

Council

Minutes of the meeting held on 17 October 2023 commencing at 7.00 pm

Present: Cllr. Layland (Chairman)

Cllr. Ball (Vice Chairman)

Cllrs. Abraham Alger, Baker, Barnes, Barnett, Bayley, Clack, Clayton, Penny Cole, Perry Cole, G. Darrington, P. Darrington, Dyball, Edwards-Winsler, Grint, Harrison, Hogarth, Hudson, Kitchener, Layland, Maskell, McArthur, Purves, Reay, Roy, Streatfeild, Thornton, Williams, Williamson, Bulford, , Camp, Haslam, Lindop, Manamperi, Manston, Robinson, Shea, Silander, White, Skinner, Ferrari, Gustard, Leaman, Malone, Cathy Morgan, James Morgan and Scott

Apologies for absence were received from Cllrs. Waterton, Granville, Horwood, Varley and Barker

28. To receive any declarations of interest not included in the register of interest from Members in respect of items of business included on the agenda for this meeting.

Cllr Jim Morgan declared for transparency that he was one of the Local Ward Members for the Farmstead Drive Development.

29. Matters also considered by the Cabinet

a) Farmstead Drive, Spitals Cross, Edenbridge – Development

Cllr. Thornton moved and Cllr. Maskell seconded the recommendation from Cabinet. The report sought that the total project budget be increased by £2,741,785 to £10,351,405 in the Capital Programme to deliver the scheme which would be funded as detailed in the financial implications.

Cllr. Thornton spoke to the motion giving an update to the project which was previously approved by Full Council in November 2021. Since then economic and market related factors had impacted the previously agreed budget and a increase in the budget was required to deliver the scheme. Detailed consideration had been given to the report by Finance & Investment Advisory Committee (FIAC) on 5 September 2023 and by Cabinet on 19 September 2023. It was noted that the scheme was marginally viable but provided much needed housing and significant community benefits, including a new community hall, play area, landscaping and additional parking. These changes had been brought about through extensive public consultation, including through the planning permission process and land

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appropriation. Stakeholders views had been heard and changes made to the plans recognising the significant benefits to the local residents.

She further spoke to the motion stating that she was reassured that answers had been provided to previously asked questions regarding, viability, affordable housing, and the procurement process undertaken for the appointment of the contractor. Due diligence had been appropriately considered and dealt with and there was an additional funding of £375,000 from the brownfield land release fund. Stringent financial due diligence checks had been carried out on the contractor during the procurement process and there were further assurances by the fixed construction lump sum price, insurance cover and additional safeguards within the contract arrangements.

The Leader advised that due to the recent global and economic market events, and scheme design changes following stakeholder involvement, this had eroded the contingency and profit conditions resulting in the delivery of affordable housing becoming unavailable. Amendments to the scheme had ensured the project was marginally financially viable. She was pleased to learn that Quercus Housing were considering the purchase of two units for affordable housing. Due to the changes it was important to note that the cost of the scheme would be prohibitive for private developers and therefore the Council was able to develop it for the benefit of the local community. It would ensure sustainability, local housing needs, accessible spaces, as well as a parking scheme for the wider estate and this was all provided by the Council's own finances. The development would have significant community and social benefits which overall outweighed the weakness of the financial viability.

Members discussed the motion and some Members expressed their support for the scheme noting the community benefits with parking, open spaces and new community hall and welcomed the news that Quercus were considering two units for affordable housing. Other Members expressed their concern at the lack of affordable housing, and in response other Members questioned where the additional money would come from to cover the additional costs of providing affordable housing when it had been stated that it would not be a viable scheme with affordable housing.

Cllr Skinner moved an amendment to the motion which was duly seconded to add "and, in view of the rapid increase in costs, uncertainty about the level of receipts and lack of affordable housing and other concerns, agrees that the Cabinet be mandated to table a report to the Full Council at least once every 6 months with an account of progress made and its considered analysis of the likely financial out-turns and risks associated with this project."

Cllr Skinner spoke to the motion stating that when the proposal had first been agreed 10 units out of the 33 were to be affordable housing and since then a number of changes had been made and the scheme was now for 23 units with no affordable housing, and these changes were said to be based on consultation and market related events. The Council was the developer and would recoup monies through the sale of units and it was reassuring to note that the Council would have control over the speed of works. He expressed his concern at the market related values and if costs

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increased again, the impact this would have on the Councils budget, and by regular monitoring to Full Council process, success and risks would be able to be taken into account.

Members debated the amendment, with some support expressed for additional oversight and reports. Other comments raised included affordable housing and sustainability. In response to some of the points raised it was highlighted that FIAC and Cabinet had oversight through reports already submitted to the Committee. A project team was in place to also provide additional monthly monitoring of finances and progress. It was questioned how the reporting to Council would work in practice with regular monitoring already taking place.

In his reply Cllr Skinner advised that he was delighted to hear that FIAC would be continuing their monitoring, however he believed that as the project was significant in its size and budget, all Members should have oversight and understanding. He further stated that although it was welcomed to hear a team of professionals were undertaking regular monitoring, it should be reported to Council to note the progress, whether it was on or off track and be able to consider the implications of any development issues, which was important.

In Cllr Thornton's right of reply, she stated that the market values in the report were more specific to the characteristics of Sevenoaks. It was unfortunate that the scheme would not provide any affordable housing but this was due to the viability and pressures from KCC regarding the S106. She further raised that as with other projects the Council had undertaken with the Sevenoaks Town Car park and White Oak Leisure Centre both of those projects delivered significant community infrastructure which could not have happened in any other way and so with these types of projects the viability was lower and affordable housing could not be provided on top of the other significant benefits to communities. If the additional money was agreed, the financial monitoring would be part of the budget framework and therefore monitored through FIAC and Cabinet and it was not possible to debate the micro details of the project within the Chamber. FIAC and Cabinet were public meetings and she and the Portfolio Holder for Finance & Investment were also regularly updated with progress and costs to plan. Additional reporting to Council was surplus to requirement and would put additional unnecessary pressures on Officers for additional reports.

As there was no further debate the Chairman moved to take the vote. In accordance with the Council's Constitution, Part 2 paragraph 24.4, five Members of the Council stood and demanded a recorded vote on the amendment.

The amendment was put to the vote.

For	Against	Abstention
	Abraham	

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Alger		
	Baker	
	Ball	
	Barnes	
	Barnett	
	Bayley	
	Bulford	
Camp		
	Clack	
Clayton		
	Penny Cole	
	Perry Cole	
	G. Darrington	
	P. Darrington	
	Dyball	
	Edwards-Winser	
	Ferrari	

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	Grint	
Gustard		
	Harrison	
	Haslam	
	Hogarth	
	Hudson	
	Kitchener	
	Layland	
Leaman		
Lindop		
	Malone	
Manamperi		
Manston		
	Maskell	
	McArthur	
	C.Morgan	
J.Morgan		

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Purves		
	Reay	
Robinson		
	Roy	
	Scott	
Shea		
Silander		
Skinner		
Streatfeild		
	Thornton	
	White	
	Williams	
	Williamson	
15	33	0

The amendment was lost.

The motion remained unchanged and no further debate took place. Cllr Thornton in summary spoke to the original motion reminding Members of the importance of the scheme to the Edenbridge Community.

The motion was put to the vote and it was:

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Resolved: that the total project budget be increased by £2,741,785 to £10,351,405 in the Capital Programme to deliver the scheme, to be funded as noted, in the Financial implications below, be agreed.

Financial implications:

Council approved the provision of £7,609,620 in the Capital Programme to deliver the scheme back in November 2021. Due to the reasons set out in this report there is now a requirement for additional funding of £2,741,785 to cover the total project costs.

The scheme is intended to be funded (ultimately) from capital receipts and from the sale of the residential units and rental income from the commercial buildings (see Appendix B for more information).

The table below shows the expected expenditure over the duration of the project.

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£	£	£	£	£	£
Expenditure	50,418	285,705	2,291,123	5,763,417	1,960,742	10,351,405

The 23 residential units will be disposed of in the open market and price points have been recommended by the Council's property consultant.

At today current sales values (Quarter 1 2023) for both the residential homes and rental values of the commercial units would be approximately £9,948,059. By applying a modest growth and including the £375,000 BLRF Grant this would see the GDV increasing to £10,379,809 yielding a small surplus of £28,404.

As the Council is not selling and is retaining the commercial buildings the rental would recoup the rest of the scheme costs. The rental unit values total £57,948 (pa).

Until the receipts from the sales of the residential units are received, short-term borrowing will be used to fund the scheme. The potential financing costs are outlined in Appendix B.

Consideration will need to be given to the VAT implications of the project. Dependent on the use of some of the elements of the project it may require specific VAT treatment. Further VAT advice will be sought.

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THE MEETING WAS CONCLUDED AT 7.57 pm

CHAIRMAN