however there is sufficient capacity within the HRA fund to accommodate the capital scheme. The HRA 30 year business plan includes amounts for non-specific schemes like this one and this gives assurance that there is adequate finance available for new schemes such as this.

Capital programme projections and the business plan will be updated to include this scheme if it is approved.

Comments of the Head of Legal Services

Section 1 of the Localism Act 2011 ("the general power of competence") grants local authorities the ability to do anything that a private individual is empowered to do, subject to any restrictions which bound local authorities before coming into force of that section or any later provisions expressed to apply to it.

The Head of Legal and Monitoring Officer sees no legal reasons preventing the Committee from approving the recommendations set out in the report.

Equality

The letting rather than the development of housing for sale is key to issues of equality. New housing developed reflects the housing priorities at the time it is conceived, is designed to mitigate against fuel poverty, be mobility friendly (with wheelchair homes included where there is demonstrable need at the time the scheme is designed); and, be of a size sufficient to promote working from home.

Existing residents of Kentwyns Rise who are being considered for re-housing will receive any necessary assistance with applying to the housing register and their housing needs assessment and subsequent re-housing options will reflect their current needs in terms of accessibility requirements as a result of a disability or other protected characteristic.

Climate change

The new housing will achieve the Council's adopted target of Net Zero Carbon (operational).

Appendices

None

Background papers

None

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