

Council House Building Programme - Pelham House

Housing Committee Tuesday, 4 October 2022

Report of: Executive Head of Communities

Purpose: For decision

Publication status: Unrestricted

Wards affected: Harestone

Executive summary:

This report seeks approval for Officers to prepare detailed proposals for the redevelopment of Pelham House in Caterham. This scheme will be the next development within the Council's extended house building programme and will involve the demolition of the existing block of 12 one-bed flats and studios and the development of new and much needed family sized affordable homes for rent.

This report supports the Council's priority of: Creating the homes, infrastructure and environment we need/ Becoming a greener, more sustainable District

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Recommendation to Committee:

It is recommended to Members that:

- A. Officers prepare detailed proposals for the development of Pelham House in Caterham for a mix of 3 bedroom houses and 1 and 2 bedroom flats for affordable rent and submit a planning application to develop the site and approve a budget of £3,667,926 for the project;
- B. Authority be delegated to the CEO in consultation with the Council's Leadership (as detailed in Standing Order 46 of the Council's Constitution) to procure and award a contract for the proposed development to the most economically advantageous tenderer, subject to the outcome of the planning process and construction costs being within the approved budget;

- C. The 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 take the schemes forward through to completion, all subject to the Council's Standing Orders and Financial Regulations;
- D. Should approval be given to proceed with the redevelopment scheme, work to rehouse residents displaced by the redevelopment will commence following this Committees decision being ratified by Full Council, including the payment of compensation where eligible.

Reason for recommendation:

The recommendations support one of the Council's key strategic objectives and seeks to address in part the district's need for affordable rented housing, particularly family sized homes.

Where it is possible, the early decanting of properties the subject of demolition will reduce stress and uncertainty for affected tenants who might otherwise have to wait a further 6-9 months for a planning decision and reduces the time between a planning consent being granted and construction being able to start. The construction of the new sheltered housing scheme at nearby Wadey Court is the catalyst for bringing forward this proposal at this time.

Introduction and background

1. At its meeting on 11th March 2021 this Committee approved a 5-year extension to the current Council House Building programme and gave specific approval for Officers to develop proposals for the developments at Wolfs Wood, Hollow Lane and Featherstone, bringing forward the first 35 homes under the programme. This proposal will see the demolition of 8 one-bed flats and 4 studio flats with 10 replacement dwellings consisting of 6 x 3-bed houses, 2 x 2-bed flats and 2 x 1-bed flats.
2. The proposal involves redevelopment and it will be 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 a statutory home loss payment.
3. On past schemes rehousing has taken place after planning consent has been granted, however this causes considerable stress and uncertainty for affected tenants so where it is possible, subject to Committee's approval of a scheme, the decanting of residents commences from the Committee's decision to proceed with a project, including the payment of compensation.
4. 25% of the stock developed in the extended Council house building programme is proposed to be for social rent. A decision over whether or not this scheme can be let at social rents will be confirmed at a later date due

to the escalating costs of construction that the sector is experiencing currently.

5. Pelham House was built in 1976 as a sheltered housing scheme. However, the design no longer meets modern expectations for older persons housing in terms of accessibility. Windows and doors are due for replacement in the next couple of years and like many blocks, there will be a cost in the future associated with making the building thermally efficient to meet the Government commitment of zero carbon.
6. The main catalyst for looking at the development potential of Pelham House is the development of a modern sheltered housing scheme at Wadey Court, less than 500 meters away. Pelham House no longer meets the standards expected of an older persons' scheme in terms of mobility needs. There are no communal facilities and no lift serving the first floor. In contrast, Wadey Court will have lift access to all floors and flats will have wet rooms and their own private outdoor space as well as a communal lounge and patio for socialising. Despite the obvious disturbance involved in a move, the sheltered housing residents at Pelham House will be provided with significantly improved accommodation and by extension quality of life. There has been very little resistance to the proposals from existing residents of Pelham House.
7. The provision of the sheltered housing scheme at Wadey Court delivers against the first objective of the current Housing Strategy – Building the homes we need and in particular para 2.28 which is to reduce the stock of sheltered housing and focus delivery in five key areas of Warlingham, Caterham Hill / Valley, Oxted / Hurst Green. Godstone / Bletchingley and Lingfield / Dormansland.
8. Pelham House sits on a site that is approx. 0.25 hectares. It is in a sustainable location, close to Caterham town centre and therefore is well suited to for use to provide much needed family sized housing to low-income households on the housing register. It is proposed to develop 6 x 3-bedroom houses to the rear of the site and construct a block of 2 x 2 bed and 2 x 1 bed flats at the front of the site, giving the appearance of a large single dwelling in keeping with the rest of the street. The dwellings will meet the Council's adopted Net Zero Carbon (operational) targets and deliver Bio-Diversity Net Gain as well as meet the requirements of the Council's Compensatory Tree Planting Scheme (providing an opportunity to enhance the woodland beyond the site).
9. The budget cost, including contingencies and compensation for tenants having to move home is £3,667,926 (this includes the budget of £50,000 towards pre-application advice approved by this committee in March 2022).
10. The decanting of tenants will be dictated by the completion of Wadey Court but in the interim period Officers will be able to commence with the preparation of a full planning application with a submission target of Spring next year and a start on site in 2023/24.

Other options considered

11. The other options considered were to retain Pelham House as sheltered housing and not to decant residents into Wadey Court. However, Pelham

House no longer meets modern day expectations for older persons housing, particularly in terms of mobility needs and the scheme could become even harder to let, especially the studio flats and first floor flats if it were to be retained as sheltered accommodation. If Pelham House were to be retained but re-categorised as general needs accommodation it would not be able to meet the overwhelming need for family housing, being made up of only one-bed and studio flats and the position of the existing building would prevent the development of 3-bed houses in the remaining space.

Consultation

12. Ward Members were consulted on the proposals in March 2022 and the new ward Member for Caterham Valley was also consulted following the May elections. Residents of Pelham House were informed of the proposals in March 2022 and subsequently consulted under S105 of the Housing Act between May and June. Furthermore, this Committee at its meeting on 11th March 2022 approved a pre-app budget for the scheme of £50k. Officers have now consulted with the Council's pre-app Officer and received some positive pre-app advice for the proposals in the current form.

Key implications

Comments of the Chief Finance Officer

The Housing Revenue Account(HRA) has funds within its capital programme to provide funding to cover the proposed recommendations. As noted in the report it was agreed that the Council would continue to develop and build the HRA property portfolio and the 30 year HRA business plan supports this strategy.

Comments of the Head of Legal Services

The Council has statutory powers to deliver the Council house building programme set out in this report and to undertake the related procurement activity under the general power of competence under section 1 of the Localism Act 2011, section 111 of The Local Government Act 1972, and all other enabling powers.

All procurement must be undertaken in compliance with The Public Contracts Regulations 2015 and the Council's Contract Standing Orders.

Equality

15. The letting rather than the development of housing for sales 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 and be of a size sufficient to promote working from home.

Climate change

16. The new housing will achieve the Council's adopted target of Net Zero Carbon (operational) and the developments will deliver Bio Diversity Net Gain including the planting of new trees in accordance with the Council's Compensatory Tree Planting Scheme.

Appendices

None

Background papers

None

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