

**MINUTES OF THE PEASLAKE FARM HOUSING PROVIDER
SELECTION SUB-COMMITTEE**

TUESDAY, 28 SEPTEMBER 2017

AT TANYARD HALL, GOMSHALL LANE, GOMSHALL

Present: Parish Councillors R Davey (Chairman), J Cross (Vice-Chairman), R Andrews, C Carlisle, P Carter, A Collingwood, G Reffo; and the Parish Clerk, J Millett. Parish Councillors A Golightly and B Weston also attended.

Apologies for absence – there were no apologies for absence.

Declaration of personal or prejudicial interests on any of the agenda items below. **NONE** received.

Minutes of the Sub-Committee's meeting held on **19th July 2017**. **AGREED**

Evaluation of Expressions of Interest and presentations against set criteria

The criteria used for evaluating the offering of each provider, together with the Sub-Committee's scoring, are set out at the annexe to these minutes.

This evaluation aimed to assess the competencies, experience, structures and reliability of the three housing associations in relation to undertaking and successfully completing and managing the proposed development, in accordance with the Councils priorities. Greenoak Housing Association scored highest in this evaluation.

The Sub-Committee also focused on the financial model of each housing provider, looking at directly comparable hard figures - indicative rents, anticipated costs of the development and the size of any direct subsidy/cross subsidy each provider was planning to provide, to enable the rents established by them to be fixed below the levels of the Local Housing Allowance.

In looking at directly comparable figures across all three providers, it was clear that Greenoak Housing Association offered the Parish Council and more importantly, the tenants, the greatest financial benefit.

Recommendation of a preferred housing provider to Council

The exceptional size of Greenoak Housing Association's budgeted subsidy was felt to be the result of particular circumstances and timing. Namely, the Parish's project coming forward at a time when that housing association had generated operating surpluses over a period of three years, during which they had undertaken no new build development projects. The Parish Council's project was thus perhaps particularly opportune for them, providing them with the chance to invest these operating surpluses in Shere Parish Council's project, so reducing the borrowing needs of the project and enabling lower than normal 'affordable' rents.

The Sub-Committee was advised that such a level of subsidy would not be sustainable (for further projects) in the medium to long term, and that the challenges faced by the small

associations is driving a current trend for them to merge with or be absorbed by larger associations, operating a more normal sustainable funding model.

However, the Sub-Committee was also assured that even if Greenoak Housing Association were to lose its independence in the future, the interests of all 'in-situ' tenants, and the restrictive protections under which the houses had been built, would be safeguarded.

With this assurance in mind, the Sub-Committee **RECOMMENDED** to Council that:

- i. Greenoak Housing Association be selected as the housing provider for the development at Peaslake Farm

- ii. Heads of Terms be drawn up, with appropriate professional advice, setting out the financial, consultative, design and approval principles to be incorporated in a full lease, build and management contract between Shere Parish Council and Greenoak Housing Association.