

QUESTIONS – MDDC SCRUTINY COMMITTEE MEETING 16TH DECEMBER 2024

Paul Elstone a local resident.

My questions relate to Agenda Item 9

Housing Rents.

Question 1

There is important information missing from the text of the Housing Rents report, which by now should now be readily available.

When was this rent calculation error made?

Chairman – following the introduction of the new Social Rent formula in 2002. Further, I would like to point out that this matter (rent) was discovered by our new auditors who are independently appointed as were the previous auditors. As soon as the matter was brought to our attention the extremely complex calculations were started. This matter will take some time to correct but I must emphasise my support for the team in this difficult endeavour.

Question 2

The actions timetable, item 10, shows that initial letters have been sent to tenants, split between OVERS and UNDERS so the numbers must be known.

How many overcharged tenancies are there?

Chairman - This is an evolving calculation due to a number of complex variables (i.e. some will need to be considered against prior/current rent arrears, historic write offs and will also need to take account of tenant's benefit positions. There could even be instances where a tenant has occupied both an over an under charged property. But our most up to date calculations are circa 1,250 or 45% of our tenancies.

Question 3

How many undercharged tenancies are there?

Chairman – As outlined above, this is an evolving calculation due to a number of complex variables (i.e. some will need to be considered against prior/current rent arrears, historic write offs and will also need to take account of tenant's benefit positions. There could even be instances where a tenant has occupied both an over an under charged property. But our most up to date calculations are circa 1,600 or 55% of our tenancies.

Question 4

The actions timetable, item 7, shows that the modelling of over and under charges has been completed at summary level. Given that a figure of £1.8 million has been provided for overcharges.

What is the summary gross financial figure for undercharges to date?

Chairman – The estimated value is £2.2 million based on the same calculation methodology.

Question 5

The actions timetable, item 8, shows the modelling of the aggregate potential impact on the Housing Revenue Account has been completed. What is the financial loss in terms of the incorrect and lower rent revenue for this current financial year?

Chairman – As previously outlined, the position is evolving as we review the cases. Currently we estimate that the impact in 2024/25 will be £291k.

My next question concerns Agenda Item 7. Specifically, **Appendix 2 - Capital Programme**.

Question 6

I have repeatedly challenged the grossly excessive cost being paid by this Council for the ZED PODs projects. My challenge has previously been dismissed including by Cabinet Members.

I believe the source of the Cabinet Members information to be substantially incorrect.

I recently made a Freedom of Information Request. This after the numbers shown in the HRA Capital Project budget sheet did not add up. The FOI response fully validated my cost challenge.

The HRA budget sheet for Fir Close, Willand previously seemed to suggest that the total project cost was £140,000 a figure recently increased to £170,000. However, the FOI response states that the current Fir Close project spend amounts to be a massive £251,000.

This equates to an EXHORBITANT total development cost of over £6,780 pounds per square meter.

Putting that figure into perspective the TOTAL and I emphasise TOTAL development cost inclusive of all design, construction and land purchase cost for and I quote, the “*magnificent eco-friendly homes*” at Haddon Heights, Bampton. Homes built by 3 Rivers and being marketed by this Council, equates to circa £ 2,980 pounds per square meter or well under half of the ZED PODs development cost.

In closely examining the Capital Programme budget sheet it can be seen that there are no line entries showing the full project historic spend to date.

Also, the original and revised TOTAL cost estimates and for each project.

Only spend forecast over the budget period is shown.

All this leading to erroneous project cost information being available to Councils Members on which to base decisions.

Will this Scrutiny Committee ensure this information is provided in project budget sheets going forward, this in full support of good project cost management?

Chairman – thank you for your comments and observations I will of course ensure that our officers consider these appropriately.