

# TANDRIDGE DISTRICT COUNCIL

## HOUSING COMMITTEE

Minutes and report to Council of the virtual meeting of the Committee held on the 11<sup>th</sup> March 2021 at 7.30pm.

**PRESENT:** Councillors Parker (Chair), Fitzgerald (Vice-Chair), Morrow (Vice-Chair), Gray, Jones, Langton, Mills, Ridge, Steeds, C.White and Wren

**ALSO PRESENT:** Councillors Allen, Caulcott, Farr and Lockwood

### **287. MINUTES OF THE MEETING HELD ON THE 19TH JANUARY 2021**

These minutes were approved as a correct record.

### **288. QUARTER 3 CORPORATE PERFORMANCE & RISKS - HOUSING**

Members were presented with an analysis of the Committee's key performance indicators and risks for the third quarter of 2020/21.

Councillor Morrow, seconded by Councillor Langton, moved amendments to the suggested performance targets for:

HO3 - number of cases where it is known that advice and/or support from the Council successfully prevented or relieved the threat of homelessness (from 60 to 120 cases per annum); and

HO9 - percentage of visits for responsive repairs resulting in recall visits (from 5% to 2%).

Upon being put to the vote, these amendments were agreed.

Regarding HO3, it was suggested that the indicator could be redefined, whereby the Council would aspire to intervene in all potential homelessness cases that were presented. It was confirmed that the indicator would be reviewed by relevant officers in due course.

It was also suggested that performance indicator HO5 (the number of people in 'urgent need' (bands A&B) on the Housing Register) reflected challenges in respect of the increasing numbers of people applying to join the register, as well as the shortage of properties the Council was able to offer.

Notwithstanding the intention to review the Committee's risk register, Councillor Morrow moved that the following risks be removed from future schedules presented to the Committee given their operational nature:

No. 11 - Council house projects at risk from matters such as: flooding, contaminated soil, land ownership and covenant problems and planning issues due to a lack of due diligence in relation to the site

No.12 - Inability of housing programme to progress due to shortage of cash flow in HRA funds

No.13 - Unable to carry out emergency repairs due to lack of staff, PPE and materials

No.14 - risk failure to obtain planning permission on scheduled sites

No.16 - high level of defects in newly delivered Council housing due to poor contractor choice, lack of contract and construction monitoring and the failure to examine construction drawings

No.18 - inability to deliver landlord services due to lack of resources as a consequence of staff sickness.

Upon being put to the vote, this amendment was agreed.

Discussion focused on the merits of Appendix C to the report which provided the Committee with an update on the Council's house building programme. Most Members favoured the retention of such an appendix in future performance reports.

**RESOLVED** – that:

- A. the Quarter 3 (2020/21) performance and risks for the Community Services Committee be noted;
- B. performance targets for indicators HO3 and HO9 be amended as follows:
  - HO3 number of cases where it is known that advice and/or support from the Council successfully prevented or relieved the threat of homelessness (*from 60 to 120 cases per annum*); and
  - HO9 percentage of visits for responsive repairs resulting in recall visits (*from 5% to 2%*).
- C. risk numbers 11, 12, 13, 14, 16 and 18 be deleted from the schedule of risks to be presented to future Housing Committee meetings.

## **289. HOUSING FINANCE REPORT - MONTH 10**

A report concerning the Committee's revenue budget and capital programme as at the end of January 2021 (month 10) was presented. This covered both the Housing General Fund (HGF) and Housing Revenue Account (HRA).

Regarding the HGF, a revenue underspend of £141,000 against the budget baseline of £459,000 was projected. This was primarily due to an underspend on salaries, partly offset by additional Covid-19 costs. A revenue surplus of £175,800 was forecast for the HRA.

The combined HGF / HRA capital programme had been reduced to £9.8 million and was forecast to be £1,516,000 underspent, mainly due to Council housebuilding schemes having been delayed by the Covid 19 pandemic.

**RESOLVED** – that the Committee's forecast revenue and capital position for the year be noted.

## **290. SCOPE FOR REPLACING GAS BOILERS WITH LOW CARBON HEATING SYSTEMS IN COUNCIL-OWNED PROPERTIES**

The Committee considered a report which explained:

- the previous programmes for installing gas central heating systems and replacing outdated gas appliances with conventional boilers;
- a programme, initiated in 2015, to renew all 1351 boilers installed between 1995 and 2003, to conclude in 2023;
- the intention to replace the 932 boilers installed between 2004 and 2014 from 2024 over a 10 year period;
- the comparative average costs of replacing conventional gas boiler (£3,100) against the current cost of purchasing and installing an air source heat pump and associated equipment (up to £15,000).

The report concluded that an options appraisal exercise be undertaken regarding the suitability of low carbon heating systems to replace existing gas boilers.

In response to the debate, Officers explained that, notwithstanding the cost implications, it was conceivable that low carbon heating systems could be installed to replace gas boilers in four years' time.

The potential for securing external funding for future low carbon heating installations was discussed, along with the prospects of technological advances in alternative heating systems, including those powered by hydrogen.

In the context of the Council's climate change motion agreed in February 2020 (and the aspiration to become carbon neutral by 2030) it was acknowledged that the generation of carbon emissions could still be acceptable, providing they were offset elsewhere.

**RESOLVED** – that:

- A. the Council's intention to install low carbon heating systems in all Council owned properties by 2050, in line with the Government's net zero carbon target, be confirmed; and
- B. officers undertake an options appraisal of the suitability of low carbon heating systems to replace existing gas boilers in Council owned properties.

## **291. HOUSING STRATEGY - 2019 TO 2023 - ACTION PLAN UPDATE**

The Committee considered a progress report against the Housing Strategy action plan agreed in January 2019. The report provided commentaries in respect of 43 actions associated with the three strategy objectives of: 'building the homes we need'; 'making the best use of existing housing'; and 'meeting the housing needs of vulnerable households'.

In response to Members' questions, Officers commented on particular action points as follows:

No. 8 - Undertake a greater promotion of shared ownership and other home ownership products to ensure the buyers are fully aware of these products and their affordability

A reasonable proportion of new affordable homes was being provided by way of shared ownership arrangements. This included the 25% 'low cost home ownership' element of new units delivered via Section 106 agreements which were nearly always shared ownership tenures provided by Housing Associations. The Council's priority was to offer affordable homes wholly for rent, but shared ownership opportunities would continue to come forward.

No. 16 - Explore potential to utilise Council staff working in the community to undertake a rolling programme of basic property surveys to report on property condition to obtain an accurate and updated picture of housing conditions in the district

Software is being developed to enable locality officers to undertake this work. Staffing pressures and other priorities had delayed progress until now, but a fair proportion of properties were expected to be surveyed by the end of 2022.

Nos. 22 / 24 - Explore the introduction of an accredited property scheme / Explore ways to reach out to private landlord fora and groups to make even stronger connections with them (this could include the Council setting up a lettings agency)

It was anticipated that an update would be submitted to the Committee's June meeting and that the actions were linked to an emerging initiative to investigate the potential use of empty properties, including engaging with owners.

No. 34 - Work in partnership with other activity across the Council to make links with private landlords to enable the provision of information and support to enable more residents to access good quality privately rented housing

The question of whether Oxted & District Churches Together still participated in the Rent Deposit Bond Scheme would be clarified.

**RESOLVED** – that the contents of the report and progress made to date be noted.

## **292. AFFORDABLE HOUSING PROVISION & COUNCIL HOUSE BUILDING PROGRAMME 2022-27**

A report was presented with recommendations for a five-year extension to the current programme to provide a further 200 homes. The role that housing associations could play in addressing housing need was explained, together with the ways in which the Council could support them. The report also concluded that it would not be financially viable for Gryllus Housing to help deliver the future programme, given its exposure to greater costs (e.g. higher interest rates, VAT and potentially stamp duty) and the inaccessibility of Right to Buy receipts.

The Committee was advised about the potential risks which could threaten the delivery of the programme, namely a rise in interest rates; unavailability of land; reduced staffing resources; and higher building costs arising from Brexit.

In response to Members' questions, Officers advised that:

- the underlying cost assumption that 30% of the homes would be on purchased land was considered reasonable; and
- while the development team did not intend to compete with housing associations for the provision of affordable homes on Section 106 sites (which could otherwise increase land prices) it would seek to prevent scenarios where opportunities on such sites were not taken up.

**RESOLVED** – that:

- A. the Council's current council house building programme be extended by 200 homes over 5 years starting in 2022/23 within a budget envelope of £74m, the programme to be funded through the Council's Housing Revenue Account (HRA);
- B. schemes be brought forward to this Committee for approval starting in 2020/21 to enable land to be acquired and planning consents obtained with a view to construction work and major expenditure starting in 2022/23; and
- C. the 5-year programme be reviewed in 2026/27 to establish the capacity of the HRA business plan to support a further extension of the programme beyond 2027/28.

## **293. COUNCIL HOUSE BUILDING PROGRAMME - ADDITIONAL SCHEMES**

The Committee considered proposals to allocate the available £2.06 million within the current capital programme to:

- fund the acquisition of five dwellings via an extension to the successful buyback scheme at a cost of £1.5 million, thus achieving the supply of much needed homes in 2021/22 when none would otherwise be delivered and to take advantage of the many approaches received each year from owners interested in selling their ex-council homes back to the Council; and
- if necessary, utilise the balance of £560,000 for purchasing land that would release a Council site for residential development (otherwise, this provision would be used to fund two further buy-backs).

Development of the following sites was also recommended in light of the 5-year extension to the Council house building programme (Minute 292 refers):

- 63-78 Featherstone, Blindley Heath for a mix of 2 and 3-bedroom houses and flats for affordable rent;
- 106-128 (even numbers) Wolfs Wood, Hurst Green for a mix of 1, 2 and 3-bedroom houses and flats for affordable rent;
- garage site at Hollow Lane, Dormansland for a mix of 1 and 2-bedroom flats for affordable rent.

Each of these potential schemes had been the subject of a feasibility study, early informal discussions with the Council's planning team, and discussions with Ward Councillors. Construction cost advice had been obtained from a quantity surveyor and other costs taken from current experience. Contingencies had been included to reflect unknown risks, although due diligence and tendering processes could reduce these provisions.

The Featherstone and Wolfs Wood schemes would involve redevelopment and the need to rehouse tenants into alternative accommodation and compensating them for having to move home. In the past, such decanting had taken place after the granting of planning consent which had caused stress and uncertainty for affected tenants and delays in implementing the construction phase. It was therefore proposed that, for both schemes, decanting should commence from the Committee's decision to proceed, including the payment of compensation.

**RESOLVED** – that:

- A. the current 'Buyback' initiative be extended by five homes to a total of 10 homes at a cost of £1.5m funded from part of the £2.06m approved but unallocated funds within the existing programme;
- B. Officers prepare detailed proposals for the development of 63-78 Featherstone, Blindley Heath for a mix of 2 and 3-bedroom houses and flats for affordable rent and submit a planning application to develop the site with an approved budget of £4.76m for the project;
- C. Officers prepare detailed proposals for the development of 106-128 (even numbers) Wolfs Wood, Hurst Green for a mix of 1, 2 and 3-bedroom houses and flats for affordable rent and submit a planning application to develop the site with an approved budget of £3.525m for the project;
- D. Officers prepare detailed proposals for the development of the garage site at Hollow Lane, Dormansland for a mix of 1 and 2-bedroom flats for affordable rent and submit a planning application to develop the site with an approved budget of £2.075m for the project;
- E. in the case of recommendations B, C and D, authority be delegated to the Chief Executive, in consultation with the Council's Leadership (as detailed in Standing Order 46 of the Council's Constitution) to procure and award a construction contract for proposed developments to the most economically advantageous tenderer, subject to the outcome of the planning process and construction costs being within the approved budget;
- F. in the case of recommendations B, C and D above, approval to proceed includes the appointment of an architect, Employers Agent and other specialist consultants and surveyors to act for, or advise, the Council and the commissioning of necessary reports to taking the schemes forward through to completion, all subject to the Council's Standing Orders and Financial Regulations;
- G. in the case of recommendations B and C above, where approval has been given to proceed with a redevelopment scheme, work to rehouse residents displaced by the redevelopment commence following this Committee's decision being ratified by full Council, including the payment of compensation where eligible; and
- H. in the case of recommendations B and C, appropriate notices to be served on tenants at the earliest opportunity to preclude the possibility of the Right to Buy.

## 294. GARAGE MANAGEMENT STRATEGY

The Committee considered a proposed garage management strategy which sought to provide a framework for the future operation and development of garage sites. The primary objective was to, *“maximise the use, suitability and sustainability of the garage portfolio, to maintain and improve income levels and contribute to general environmental improvements”* by:

- reviewing the location, condition and demand for the Council’s garage stock
- generating a planned review and maintenance programme of improvements to garage sites to ensure their future sustainability
- providing a framework of management actions, aimed at providing sustainable garage sites and demonstrating value for money
- considering changes of use (including repurposing, development or sales opportunities) as appropriate.

Each garage site would be assessed with a view to pursuing one of four options, namely improvement, repair and re-let; alternative use; sale; or exploring development opportunities. The strategy provided a breakdown of the current garage portfolio by Ward and acknowledged that many garages required refurbishment. Despite high demand, 319 of the 700 garages were void. It was intended to generate additional rental income by £100,000 per annum through a combination of reduced void timescales and sales.

A garage management policy was also presented which included conditions of use; the application process and criteria; repair and maintenance obligations; the rent payment regime; succession rights; insurance; and disposals. In response to a Member question, the Executive Head of Communities advised that clause 5.7 of the policy would be amended replace ‘registered charitable organisations’ with ‘community organisations’ (in recognition of the fact that the latter were not necessarily registered charities).

Charlotte Radford, a local resident, addressed the Committee (as permitted by Standing Order 31) regarding the garage area to the rear of Chelsham Close, Warlingham and expressed concerns regarding an absence of security lighting, uneven road surface areas, fly-tipping issues and a lack of available on-street parking capacity in nearby roads which caused residents to use the site for parking.

During the debate, officers confirmed that garage site redevelopment plans and timelines would be identified as soon as possible and that Members would be briefed accordingly. The need to effectively manage and protect the Council’s access rights over garage sites was also discussed.

Councillor Morrow, seconded by Councillor Jones, proposed two additional resolutions regarding the need to consider appropriate security lighting and for officers to circulate an action plan to demonstrate how the budgeted £100,000 additional income from garage sites is to be achieved. Upon being put to the vote, both motions were agreed.

**RESOLVED** – that:

- A. the Committee supports the objectives, strategic approach, and actions detailed within the report and the Garage Management Strategy and Garage Management Policy to maximise income generation, suitability and sustainability of the Council’s garage portfolio;

- B. as part of the garage refurbishment programme, provision of appropriate security lighting be considered for sites where it would clearly be beneficial;
- C. an action plan be circulated to Councillors showing how the additional budgeted income of £100,000 from garage sites is to be achieved.

## **295. WESTWAY CENTRE**

A report was submitted to update Members on the position of the Westway Charity and its request for a 15-year lease (of the Centre in Park Road, Caterham) to provide greater access to funding streams.

On 12th March 2019, the Committee approved a three-year lease with a supporting grant. However, the Charity had delayed entering into the lease agreement and was operating from the building on a licence to occupy. The Committee had also agreed that the Council would contribute towards running costs on a sliding scale for the first two and half years. The report acknowledged that too short a lease left the main repairing obligations with the Council. It concluded that the retention of the Centre would enhance the social wellbeing of local residents and would therefore justify the requested 15-year lease in the context of Government Circular 06/03 (disposal of land for less than best consideration).

The report explained the aims of the Charity in supporting isolated members of the community. It also confirmed that partnerships had been forged with both current tenants, and other local and regional organisations. The significant growth in the number of registered members / service users (50 to 496) and volunteers (80 to 271) since 2019 was highlighted, as well as the functions hosted by the Centre in response to the Covid-19 pandemic.

**RESOLVED** – that the Executive Head of Communities be authorised to negotiate the terms of a fifteen-year lease and that Legal Services prepare and complete all the necessary legal documentation in accordance with agreed terms.

Rising 10.08 pm