



**Brighton & Hove
City Council**

Housing & New Homes Committee

Title:	Housing & New Homes Committee
Date:	16 January 2019
Time:	4.00pm
Venue	Council Chamber, Hove Town Hall, Norton Road, Hove, BN3 3BQ
Councillors:	Meadows (Chair), Hill (Deputy Chair), Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Barnett, Bell, Druitt, Lewry and Moonan
Contact:	Caroline De Marco Democratic Services Officer 01273 291063 caroline.demarco@brighton-hove.gov.uk
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AGENDA

PART ONE

Page

47 PROCEDURAL BUSINESS

(a) Declaration of Substitutes: Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.

(b) Declarations of Interest:

- (a) Disclosable pecuniary interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

(c) Exclusion of Press and Public - To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

NOTE: Any item appearing in Part Two of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.

A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.

48 MINUTES OF THE PREVIOUS MEETING

7 - 42

To consider the minutes of the meeting held on 14 November 2018 (copy attached).

49 CHAIRS COMMUNICATIONS

50 CALL OVER

HOUSING & NEW HOMES COMMITTEE

- (a) Items 53 to 62 will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

51 PUBLIC INVOLVEMENT

To consider the following matters raised by members of the public:

- (a) **Petitions:** to receive any petitions presented to the full council or at the meeting itself;
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 10 January 2019;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 10 January 2019.

52 ISSUES RAISED BY MEMBERS

43 - 44

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) **Written Questions:** to consider any written questions (copy attached).
- (c) **Letters:** to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

53 SUPPORT SERVICE FOR PEOPLE IN TEMPORARY ACCOMMODATION

45 - 48

Report of Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Jerry Aldous
Ward Affected: All Wards

Tel: 01273 296949

54 SUPPORT FOR PEOPLE ACCOMMODATED AT KENDAL CT, NEWHAVEN

49 - 84

Report of Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Jerry Aldous
Ward Affected: All Wards

Tel: 01273 296949

55 HOMELESS MOVE ON ACCOMMODATION

85 - 96

HOUSING & NEW HOMES COMMITTEE

Report of Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Martin Reid

Tel: 01273 293321

Ward Affected: Patcham

56 PROPOSAL FOR ENVIRONMENTAL IMPROVEMENT BUDGET 97 - 104

Report of Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Ododo Dafe

Tel: 01273 293201

Ward Affected: All Wards

57 HOUSING MANAGEMENT PERFORMANCE REPORT QUARTER 2 2018/19 105 - 132

Report of Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Ododo Dafe

Tel: 01273 293201

Ward Affected: All Wards

58 HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL INVESTMENT PROGRAMME 2019/20 AND MEDIUM TERM FINANCIAL STRATEGY 133 - 172

Report of Executive Director for Finance & Resources, and Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Monica Brooks

Tel: 01273 292279

Ward Affected: All Wards

59 HOME PURCHASE POLICY OPPORTUNITY - APPROPRIATION OF 84 COOMBE ROAD, BRIGHTON 173 - 186

Report of Executive Director for Neighbourhoods, Communities & Housing and Executive Director Economy, Environment & Culture (copy attached).

Contact Officer: Diane Hughes, Angela Dymott, Jonathan Jose

Tel: 01273 293159, Tel: 01273 291450, Tel: 01273 291082

Ward Affected: Moulsecoomb & Bevendean

60 BRISTOL ESTATE PHASE 2 - FIRST TIER TRIBUNAL DECISION 187 - 214

Report of Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Dave Arthur

Tel: 01273 293072

Ward Affected: All Wards

61 PRIVATE RENTED SECTOR UPDATE

To
Follow

Report of Executive Director, Neighbourhoods, Communities & Housing
(copy attached).

Ward Affected: All Wards

62 HRA HOUSING CAP: EXTRACT FROM THE PROCEEDINGS OF THE COUNCIL MEETING HELD ON THE 13 DECEMBER 2018 215 - 218

Extract from the proceedings of Full Council on 13 December 2018 (copy attached).

63 ITEMS REFERRED FOR FULL COUNCIL

To consider items to be submitted to the 31 January 2019 Council meeting for information.

In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, any Group may specify one further item to be included by notifying the Chief Executive no later than 10am on the eighth working day before the Council meeting at which the report is to be made, or if the Committee meeting take place after this deadline, immediately at the conclusion of the Committee meeting

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For further details and general enquiries about this meeting contact Caroline De Marco, (01273 291063, email caroline.demarco@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

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Date of Publication - Tuesday, 8 January 2019

BRIGHTON & HOVE CITY COUNCIL**HOUSING & NEW HOMES COMMITTEE****4.00pm 14 NOVEMBER 2018****COUNCIL CHAMBER, HOVE TOWN HALL****MINUTES**

Present: Councillor Meadows (Chair) Councillor Hill (Deputy Chair), Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Bell, Moonan, Sykes, Wares and Wealls

PART ONE**34 PROCEDURAL BUSINESS****34a) Declarations of Substitutes**

34.1 Councillor Wealls substituted for Councillor Lewry. Councillor Wares substituted for Councillor Barnett. Councillor Sykes substituted for Councillor Druitt.

34b) Declarations of Interests

34.2 The Chair, Councillor Mears and Councillor Gibson declared a general interest in item 44 as they were members of the Joint Venture with Hyde.

34c) Exclusion of the Press and Public

34.3 In accordance with section 100A(4) of the Local Government Act 1972, it was considered whether the press and public should be excluded from the meeting during the consideration of any items contained in the agenda, having regard to the nature of the business to be transacted and the nature of the proceedings and the likelihood as to whether, if members of the press and public were present, there would be disclosure to them of confidential or exempt information as defined in section 100I (1) of the said Act.

34.4 **RESOLVED** - That the press and public not be excluded from the meeting during consideration any items on the agenda.

35 MINUTES OF THE PREVIOUS MEETING

35.1 **RESOLVED** - That the minutes of the Housing and New Homes Committee meetings held on 19 September 2018 & 26 September 2018 are agreed and signed as a correct record.

36 CHAIRS COMMUNICATIONS

36.1 The Chair wished Councillor Dawn Barnett a speedy recovery following her hospital admission. Councillor Mears informed the Committee that Councillor Barnett had now returned home.

36.2 The Chair stated the following:

“As we move from the summer through autumn, we continue to be very busy.

We were pleased that the government lifted the HRA borrowing cap, this was something that Brighton and Hove City Council, along with other councils had lobbied for. You will see in our report on housing delivery that our priority is to deliver as many new homes in the city as possible.

We were very disappointed that the government withdrew consent for our Selective Licensing scheme. We had worked hard on this scheme and had cross party and wider city support for it. In support of the application, we commissioned independent evidence, undertook significant city wide consultation and worked closely with the government to achieve consent. We continue to work with the government to identify ways this scheme can proceed alongside to the additional licensing scheme and are committed to using selective licensing to improve the quality of private accommodation in the city.

We are continuing to follow post Grenfell government guidance and following concerns raised nationally about ‘Large Panel System’ high-rise blocks, we’re commissioning new surveys to give us a general overview of our buildings and make sure records are up-to-date. We will contact residents before any survey takes place and will report any works identified as a result of these to future meetings of housing and new homes committee.

I am pleased that there is a report on the agenda in relation to the use of emergency housing at Kendal Court. Whilst the independent investigation is still in its early stages we understand and are committed to providing support on vulnerable homeless people. We are pleased with the outcomes of the Welfare Officer Service we began in 2017 and will be bringing proposals to the January Committee of the Housing & New Homes Committee to look at how we can build on this to help vulnerable homeless people living in temporary and emergency accommodation, both within the city and out of the city. I am also pleased to announce that I have asked officers to look at innovative ways we can work to support applicants and homeless people through the application and assessment procedure and that these proposals will also come back to the Housing & New Homes Committee in January.

Finally I was pleased to attend the city wide conference in October and was really pleased to hear all those engaged tenants talking about how we can improve our neighbourhoods. I look forward to more information on this coming to future committees.”

37 CALL OVER

37.1 It was agreed that all items be reserved for discussion.

38 PUBLIC INVOLVEMENT**(a) Petitions**

38.1 There were no petitions.

(b) Questions

38.2 Charles Harrison asked the following question:

Transition Plan – Post Mears

“The Committee’s decision on 26 Sept 2018 seems to strike a sensible balance between a single contract and direct works and should create great opportunities for using local resources.

However, changes will be needed to transition from the Council’s current “light touch” construction management approach to manage this strategy efficiently, consistently and transparently.

What are the Council’s priorities and plans for developing:

- *Organisation chart(s), job specifications, and divisions of responsibility*
- *Recruitment and training policies and processes*
- *Procurement and contract strategies for each work category*
- *Processes for scoping, instructing, authorisation, monitoring and payment*
- *Systems for managing and communicating asset information”*

38.3 Councillor Mears stressed that Mr Harrison’s letter referred to a “light touch” construction management approach. As a point of clarity she stressed that the current approach had never been a “light touch” contract. Councillor Mears quoted a letter signed by the Head of Housing and Legal Services that stated that “it was never let as a light touch contract. The problem which the council has experienced over the life of the contract has been due to management of the contract not the form of contract”.

38.4 The Chair replied as follows:

“Thank you for your question. Following detailed discussion at a Special Housing & New Homes Committee in September, Policy, Resources & Growth Committee agreed the recommendations for the delivery of future repairs services at its meeting on October 11th. The recommendations seek to build on the feedback of tenants, leaseholders, councillors, staff and all stakeholders to deliver services in the future.

Whilst you are right there will be opportunities and changes around how we deliver these services in the future we should also reflect the large number of discussions that this committee has had around the existing contract arrangements both in terms of the positive aspects of the current service, the successes achieved and that council officers have been clear that the current contract was not a light touch contract but that there is a need to ensure robust contract management is in place.

Following the committee meetings officers have been working to ensure that all stakeholders are aware of the decisions that have been made. This has included:

- Presenting at all four Area Panels to share the decisions with residents.
 - Presenting at the Citywide Conference on October 19th and answering questions from residents
 - Producing a briefing document detailing the decisions reached, the objectives for the future service and a set of frequently asked questions. This was shared with members of the committee and residents.
 - Staff working for the council and Mears have also been given a briefing document and have had the opportunity to meet with officers and ask any questions they may have.
- We have a programme board which meets regularly and is developing work streams for the areas you have mentioned in your question. This group works with staff, councillors and trade unions to ensure that all stakeholders are involved.”

38.5 Mr Harrison stated that he wanted to clarify the reference to “light touch”. This was not his expression but one he had read from the report in September on which the decision was based.

38.6 **RESOLVED-** That the Public question be noted.

38.7 Jane Thorp asked the following question:

“Leaseholders in Hove are being billed for major works to their block of over £100,000 per leaseholder. Leaseholders all over the city are being ruined by these huge bills. By definition, owner-occupiers of council flats are on low incomes. The council has failed to repoint external brickwork or to do concrete repairs for decades, which they are legally required to do. How can they now expect the working poor and pensioners to pay for this neglect?”

38.8 The Chair replied as follows:

“Thank you for your question. However I can confirm that there are no leaseholders anywhere in the city facing bills of £100,000 and since the start of the Mears partnership, the highest service charge contribution passed on for major works has been £30,500. We understand that this is a lot of money; however the council has a legal obligation under the lease to keep the buildings in its portfolio in repair. We do not neglect our buildings and undertake responsive repairs & carry out planned maintenance where required.

I accept that for many leaseholders, the cost of capital works are very expensive, however this is why the council has come up with a range of flexible payment options to address any payment difficulties of resident leaseholders.”

38.9 Ms Thorp replied that she considered the Chair’s facts as incorrect and that she had seen bills and other people had seen bills of over £100,000.

38.10 **RESOLVED-** That the Public question be noted.

38.11 Jane Thorp asked the following question on behalf of David Pearce:

“Some leaseholders in Hanover are facing bills of £44,000 each. The sale of a flat collapsed because this figure was supplied by the council for a conveyancing search. None of the leaseholders had been told about this cost or what works were planned. The non-resident leaseholders still have not been told. Why are leaseholders treated so contemptuously by this council?”

38.12 The Chair replied as follows:

“Thank you for your question. The case you mention followed a conveyancing enquiry in relation to the estimated costs of future works. No one had received a bill and the response was an estimate and we had not met with any leaseholder or tenant to discuss the proposed works.

We are meeting with residents of the affected blocks on 21 November when we will engage fully with both tenants and leaseholder. This engagement will inform what works we will specify and in what order we undertake them.

We have worked with the Leaseholders Action Group committee & a councillors working group over the past 12 months to look to improve our engagement with leaseholders. A range of measures has been adopted that we are now implementing. One change we made was that we would change our practice in relation to pre-sales enquiries. Instead of not giving any information on future works until a Section 20 consultation notice had been issued, we now identify works planned to take place along with an estimate of the cost.

It is our intention to engage leaseholders at the earliest opportunity. This happened already in our projects at Kemptown high rises, on the Bristol estate, at the Clarendon Road high-rises and at Saxonbury, St John’s Mount & Tyson Place.

The fact that this enquiry came in before we had held the meeting with residents is unfortunate; however there is a balance to be struck between giving prospective sellers and purchasers information on possible future spend and engaging with current leaseholders”

38.13 Ms Thorp asked the following supplementary question:

“If prospective buyers are being given a figure of £44,000 then obviously the sale will collapse or the seller will have to reduce their selling price. If that figure is given for conveyancing purposes then it is a set in stone figure in the mind of the council. How could it be otherwise?”

38.14 The Executive Director of Neighbourhoods, Communities and Housing explained that the figure was an estimate on what works the council thought needed to be carried out. Discussion then took place with leaseholders and tenants, as agreed with the Leaseholder Action Group, around the exact works, and the nature of the works that should be carried out and more importantly the timing of those works. Leaseholders had expressed concern to officers that new leaseholders were receiving bills and did not have enough advanced notice. Following work with leaseholders this had been

changed. The most important thing was the council's commitment to give as much information as it could very early on.

38.15 **RESOLVED-** That the Public question be noted.

38.16 Ms Thorp asked the following question on behalf of Dave Spafford:

"Independent surveyors employed by leaseholders on different estates consistently report that the works costs are hugely overpriced and that many works can be better met by repairs. They consistently say that the measurements used to cost a job are not precise or adequate because a proper "measured survey" has not been carried out. Their recommendations are never considered by the council during the consultation period. Why not?"

38.17 The Chair replied as follows:

"Thank you for your question - Any independent surveyors employed by leaseholders whose structural surveying reports are received by the council before the end of the consultation period, and before a final decision is made on the proposal for works, will have those reports scrutinised by our own surveyors and we will issue a full response whether we agree or disagree with their conclusions.

It is the case that a job may be estimated without a full measure, but estimated based on sampling. However, the final cost to the council is calculated on a full measure of what was actually carried out, so the final cost may vary from the estimate. The council is protected because there is an Agreed Maximum Price - a cost above which the council will not incur further costs. This is agreed before the works commence. So the council is paying for works actually done – not those estimated.

In the recent Bristol estate tribunal case, the council asked an independent RICS structural surveyor to prepare an expert witness report which was included in its evidence. The expert witness report showed that an independent analysis of how much those specific works should cost came within 1% of those incurred by the council."

38.18 **RESOLVED-** That the Public question be noted.

38.19 Ms Thorp asked the following question on behalf of Izabella Rogalska:

"The Housing Revenue Account draws its funds from rents and service charges. What is the amount and percentage of the Housing Revenue Account used in this financial year to date to fund legal cases taken by the council against their leaseholders, such as the recent case against Bristol Estate?"

38.20 The Chair replied as follows:

Thank you for your question. The council's total legal costs for legal arrears recovery, for advice, and for litigation, including tribunal costs, and expert witness costs, for 2018/19 to date are £83,875. This will include a range of work, including, but not

limited to, the Bristol Estate Phase 2 tribunal. This represents 0.14% of the 2018/19 HRA budget.

In terms of the specific costs for the Bristol Estate Phase 2 tribunal case the total cost of legal work on this was £126,996. This includes solicitors, counsel & expert witness. There were no internal charges. These costs were incurred over a number of financial years and not just in 2018/19.

38.21 Ms Thorp asked the following supplementary question:

“ If the council costs were £126,996 and the leaseholder who had to defend their corners costs were £25,000, do we not think that that there is a slight imbalance going on here in terms of power?”

38.22 The Chair replied as follows:

“No. The council has a legal duty and responsibility to cover costs from people who had had work carried out on their properties.”

38.23 **RESOLVED-** That the Public question be noted.

38.24 Ms Thorp asked the following question on behalf of Tony Worsfold:

*“Repayment options for major works include a charge put on the property against its eventual sale. This is delightfully called the **Non-Repayment** Equity Loan. The charge rises proportionately with the market value of the property. This could very well be seen as the council clawing their property back. How can the council demonstrate that this is not its intention?”*

38.25 The Chair replied as follows:

“Thank you for your question – the council offers many flexible payment options to leaseholders who have bills as a result of capital works. One of the payment options the council agreed to offer back in 2012 was an equity loan.

This has been taken up by leaseholders who have limited income but have sufficient equity in their flat. The benefits of this option are

- There are no monthly repayments.
- You only need to pay the council back when the property is sold or transferred.

The equity loan can be provided as a percentage of the loan amount to the value of the property or at a variable interest rate.

In a rising housing market – a cap based on the council’s actual borrowing rate over the period acts as a double-lock for leaseholder in terms of protection in any periods of rampant property prices.

The council is not seeking a profit on these loans; we are simply seeking a method of keeping resident leaseholders who have payment difficulties in their homes.

The council is literally not clawing their property back.”

38.26 Ms Thorp asked the following supplementary question:

“Why is it called a Non-Repayment Equity Loan, because this does actually mislead people?”

38.27 The Executive Director of Neighbourhoods, Communities and Housing explained that the reason it was called a Non-Repayment Equity Loan was due to there being no monthly repayments. When the council offered that option and people took it up, the council provided written information as well as talking it through with the people. People were very well aware of what were the terms of the equity loan were.

38.28 **RESOLVED-** That the Public question be noted.

38.29 Ms Thorp asked the following question on behalf of Amanda Lane:

“BHCC has consistently blocked the Leaseholders Action Group from reaching other leaseholders by refusing to pass on information via their email database. The council claims that their IT system is not up to the task. How can such a large organisation lack the skills to overcome this, or is it simply that the council does not want leaseholders to have a voice?”

38.30 The Chair replied as follows:

“Thank you for your question. The council works with the Leaseholders Action Group & what we have committed to is to publish the contact details of the Leaseholders Action Group in regular newsletters and on our website to signpost any leaseholder in the city who wishes to provide their name to the group to be able to do so.

We also support any group of leaseholders to set up a Tenants Association in their building, with administrative support and advice. We will also contact all leaseholders in the block on their behalf. We will also recognise the tenants association if it meets the legal criteria.

The council cannot email leaseholders en masse as we do not have all their email addresses. We seek to use methods that are inclusive.”

38.31 Ms Thorp asked the following supplementary question:

“You have to have contact details for all leaseholders because you have to send them bills, so why is there no possibility to contact them?”

38.32 The Executive Director replied that the council did send bills out and did send newsletters to leaseholders. However, the council could not give contact details of leaseholders to a separate body without their permission. When the council sent information to leaseholders it put details of the Leaseholder Action Group on all the

newsletters that were sent out twice yearly. Meanwhile, the Leaseholder Action Group AGM was advertised on the council website and was supported by council staff. Details of the Leaseholder Action Group was placed in "Homing In."

38.33 **RESOLVED-** That the Public question be noted.

38.34 Julia Greenslade asked the following question:

"Can this council ensure that Kendal Court will have, in a timely manner, a working facility by provision of a launderette for the use of residents or that it be allowed for individuals to have a washing machine plumbed into their accommodation?"

38.35 The Chair replied as follows:

"Thank you for your question. The specification for short term emergency accommodation which Kendal Court comes under did not include the provision of laundry facilities and so the provider is not obliged to make such provision. However, the provider has looked at the development of laundry facilities but this will involve the building of an extension and associated costs. In terms of individuals being permitted to have a washing machine plumbed in within their accommodation, the kitchen area is compact and has no designated space for a washing machine. Notwithstanding, if an individual made a request we will discuss whether this is possible within their specific unit and explore what could be achieved."

38.36 Ms Greenslade remarked that she did not know if the council was aware that there was now no launderette facility in Newhaven at all. As a result there was nowhere for people to go.

38.37 The Chair replied that this would be looked at when the council were presented with the report in January.

38.38 **RESOLVED-** That the Public question be noted.

38.39 Stephanie Crechriou asked the following question:

Hyde/BHCC Contract

"As a result of the Budget announcement regarding the HRA cap and the response by Councillor Meadows to Councillor Mears at the last meeting of full Council could the Chairperson confirm the withdrawal of the Council from this contract?"

38.40 The Chair replied as follows:

"Thank you for your question. Working in partnership with Hyde the joint venture will deliver 1,000 new lower cost homes for rent and sale. The first three sites have been identified to deliver up to 570 new homes. These are Coldean Urban Fringe, the former Belgrave Centre, Portslade and Whitehawk Urban Fringe. Public consultation has taken place on all three sites with planning applications due by the end of this year.

Our plans for maximising new housing supply via the Housing Revenue Account are outlined in our Housing Supply report to be considered at today's meeting."

38.41 **RESOLVED-** That the Public question be noted.

38.42 Amanda Bishop asked the following question:

“Selective Licensing Scheme

Could the Committee also report at what regularity the Council is checking the database of Rogue Landlords and Property Agents since the Housing and Planning Act 2016 (Banning Order Offences) Regulations 2018 came into force on 6 April 2018 and has the Council made, or considered, use of this legislation?”

38.43 The Chair replied as follows:

“Thank you for question – as you have rightly said, the regulations came into force in April 2018. The council has not yet made any entries on the data base as we have not yet had a landlord or agent convicted of a banning order offence. A number of members of staff have access to the database to assist them in carrying out their duties.”

38.44 Ms Bishop asked the following supplementary question:

“Could the Committee also explain why the Housing Minister has decided that our “Incompetent council [is] kicked out of [the] government housing scheme” according to the Argus”.

38.45 The Executive Director replied that the Government had not stated that the council was incompetent. The council had received a letter from the Government, as stated in the Chair’s Communications, and the council were currently working with the Government on what needed to happen to enable the scheme to go ahead. The work being carried out with the Government was similar to the work that happened before the council were issued the consent. The change that happened since that time was that the government were threatened with judicial review and that was what made them change their mind. It was not due to anything the council had done. The council were now working with the Government to enable the council to be able to proceed at a later date with the full selective licensing scheme.

38.46 **RESOLVED-** That the Public question be noted.

38.47 Miriam Binder asked the following question:

Council Properties and Social Rents

“Could the Committee confirm that the sale of 499 council properties (previously accommodation at Social Rent levels) since 2011 to Brighton and Hove Seaside Community Homes was on the basis that rents were doubled? Have properties other than those sold to Seaside Homes since 2011 also been sold to Housing Associations or other organisations on the same basis? If yes, how many and to which landlords?”

38.48 The Chair replied as follows:

“Thank you for your question. Brighton and Hove Seaside Community Homes was set up by the Council as an investment vehicle to raise finances necessary to bring HRA owned properties up to the decent homes standard. The council had identified a £30m funding gap and this was a way of raising finance. As a result of this investment we

have brought all our properties up to decent homes standard. The 499 properties transferred to Seaside Homes on long leases and were also refurbished. The rents did move from HRA social rents to Local Housing Allowance rent levels. These are higher than social housing rents because the landlord was no longer the council and for the financial model to work, rents needed to be at the higher rate. No other properties have been sold to Housing Associations or other organisations.”

38.49 Ms Binder asked the following supplementary question:

“You mention that, as a result of this proposal with Brighton & Hove Seaside Community Homes, you have managed to bring all properties up to decent home standards. Are we talking about the fact that you can have either one or the other if you meet both criteria? ”

38.50 The Chair replied as follows:

“I understand your confusion, however the decent homes standard is something that the Government outline and we follow that process. I understand the concern about whether you get a kitchen or a bathroom but you can’t have both. That is something we can take away and look at further as a committee. At the moment we follow the regulation Decent Homes Standard.”

38.51 **RESOLVED-** That the Public question be noted.

38.52 Daniel Harris asked the following question:

Deaths in Emergency and Temporary Accommodation

“Given the lack of information and detail in the report (Agenda item 41) will the Chairperson give a commitment that a future report includes;

- *Life expectancy data covering residents, the wider homeless population & the population as a whole*
- *Information on all deaths over the last 2 years in Emergency and Temporary accommodation including details of the properties and those banned or evicted from Emergency and Temporary Accommodation*
- *Results of an independent survey of, and consultation with, residents in the properties involved*
- *Proposed changes in procedures and protocols to prevent unnecessary deaths in the future”.*

38.53 The Chair replied as follows:

“Thank you for your question. The report on today’s agenda is an interim report focused on Kendal Court as was requested by members in a cross party Notice Of Motion. Given the timescale it wasn’t possible to achieve a robust independent survey. A fuller report relating to Kendal Court containing an independent survey of the support needs of residents will be brought back to a further committee. Although the remit wasn’t to extend this out to incorporate the wider homeless population we will be using the learning across all of our Temporary and Emergency Accommodation. I would like to add as I said in my Chair’s Communications that we will be bringing forward

proposals for a Housing Support Service to assist people living in temporary accommodation in and out of the area. ”

38.54 *As a supplementary question Mr Harris stated that in relation to temporary accommodation there were 60 Brighton & Hove Seaside Homes residents currently in tower blocks at the top of Whitehawk Hill. They were paying higher rent than they would have been for the proposed living wage. At the last full Council meeting the Chair had confirmed that if the Government scrapped the borrowing cap that council homes would be on council land. Could the Chair confirm that the deal would be scrapped as the Chair’s branch and Ward had signed a motion to scrap it?*

38.55 The Chair replied that she thought Mr Harris was confusing two things. Councillor Mears had asked the Chair whether she would consider using council housing land first for use of council housing (which she agreed to). The joint venture was another vehicle which the council were using to increase the stock of affordable homes in the city. Each of those would be considered on their merit.

38.56 **RESOLVED-** That the Public question be noted.

38.57 Maria Garrett-Gotch asked the following question:

Buckley Close

“Is it a true representation of Council priorities relating to the environment and the needs of residents with disabilities that this development includes 11 parking bays for 12 properties with one flat that is wheelchair accessible?

Could the Chairperson also explain the absence of any properties at Social Rent?”

38.58 The Chair replied as follows:

“The New Homes for Neighbourhoods programme has delivered 20 homes that are fully wheelchair accessible (Mobility 1 rated) and over 60 Mobility 2 and 3 rated homes in the programme to date. The council analyses and understands the range of needs of people on the Housing Register including residents with disabilities. However there is a need for all types of accommodation in the city with the highest need for 1 and 2 bed general needs homes and the council is therefore building a range of sizes and types to meet this broad range of needs.

The end plot at Buckley Close is not suitable for residential development due to a number of issues and it has therefore been decided to use this space for additional parking bays including 2 disabled bays. This is partly in response to concerns about impact on parking from the new development raised by existing residents.

Rents are agreed by Housing & New Homes Committee in line with the council’s Rent Policy and based on a viability assessment and we will be discussing that later this afternoon. ”

38.59 *As a supplementary question Ms Garrett-Gotch asked why the council were not “using the facilities grant which was a central government fund which in no way affects your monies; which is supposed to be used to adapt the properties and future properties of disabled residents to their own personal needs.” Ms Garret-Gotch mentioned a resident who had been trapped in his attic since 2013.*

38.60 The Chair thanked Ms Garrett-Gotch and explained that the disabled facilities grant was for existing tenants and the council were building for future tenants and were building mostly to lifetime homes standards.

38.61 **RESOLVED-** That the Public question be noted.

(c) Deputations

Deputation from the Living Rent Campaign on Living Rent and Social Rent

38.62 The Committee considered a deputation which had been submitted by Adrian Hart (presenting), Diane Montgomery, Ian Needham, John Hadman, Carrie Hynds and Sheila Rimmer. The deputation urged the Committee to support the Notice of Motion to provide a ring fenced reserve that enabled the council to provide some new council homes at more truly affordable social and living rents for households on the lowest incomes.

38.63 The Chair stated that the committee would normally note the deputation but she was going to allow one speaker from each group to comment on the deputation.

38.64 Councillor Mears explained that in 2008, the council housing stock was in a very poor state and there was a £235M deficit for Decent Homes. Hence the 10 year maintenance contract and the work carried out by Seaside Homes as this was the only way of allowing money to go directly to the HRA for council housing. In 2008 the council started on estate regeneration but worked later stalled. There were problems around affordability, as some sites were difficult and expensive to develop. Meanwhile, the council needed to consider whether it was getting best value for money, so that when the Committee came to a final decision on rents they achieved the level required. Councillor Mears had concern about ring fencing money for lower rents. The most serious priority was to develop more housing. Ring fencing money separately, tied money up that could go towards more building. There needed to be a balance on what the council was able to do and what it could afford.

38.65 Councillor Gibson stated that the proposal contained in the Notice of Motion would provide the means of truly affordable housing for the people on the lowest incomes. There had been a drop of social rents in the city and a lack of living rents that would be truly affordable for households on low incomes. The Notice of Motion was not pre-judging how much the funding will be. It was opening up the possibility for officers to make recommendations that were appropriate.

38.66 Councillor Hill explained that the New Homes for Neighbourhood programme, as it was in 2015 was either 80% of the market rate or LHA rates modelled over a 40 year period. That had now changed so that it was modelled over a 60 year period and living wage rents were included at 37.5% and 27.5% along with social rents. The council had moved significantly towards what was being suggested in the deputation which was looking at rents in terms of affordability and income rather than setting them in terms of the market. Councillor Hill stressed that when the council looked at schemes in terms of social rents, the income received even over 60 years did not cover the costs, which meant that they needed to be subsidised. If the council wanted to provide new build at social rents there needed to be an honest conversation about where the money would come from.

38.67 The Chair thanked Mr Hart for his deputation.

38.68 **RESOLVED:-**

That the deputation be noted.

39 ISSUES RAISED BY MEMBERS

(a) Petitions

39.1 There were no petitions.

(b) Questions

39.2 The questions were taken as read and are set out below with the response from the Chair.

39.3 The following question was submitted by Councillor Gibson:

“As of 1st of October 2018, how much HRA borrowing had been undertaken and how much was still available underneath the borrowing cap in force at that time?”

39.4 The Chair’s response:

“At 1st October 2018, the HRA had borrowed £125.502m. The borrowing cap in force at that time was £156.8m and therefore this is £31.298m below the cap. However, the council only usually borrows at the financial year-end and therefore this figure at 1st October does not reflect the borrowing that will be required for 2018/19 expenditure on new build schemes.”

39.5 The following question had been submitted by Councillor Gibson:

“For 2015/16, 2016/17, 2017/18 and 2018/19 up until 1st of November:

(a) How many council homes have been sold under the right to buy?

(b) How many sheltered units have been decommissioned?

And for the same period (above) what is the total number of:

(a) New council homes built

(b) “Hidden council homes” created

(c) Homes bought under the home purchase policy

(d) Temporary accommodation units provided by conversion of decommissioned sheltered housing”

39.6 The Chair’s response:

How many council homes have been sold under the right to buy?

2015/16: 75

2016/17: 50

2017/18: 50

2018/19: 30

How many sheltered units have been decommissioned?

As previously reported to Housing & New Homes Committee, one Council sheltered unit has been decommissioned – Stonehurst Court with 20 sheltered bedsits replaced by 10 family homes for use as Council Temporary Accommodation.

New council homes built

As reported to Housing & New Homes Committee in the Housing Supply report being considered at today's meeting and Estate Regeneration Board: *since summer 2015 has completed 172 new council homes in 11 projects, has another 12 council homes under construction.*

Hidden council homes" created

As reported to Housing & New Homes Committee in the Housing Supply report being considered at today's meeting: *The programme to refurbish and convert under used or unused spaces within our existing council stock into new homes continues with nine new homes delivered to date, with a further six due to be delivered in 2018/19.*

Homes bought under the home purchase policy

As reported to Housing & New Homes Committee in the Housing Supply report being considered at today's meeting: *The scheme so far has allowed the council to buy back nine properties which will now be used for general needs or temporary accommodation.*

Temporary accommodation units provided by conversion of decommissioned sheltered housing

As reported to Housing & New Homes Committee in the Housing Supply report being considered at today's meeting: *Creating a supply of council owned temporary accommodation allows the council to achieve savings against the costs of procuring more expensive accommodation from the private market either through existing frameworks or spot purchase. The conversion of Stonehurst Court provided ten family units.*

39.7 The following question was submitted by Councillor Gibson:

"Can the new homes schemes modelled (in answer to question 8 to full council on April 19th 2018) as estimates using estimates of borrowing and build costs be modelled inputting the actual build cost and the actual capital charges (or if this is not easy to establish using the weighted average capital charge on actual borrowing taken out since 2015) of the loans used to fund the schemes over a 60 year period to establish the projected surplus/deficit based on more accurate inputs?"

39.8 The Chair's response:

"This would be a substantial piece of work and therefore it has not been possible to undertake this in time for this committee. Officers are currently working on the budget setting process for both the HRA and Housing General Fund capital and revenue budgets alongside monitoring in-year budgets and advising on other reports and developments. These must take priority and it is therefore unlikely that officers will be able to consider a response to this until after the budget process is finalised in February 2019'.

39.9 The following question was submitted by Councillor Gibson:

“Please provide the total legal costs to the HRA incurred in all activities incurred taking 40+ leaseholders on the Bristol estate to tribunal and break these costs down between the total external payment and internal recharges from the councils own legal services?”

39.10 The Chair's response:

“Thank you for your question. The total legal costs incurred in all activities was £126,995.98. This includes solicitors, counsel & expert witness. There were no internal charges”.

39.11 The following question was submitted by Councillor Gibson:

(a) “For the written question to full council on July 19th 2018 headed “net costs of spot purchase and short term accommodation” a table was provided which excluded the cost of council staff time managing and operating the service. Please can the cost of staff operating and managing the service be provided for each of the years from 2013/14 to 2017/18 (for which it is known)?

39.12 The Chair's response:

“Staff within the homelessness service work across the different types of temporary accommodation and therefore in order to calculate the staff costs relating to each accommodation type, their time needs to be apportioned using best estimates of the time spent working on each. This is a time consuming exercise and at best, can only give an estimate of the management cost attributable to each type of accommodation. This analysis has now been undertaken for the current year's forecast spend 2018/19. Therefore the estimated cost of council staff time for managing and operating spot purchase and emergency accommodation for 2018/19 is £225,000

(b) Information requested in the question about the number of places provided for individuals/households was not answered, so can the total number of accommodation units provided by the different providers be given for each year along with the average cost per person/household per night that is charged?”

39.13 The Chair's response:

b) The table below sets out all the short term and emergency accommodation we have under various contracts. In addition to the table below we have spot purchase units which are currently 57 but have dropped as low as 5 a couple of years ago. The average cost we pay for spot purchase is £40 pn net of HB.

Provider	Contract Dates	Bedsizes	Units	£pn
Helgor Trading	May '15 - May '20	1 (blocks)	118	27.99
Colegate & Gray	Feb -16 - Nov '19	1 (blocks)	50	24.55
Baron Homes	May '15 - May '20	1 (blocks)	64	28.49

Baron Homes	Mar '15 - Mar '21	1 (flats)	170	37.14
Baron Homes	Mar '15 - Mar '21	2	24	43.08
Baron Homes	Mar '15 - Mar '21	3	9	50.5
Baron Homes	Mar '15 - Mar '21	4	4	60.71

In terms of the average cost that is charged to the household for this accommodation these are as follows:

- spot purchase in Brighton this is £21.43 pn, Eastbourne is £17.14 pn (the difference reflects the different HB rates as they are in different Broad Market Rental Areas)

short term accommodation on contract:

- 1 bed : £19.29 pn
- 2 bed: £25.22pn

39.14 The following question was submitted by Councillor Gibson:

(a) *“For the written question to full council on July 19th 2018 asking for a breakdown of net costs surpluses (i.e. net of HB income) for different categories a table was provided which excluded the cost of council staff time managing and operating the service. Please can this cost be provided for each of the years from 2013/14 to 2017/18 (for which it is known) for each of the 4 categories?”*

39.15 The Chair response:

- a) As mentioned in the response to question (v) above, calculating the council staff time for managing and operating the different types of temporary accommodation is a large piece of financial analysis to apportion all of the relevant costs. However, we are able to give you the following information relating to the net spend on management costs:

	2014/15 Net Spend	2015/16 Net Spend	2016/17 Net Spend	2017/18 Net Spend	2018/19 Net Budget
Management of Temporary Accommodation	973,439	885,257	927,415	851,389	956,880

(b) *Information requested in the question about the number of places provided by each category over each of the years was not answered, so can the total number of accommodation units provided in each category be given for each year along with the average cost per person/household per night that is charged within each category?”*

39.16 The Chair's response:

- b) The total number of units for each category was provided in the Council papers in July 2018.

The costs that are charged to the household (rent) are as follows:

For leased properties the costs to the household is as follows:

1 Bed/studio	£19.29 per night
2 bed	£25.22
3 bed	£32.64
4 bed	£42.86

These figures were higher until April 2016 when the £60pw management element of HB was removed to be paid separately and hence rent reduced to reflect this. Prior to this costs have been frozen for 4 years.

For Seaside Community Homes the costs to households are as follows:

1 bed:	£153.02 per week
2 bed:	£198.25 pw
3 bed;	£230.28 pw
4 bed:	£339.36 pw

With regard to previous years, rents are pegged to LHA rates which have been as follows:

Bed size	2011	2012	2013	2014	2015	2016	2017	2018
1	150.00	150.00	150.00	151.5	153.02	153.02	153.02	153.02
2	196.15	184.62	188.68	190.57	192.48	192.48	192.48	198.25
3	253.85	229.62	219.23	228.00	230.28	230.28	230.28	230.28
4	333.31	321.92	323.08	326.31	326.31	339.36	339.36	339.36

(c) Letters

Estate Development Budget – Birchgrove Crescent Flats and Stanmer Heights

- 39.17 The Committee considered two letters from Councillor Wares, Councillor G Theobald and Councillor C Theobald as set out on pages 9 to 12 of the agenda. The letters related to the Estate Development Budget – Birchgrove Crescent Flats and Estate Development Budget – Stanmer Heights. The letters pointed out that the Birchgrove Crescent flats and in areas such as Stanmer Heights there was currently no Resident/Tenant Association and as such the areas were not benefiting from the EDB. A request was made for Birchgrove Crescent flats and Stanmer Heights to be awarded sums from the EDB.
- 39.18 Councillor Wares stated that he was asking formally to have assistance so formal bids could be submitted.
- 39.19 The Chair referred to the proposal in Item 43 of the agenda which would be precisely for these kind of requests. She hoped to hear Councillor Ware's views on that report. It would enable tenants without a tenants' association to improve their areas.

39.20 The Executive Director, Neighbourhoods, Communities and Housing stated that the letters talked about using EDB funding but not in the way that EDB funding was currently permitted. Once it was found by tenants' groups that these letters had been submitted to Committee, officers had received other letters from tenants' groups asking if this was the way EDB bids were now being submitted. The difficulty the council had in giving a positive response to the letters was that it did not fall within the current EDB and it would be disrespectful to tenants to agree something without consulting with the wider tenant body. Officers had identified that valid points had been raised in the letters and through the report submitted at Item 43 on the agenda, officers had come up with a mechanism that could add to the EDB to enable councillors, and individual tenants who were not represented by a group to have the benefit from the EDB.

39.21 **RESOLVED:**

That the letter be noted.

39.22 The Board considered the following Notice of Motion, submitted by Councillors Gibson and Druitt:

"That Housing & New Homes Committee receives a report for consideration at the committee meeting in January 2019:

- (1) Exploring the options available for the creation of a ring fenced reserve as part of the current HRA reserve, to support the building of 27.5% living wage rent or social rent housing in the city; and
- (2) Setting out options for the proposed size of this reserve for 2019/20."

39.23 Councillor Gibson stated that there was a real problem of affordability in the city. The proposal was to allow some rents that could be afforded on lower incomes. Councillor Gibson stressed that there were HRA reserves and a proportion could be ring fenced to enable a few schemes to achieve living and social rents. He requested a report to be submitted to the Housing & New Homes Committee in January 2019 which would recommend a ring fenced reserve.

39.24 Councillor Sykes stated that the Notice of Motion was requesting an official use of the HRA reserve. The city needed more affordable housing. The Notice of Motion was asking for a report and an analysis.

39.25 Councillor Atkinson remarked that it was valuable and useful to have discussions on rents. He would support the Notice of Motion, with one caveat regarding timescales. It was not realistic to have a January deadline.

39.26 Councillor Mears concurred with Councillor Atkinson about the timing of the report. She supported a report coming forward but not in January. The report needed a great deal of detail because if the council was tying money down in a ring fenced pot for rents, it was necessary to know what effect that would have on future bills and how that would impact on the council being able to build more. Councillor Mears stressed that there needed to be continuity and fairness in the way housing was delivered so that people could benefit

equally whatever the number of bedrooms required. There could be equalities issues around people who required larger properties because they had larger families.

39.27 Councillor Gibson stated that he would be happy to change the date at which it was presented to committee. The Notice of Motion wanted to identify a mechanism to provide more affordable housing and was not revisiting policy. With regard to comments about ring fencing and the impact on other schemes, he was not seeking to impact on the programme of building new housing. He was seeking to use a reserve.

39.28 The Chair stated that what was now being proposed was as follows:

- (1) That the options available for the creation of a ring fenced reserve be explored as part of the current HRA reserve.
- (2) That a report be brought to a future committee setting out the options for the proposed size of this reserve.

39.29 Members voted on the proposal set out in 39.28 and it was agreed unanimously.

39.30 **RESOLVED:**

- (3) That the options available for the creation of a ring fenced reserve be explored as part of the current HRA reserve.
- (4) That a report be brought to a future committee setting out the options for the proposed size of this reserve.

40 SUPPORT NEEDS OF PEOPLE IN KENDAL COURT

40.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which had been written in response to a Notice of Motion which had been submitted to the Committee on 19th September 2018 requesting information about the support for people in Kendal Court. It had not been possible to provide all of the information requested in the report in the timescale and as a result the current report contained the information officers had been able to collate. It was proposed that a more comprehensive report would be provided. The report was presented by the Head of Housing Needs accompanied by the Housing Options Manager.

40.2 Councillor Moonan stated that it was a sobering report about a very vulnerable group of clients. She expressed regret and concern for the families involved in these deaths and undertook that the council would look closely at the issue over a period of time. A great deal of work had already been carried out around those most vulnerable clients who were in emergency or temporary accommodation. However there was another level of people who did not reach that threshold who still had a lot of vulnerability. That was possibly the group being discussed in the report.

40.3 Councillor Moonan welcomed the proposal to bring some more support around emergency and temporary accommodation, across all the stock in the city and out of the city. The future report needed to look at working with residents, helping residents to be aware of what local services were in the area, helping them to access health

appointments and engage with services. Building on that was looking at the residents' experience, for example providing a good customer experience through the Housing Options Service. That might be by using volunteers to help people through that process. The Temporary Accommodation Action Group had already carried out a great deal of work with voluntary sector partners and they would play a vital part in bringing forward proposals.

40.4 Councillor Bell thanked officers for the report. He raised questions regarding:

- Paragraph 3.6.1. The ages of the people who died and how long they had lived at Kendal Court was requested.
- Paragraph 3.7.4 regarding budget savings to the Supporting People Commissioning Team. When was this service and function cut?
- Paragraph 3.8.7. People who had been banned from emergency accommodation within the city still needed care. What was being done for these people for whom the council had a duty of care?
- Paragraph 3.9.2 relating to the caretaker role. Perhaps some sort of support should be provided at the accommodation.
- Paragraph 3.10.1. When were Healthwatch commissioned to undertake the survey and when results of that survey would be seen.
- Paragraph 7.1 – Financial Implications. The Government had announced that a further £2m would be provided to the council. Could some of this money be used to put in places where there were vulnerable people. This also highlighted that there needed to be a separate Adult Social Care Committee.

40.5 The Executive Director replied that the ages of the people who died and length of time they had stayed at Kendal Court could be provided. It was stressed that since the independent review was commissioned after the last Housing & New Homes Committee, it had not been possible for Healthwatch to engage with many people, although work had started on the review straight away. That was why there was an interim report. Meanwhile, many people in temporary accommodation did not meet the threshold for Adult Social Care funding; However, if the council could give people good quality support early on as a preventative measure this could stop deterioration. Therefore the proposals that would be brought back to committee would not be using adult social care funding but using funding as a prevention. The report would also recommend working with the residents of Kendal Court and elsewhere to seek their views on the support they required.

40.6 The Head of Housing Needs explained that the Housing Support Services was cut in December 2015. Banned people were placed in other accommodation if they were asked to leave due to their mental health problems. One person in Kendal Court had been banned and officers were limited in where to place them. Support for such people could help as officers did not want them to be banned but to be able to stay and remain stable and then move on. The questions about the caretaker and support were covered by the Chair in her communications. A report would be presented to the committee about the support that could be provided to clients.

40.7 Councillor Mears stressed that responsibility for homelessness had been diluted across the council with the involvement of the Housing & New Homes Committee, Health & Wellbeing Board and Neighbourhoods, Communities & Equalities Committee. She

expressed concern that the Supporting People budget was no longer ring fenced and expressed concern that there was no longer an Adult Social Care Committee. Councillor Mears stressed that Brighton & Hove had more support services than anywhere else on the south coast. She requested a joined up briefing report for members providing the impact and outcomes of all the organisations working in the city. Councillor Mears noted that St Mungos were not mentioned in the report and she requested information on outcomes for that organisation.

- 40.8 The Head of Housing Needs suggested that the scope of the report to the January meeting should be widened to include the requested information.
- 40.9 Councillor Wealls referred to page 48 of the agenda which stated that there was a significant drug dealing issue at Kendal Court, leading to incidences of relapse as a consequence. If the Healthwatch survey stated that residents did not want there to be a significant drug dealing issue what would be done about it and if they did not come back on this issue would the council do nothing about it? Officers explained that it was necessary to look at how people were managed and supported so that there would not be drug dealing. Some of these problems could be ameliorated if more support was provided. The council would also be working with the police on the issue to prevent any drug dealing. The most important thing was to manage the residents and ensure a safe environment. That was done through a mixture of enforcement and support.
- 40.10 Councillor Atkinson thanked officers for the report. He considered the Equalities Impact Assessment to be excellent.
- 40.11 Councillor Gibson referred to the report being presented to the Committee in January. Would this include the recommendations of the independent Healthwatch survey? The Executive Director explained that the recommendations from the Healthwatch survey would be included but this would potentially be a position statement by Healthwatch because the process of engaging with people would not end.
- 40.12 In answer to a question by Councillor Gibson, The Head of Housing Needs stated that around 13 people had so far been contacted by Healthwatch.
- 40.13 Councillor Gibson thanked officers for the report and presented his amendment. The amendment was stating that the independent review needed to be made available as quickly as possible. It could not wait until June. He agreed that it would be interesting to know more about individuals who had been banned from accommodation in the city. The amendment was seconded by Councillor Sykes and was set out as follows:

“To add recommendations 2.2 and 2.3 as shown below in ***bold italics***

2.2 That the independent survey report, along with any interim recommendations to improve support for people living in Kendal Court, is provided for consideration of the January meeting of Housing and New Homes Committee

2.3 That the report to January meeting of Housing and New Homes Committee explores options (including any cost implications) for the provision of travel cards, to enable residents to more easily connect with services, friends and family”

40.14 Councillor Mears stated that January was the appropriate time to have a report as there would be elections in May. She queried amendment 2.3 above. If the reference to travel cards was only referring to people in Kendal Court, Councillor Mears would not support the amendment. There were also people housed in accommodation in other towns such as Eastbourne. The amendment needed to be changed to reflect these out of area clients. Councillor Gibson confirmed that he was referring to all out of area clients.

40.15 At this point the Committee had a five minute recess to reword the amendment.

40.16 When the committee reconvened the amended amendment was read out as follows:

“To add recommendations 2.2 and 2.3 as shown below in ***bold italics***

2.2 That the independent survey report, along with any interim recommendations to improve support for people living in Kendal Court, is provided for consideration of the January meeting of Housing and New Homes Committee

2.3 That the report to January meeting of Housing and New Homes Committee explores options (including any cost implications) for the provision of travel cards, to enable residents living in emergency accommodation out of the city to more easily connect with services, friends and family”

40.17 Councillor Moonan considered that an issue should be taken to the Constitutional Working Group regarding a democratic deficit for people the council were placing out of the city. If people were placed out of the city to whom would people seek democratic advice? Could the Constitutional Working Group consider that issue? The Executive Director explained that clients living in emergency accommodation outside the city had two options. They could visit their local ward councillor in the town they were living in or approach any member of the Housing & New Homes Committee. Councillor Moonan suggested that this information should be publicised. The Chair agreed that this should be raised at the Constitutional Working Group.

40.18 The Chair referred to page 17 of the report in relation to the Southdown Housing support worker. This post was funded until the end of March 2019 and the Chair hoped that all the impacts and any learning that came from that support worker would be forming part of the report that would be coming back to committee. The Head of Housing Need explained that the Southdown support worker had been commissioned by Adult Social Care Commissioning and officers would be looking at all the support that was being provided and how that could be considered in the proposals put to the report in January.

40.19 Members voted on the amended amendment which was unanimously agreed. Members then voted on the substantive proposal as amended and this was unanimously agreed.

40.20 **RESOLVED:-**

(1) That the Committee notes the contents of the report.

- (2) That the independent survey report, along with any interim recommendations to improve support for people living in Kendal Court, is provided for consideration of the January meeting of Housing and New Homes Committee.
- (3) That the report to January meeting of Housing and New Homes Committee explores options (including any cost implications) for the provision of travel cards, to enable residents living in emergency accommodation out of the city to more easily connect with services, friends and family.

41 NEW HOMES FOR NEIGHBOURHOODS: BUCKLEY CLOSE

41.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture regarding the project in Buckley Close which had previously been progressed as part of the Small Sites Strategy Modular Pilot. Due to the council's proposed partner Futureform Modular Limited going out of business, the pilot was not able to progress. The current report asked for approval to progress the project into the planning and construction phases to be delivered via the council's Strategic Construction Partnership. If approved the scheme would deliver 12 homes for the council to let within affordable rent levels to applicants on the Homemove register. The report was presented by the Lead Regeneration Programme Manager.

41.2 Councillor Gibson had submitted the following amendment:

To amend recommendation 2.1 (iii) as shown below in ***bold italics***

iii) The ***provisional*** scheme rent levels at ~~37.5%~~ ***27.5%*** of Living Wage ***for 1 bed flats and LHA rents for the 2 bed flats, with these rents confirmed at a future housing committee once the cost estimates are better known.*** ~~in line with the New Homes Rent Policy and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing after consultation with the Estate Regeneration Member Board to adjust the rent within the Rent Policy should scheme costs change;~~

- 41.3 Councillor Gibson stated that he was proposing a mixed rent option. He considered this a more attractive option that would offer four properties at rent levels of 27.5%. The two bed flats would be at a higher rate. Councillor Gibson stressed that a mixed rent model was agreed for the Rotherfield Crescent scheme. The amendment recognised that rent levels were being proposed at an early stage and that the costs could change. The modelling was based on borrowing cost assumptions. Therefore the preference was for the rent decision to be provisional at this stage. Councillor Sykes seconded the amendment.
- 41.4 Councillor Atkinson thanked the officers for the report. In relation to the amendment, Councillor Atkinson remarked that there was already an existing policy on rent levels. He considered that the rent levels should remain at 37.5% to avoid confusion and inconsistency.
- 41.5 Councillor Bell expressed concern that a significant subsidy would be required if the rent levels moved away from 37.5%. There was also a danger that fewer homes would be built. He stressed the need to have equality across all the schemes.

- 41.6 Councillor Mears stated that this was a complex site and the level of contamination of the land was not yet known. She concurred with the comments of Councillors Bell and Atkinson and stressed that agreeing the amendment could lead to fewer homes being built. Councillor Mears was concerned that families should not be penalised for having a larger property. The Conservative Group would not support the amendment.
- 41.7 Councillor Hill had the same concerns about the amendment and considered that it would be better to follow the same policy for all schemes. Councillor Hill expressed concern that the substantive recommendation 2.1 (iii) delegated authority to the Executive Director of Neighbourhoods, Communities & Housing after consultation with the Estates Regeneration Member Board to adjust the rent within the Rent Policy should scheme costs change. Councillor Hill remarked that the Estate Regeneration Member Board was not a decision making body. She asked if a report would be submitted to Policy, Resources & Growth Committee and stressed that the Housing & New Homes Committee should be consulted.
- 41.8 The Executive Director of Neighbourhoods, Communities & Housing explained that there would not be a further report to Policy, Resources & Growth Committee. A report would come back to the Housing & New Homes Committee if scheme costs changed.
- 41.9 Councillor Mears agreed with Councillor Hill. There were only three councillors on the Estate Regeneration Members' Board and it was not a decision making meeting. Any changes to scheme costs should be brought back to the Housing & New Homes Committee for ratification.
- 41.10 Councillor Hill proposed an amendment to paragraph 2.1 (iii) which would delete the words *..and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing after consultation with the Estate Regeneration Member Board to adjust the rent within the Rent Policy should scheme costs change.* The amendment was seconded by Councillor Mears.
- 41.11 Councillor Gibson expressed concern that it was suggested that Estate Regeneration Members' Board should not be consulted, leading to less democratic oversight of the decision if costs changed. He referred to Councillor Bell's comments about subsidy and stressed that his proposal would require less subsidy and was predicting a surplus over 60 years. The Committee had agreed a mixed rent option for Rotherfield Crecent which created a precedent. Councillor Gibson referred to Councillor Mears' comments that in achieving affordability the Green proposal was favouring one type of property. In the case of Victoria Road report the Green amendment proposed having lower rents for the two bed flats. He was proposing a package of lower rents overall.
- 41.12 Councillor Moonan echoed some of the previous comments. There needed to be work carried out to ensure fairness in the way rent models were applied. On the question of affordability, if the scheme was achieved at a lower cost she hoped it would be reported back to the Committee with a suggestion that the rents would be dropped. There would still be an opportunity to do that in an open forum rather than only through a closed Estate Regeneration Members' Board.

- 41.13 The Committee voted on the Green Group amendment as set out in paragraph 41.2 above. Members voted in favour of the amendment by 2 votes and against by 8 votes. The amendment was not carried.
- 41.14 The Committee voted on Councillor Hill's amendment as set out in paragraph 41.12. Members voted in favour of the amendment by 8 votes in favour, 1 against and 1 abstention. The amendment was carried.
- 41.15 The Committee voted on the substantive recommendations as amended and these were agreed unanimously.
- 41.16 **RESOLVED:-**
- (1) That the Housing & New Homes Committee approves:
- i. The proposed scheme of twelve new council homes at Buckley Close, Hove under the New Homes for Neighbourhoods programme and notes that an HRA budget variation of £2.930m for this scheme will be proposed for approval by Policy, Resources & Growth Committee as part of the month 7 Budget Monitoring Report;
 - ii. The demolition of the existing garages at Buckley Close;
 - iii. The scheme rent levels at 37.5% of Living Wage, in line with the New Homes Rent Policy;
 - iv. Construction through the council's Strategic Construction partnership with Morgan Sindall;
- (2) That the Housing and New Homes Committee recommend to Policy, Resources & Growth Committee to:
- v. Appropriate the Buckley Close former garages site (Buckley Close, Hangleton, Hove BN3 8EU) for planning purposes and delegate authority to the Executive Director of Environment, Economy and Culture to appropriate for housing once the development is complete.

42 NEW HOMES FOR NEIGHBOURHOODS - SCHEME APPROVAL VICTORIA ROAD

- 42.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture which requested members' approval to progress development proposals for the site comprising the former Housing Office, Portslade Bowls Club and bowling greens (Appendix 1), which the New Homes for Neighbourhoods Programme wished to take through to planning and construction stage. If the proposal was approved it would deliver 45 new homes for the council to let within affordable rent levels to applicants from the Homemove register.
- 42.2 Members were informed that officers had successfully bid for funding (£340k) from the Government's Land Release Fund which would help towards the costs of re-locating the bowls club thereby releasing the entire site for residential development. All costs for the scheme had been independently valued. If the scheme was approved by Committee,

planning applications would be submitted in the Spring of 2019. An error was reported in a figure quoted in paragraph 2.3 (5). This should read £1.454m (not £1.436m). The report was presented by the Project Manager, Estates Regeneration Team.

- 42.3 The Chair thanked officers and stressed that the project involved an immense amount of work.
- 42.4 Councillor Atkinson thanked officers and welcomed the possibility of 45 new council homes. The council had had some extremely constructive discussions with the bowls club and there was a need to ensure that the expectations of the club were met in terms of the re-provision of the facility. The re-provision of the club had led to the provision of another 30 units of accommodation.
- 42.5 Councillor Gibson pointed out some inconsistencies in the figures quoted in Table 4 - Alternative Financial Modelling Results, compared to Table 3 – Financial Modelling Results. The Principal Accountant explained that Table 4 should be amended to state that the 60 year subsidy/surplus should read £0.589 (not £0.501) for LHA/80% mkt Rent and £0.861m (not £0.948m) for Living Wage 37.5%
- 42.6 In relating to the Green amendment, Councillor Gibson asked the Principal Accountant to confirm the mixed rents amendment was modelled as having a payback period of 61.3 years and after the 60 years would be £72,000 in deficit but would recover by 61.3 years. The Principal Accountant confirmed that the amendment to have the 2 bed units at 37.5% living wage rent and the others at LHA 80% market rent meant that the viability model showed that subsidy of £72,000 would be required by the HRA and that it would take 61 years to pay back. A table showing this comparison was circulated to members.
- 42.7 Councillor Gibson asked for confirmation that a report would come back to the committee if the costs came in less than predicted, making it possible to achieve lower rents. The Executive Director explained that she would only report back to the committee in the event that there was a significant difference in costs, leading to a massive surplus. In that event, she would report to the committee and say that officers wanted to change the rent.
- 42.8 Councillor Gibson stated that the report and scheme were excellent and he thanked officers. The Green amendment was trying to make some of these homes more affordable by having a mixed rent proposal with lower rents on 21 two bed properties. The proposal would take longer to pay back and it was proposed that this should be over 61 years rather than the 53 proposed in the report. This would offer substantial savings in rent and costs for people on low wages. The amendment was set out as follows:

“To amend recommendation 2.2 (3) as shown below in ***bold italics***

- 3) The scheme rent levels with ~~one~~ ***two*** bedroom properties set at 37.5% living wage rent and all other properties at 80% of market rent levels capped at LHA rates in line with the New Homes Rent Policy and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing in consultation with the Estate Regeneration Member Board to adjust the rent within the parameters of the Rent Policy should scheme costs change.”

- 42.9 The amendment was seconded by Councillor Sykes. Councillor Sykes commended the internal service in Property & Design and raised questions relating to risk contingency and utilities. The Project Manager explained that in relation to risk contingency there had been a ground survey carried out and the quantity surveyor had extensive experience. A sum had been set aside to ameliorate the risks. With regard to utilities, it was sensible to set aside additional money to improve existing power capacity and cover every eventuality.
- 42.10 Councillor Hill considered the scheme to be excellent and thanked officers for the briefing offered to councillors which she had attended. Councillor Hill was minded not to accept the Green amendment as the current policy was to ensure schemes were viable. Councillor Hill proposed the same amendment as for the Buckley Close report namely that paragraph 2.2 (iii) should delete the words *..”and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing in consultation with the Estate Regeneration Member Board to adjust the rent within the parameters of the Rent Policy should scheme costs change.”* The amendment was seconded by Councillor Mears.
- 42.11 Councillor Moonan considered the scheme to be excellent and a creative use of the land and a good solution for the bowls club. Councillor Moonan stated that she was a member of the Planning Committee. It was not a conflict of interest at this stage but going forward to planning she was in no way pre-judging her decision by approving both the Buckley Close and Victoria Road schemes at planning as it was a different consideration. Councillor Moonan asked why there was a recommendation that the one bedroom flats had the lower rent level. The Principal Accountant explained that the reason for the recommendation was due to it being a viable scheme. The Green amendment was not viable and did not recover costs over 60 years and required a small subsidy. Table 4 modelled some other combinations of rents that were viable but these were not put forward as recommended options as it was felt it would cause inequity between the 3 beds and the 4 beds or the 2 beds and 3 beds. As a result the 1 beds were recommended at the living wage. Councillor Moonan stressed the need to look at these issues in an in depth way and looked forward to a future report.
- 42.12 Councillor Mears thanked officers for a fantastic scheme. She stressed that the committee had already had an in depth discussion on the rent policy. The Conservative Group would not support the Green amendment. Councillor Mears seconded Councillor Hill’s amendment as set out in paragraph 42.8 above.
- 42.13 Councillor Wares congratulated officers for unlocking the government’s land release funding. £340,000 was a significant amount to help the council’s house building. Councillor Wares asked for clarification about planning and programming for the homes and the bowls facility which were being submitted as separate applications. He asked for assurance that his assumption that the building of the homes was contingent on getting the bowls club facility approved and built first was correct. Finally, Councillor Wares asked for an idea of where the £203,000 of Section 106 money was likely to be spent.
- 42.14 The Project Manager stated that there had been positive early discussion with planning officers and there was a very low risk of the scheme being refused. The plan was to demolish the old sports pavilion and build a new sports pavilion as soon as possible.

There had been initial discussions with the Friends of Victoria Park regarding the 106 agreement. The park was in need of regeneration and some of the money would go to the Friends of Victoria Park to provide a circuit around the whole park. Improved play areas were also being discussed. There was also likely to be an education contribution.

- 42.15 Councillor Wealls stated that he was concerned how the bowls facility fitted in with the whole city strategy on sports provision. He stressed that the new King Alfred provision would not include bowling. The Lead Regeneration Programme Manager explained that the track would be paved and would not be a proper circuit. Officers from the Estates Regeneration Team had communicated with sports development officers. The Chair stressed that the council's New Homes for Neighbourhoods programme was about improving communities.
- 42.16 Councillor Bell thanked officers for the report. He was excited by the social impact of the scheme and stressed that the proposal was vital for its social impact as well as providing. The money from the government was a welcome addition.
- 42.17 Councillor Gibson agreed that a rent policy was a good starting point. The Green amendment was consistent with the policy and was suggesting an alternative recommendation.
- 42.18 The Committee voted on the Green Group amendment as set out in paragraph 42.8 above. Members voted in favour of the amendment by 2 votes and against by 8 votes. The amendment was not carried.
- 42.19 The Committee voted on Councillor Hill's amendment as set out in paragraph 42.10 above. This was agreed unanimously.
- 42.20 The Committee voted on the substantive recommendations as amended and these were agreed unanimously.
- 42.21 **RESOLVED:-**
- (1) That the options contained on page 12 of the Stage 2 (Light) Feasibility Study in Appendix 2 of this report be noted;
 - (2) That Option 3 in the report be agreed and the following be approved:
 - (i) The proposed scheme of 45 new council homes at the site comprising the former Housing Office, Portslade Bowls Club and bowling greens (see Appendix 1), under the New Homes for Neighbourhoods programme;
 - (ii) The provision of a new Joint Sports Pavilion for Portslade Bowls Club, which includes football facilities for users of Victoria Recreation Ground, to facilitate the release of the development site;
 - (iii) The scheme rent levels with one bedroom properties set at 37.5% living wage rent and all other properties at 80% of market rent levels capped at LHA rates in line with the New Homes Rent Policy;

- (iv) Construction through the council's City Build Construction Partnership with Morgan Sindall.
- (3) That the Policy, Resources & Growth Committee be recommended to:
 - (v) Approve the site within the redline boundary (see Appendix 1) to be appropriated to the HRA from the General Fund for a capital receipt of £1.454m for planning purposes;
 - (vi) Delegate authority to the Executive Director of Environment, Economy and Culture to appropriate for housing purposes once the development is complete; and
 - (vii) Approve a budget of £12.914m financed by HRA borrowing, right to buy receipts and Government Land Release funding to form part of the HRA capital programme for 2019/20 – 2021/22.

43 PROPOSAL FOR ENVIRONMENTAL IMPROVEMENT BUDGET - HOUSING REVENUE ACCOUNT

- 43.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which proposed that a proportion of the Housing Revenue Account Budget be set aside to support early actions to improve public areas of the council's housing estates. This would enable the council to respond with greater speed to tenant's satisfaction levels with their neighbourhood as a place to live. The Estate Development Budget set aside for tenant voting, remained separate from the proposals. A further report with feedback from residents would be presented to the January committee meeting. The report was presented by the Head of Income, Involvement & Improvement.
- 43.2 Councillor Bell welcomed the report and looked forward to the report back in January. He hoped that the bidding process would become more simple and useable. The Head of Income, Involvement & Improvement explained that in terms of spend there would be a more simple process. Officers needed to collate information from tenants and the survey to see where there was a need.
- 43.3 Councillor Wares stated that the reason he submitted letters earlier on the agenda was because tenants' representatives tended to submit bids. Help was needed where there were no tenants' representatives. Councillor Wares welcomed an easier process. There needed to be clarity as to who could apply and make applications and some consultation was needed. In some areas there was an issue with City Clean, with poor refuse collection in areas such as Stanmer Heights. On the presumption that the report was approved Councillor Wares stressed that there were two letters from him, (Item 39(c)(1) and Item 39(c) (2). He hoped these would be applications 1 & 2.
- 43.4 The Head of Income, Involvement & Improvement replied that colleagues had already been asked to proceed on improving the dustbin area at Stanmer Heights. When the proposed budget was in place, officers could respond to what tenants really wanted.

- 43.5 Councillor Moonan agreed with the proposal in principle. She stressed that Central Hove had no residents' association although there were council tenants in Central Hove living in terraces. She asked for reassurance that they would be included in the scheme.
- 43.6 The Head of Income, Involvement & Improvement replied that she could give that reassurance. Information was to be placed in "Homing In". Tenants only had to call the council to make a request. The Executive Director stressed that a key consideration with regard to the project was how work was prioritised. Some requests such as improvements to the bin stores would not cost money.
- 43.7 Councillor Mears supported the proposal and welcomed the further report to the January meeting. She would like to see detail of how much money from the HRA would be given to the General Fund. A contribution had already been made from the HRA for the Field Officers. Further detail was requested on how the spend would be administered. Councillor Mears referred to paragraph 3.4 relating to the review of Estate Development Budget and stated that she was keen to see a report on that subject.
- 43.8 Councillor Hill welcomed the report. She mentioned that Hollingdean had not always had a residents' association and had missed out on funding. Even with the association some people did not come to meetings.
- 43.9 Councillor Gibson endorsed much of the previous comments. There needed to be clarity about funding; the contribution of the General Fund; and the EDB. He welcomed the need to address environmental issues. Councillor Gibson asked for assurance that there would be a thorough and full consultation about the contents of the report.
- 43.10 The Head of Income, Involvement & Improvement explained that officers would consult with finance colleagues if there were any suggestions for spend that crossed over to the General Fund. Officers would consult properly if there were issues. Area Panel representatives were supportive of the proposals and future reports would be taken to the Area Panels.
- 43.11 The Chair stressed that the proposal had come forward as a result of officers talking to residents who could not participate in any other way.
- 43.12 **RESOLVED:-**
- (1) That Housing & New Homes Committee agree to receive a full report to the January 2019 committee recommending the sum within the HRA budget to be set aside for enhanced environmental improvements and items on which it will be spent.

44 HOUSING SUPPLY UPDATE

- 44.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which sought to provide an update on the delivery of new affordable housing by the council, and future plans to escalate delivery by utilising the recently announced Housing Revenue Account borrowing flexibilities and revenue underspends in the HRA. The report also incorporated information on the capacity and resources to expand public housing following the Notice of Motion presented and noted at the 13th June 2018 Housing & New Homes Committee. The report was presented by

the Housing Strategy & Enabling Manager, accompanied by the Head of Housing Strategy, Property & Investment.

- 44.2 Councillor Mears thanked officers for the detailed report. She asked for clarity regarding paragraph 5.3 on page 153 relating to key additional resource requirements. Did this refer to new staff or existing staff in the council? Were they consultants or full time staff? Councillor Mears referred to paragraph 3.4 and stated that she did not support the Whitehawk Urban Fringe Scheme. She supported the rest of the work.
- 44.3 The Head of Housing Strategy, Property & Investment stated that seconded staff might be used. Consultants would not be used. More details would be supplied to the Estate Regeneration Members' Board.
- 44.4 Councillor Hill considered that there were excellent proposals in the report. The Government's announcement of lifting the borrowing cap was very welcome. She was excited about the cross directorate housing supply team and pleased that most of this would be funded mainly by capitalisation. Councillor Hill was pleased at the additional £1.5m mentioned in paragraph 2.3. If agreed by Policy, Resources & Growth Committee this was additional money that could be spent in the short term.
- 44.5 Councillor Gibson welcomed the report and the identification of resources as a swift response to the Notice of Motion. It was an urgent matter to use the capacity and create homes the city needed. He welcomed the progress made in terms of identifying the resources. Councillor Gibson considered recommendation 2.3 was confusing. Councillor Gibson questioned whether this was the right way to fund the programme. There were other ways of funding capital programmes and he was sure that Housing & New Homes Committee and Policy, Resources & Growth Committee would bear in mind those options.
- 44.6 The Chair commented that Housing & New Homes Committee would have felt very hard done by if they had not seen the month 7 monitoring report and only Policy Resources & Growth Committee had made a decision on it.
- 44.7 Councillor Wares was concerned that paragraph 3.6 referred to an HRA revenue underspend as there was so much that needed to be done on the council's estates. The £1.5m underspend was recommended to be used as a revenue contribution to the capital programme as stated in recommendation 2.3. Councillor Wares' concern was that revenue money could be put into capital but the council could not reverse that money back into revenue. pCouncillor Wares questioned whether the whole £1.5m revenue should be transferred in this way and suggested it would be better to do this on a piecemeal, project or purchase basis.
- 44.8 The Head of Housing Strategy, Property & Investment the Officers explained that the underspend that had been identified was from a range of factors. One factor was that so much had been invested in the stock. There were two elements of financial underspend. One was projected receipt from service charge received from leaseholders towards major work costs. Another was a trend of spending less money on responsive repairs. A great deal of the investment into council stock to improve it had reduced the repairs spend.

44.9 The Principal Accountant answered a number of other technical questions raised by Councillor Wares as follows.

- Some of the underspends in the HRA were due to the fact that responsive repairs costs were reducing because of the extra capital programme works that had been going on over the last few years.
- Councillor Wares had referred to paragraph 3.6 and questioned why £1.5m would be put against the capital scheme. That was not an issue as officers would be setting up a budget for £1.5m which is the planned capital spend but if that was not spent by the end of the year then there would only be a need to fund the actual capital expenditure incurred from a revenue contribution to capital. So any remaining budget could be used for other HRA capital schemes or re-profiled into the next financial year (with the appropriate level of approval by officers and/or members). Or it could be reported as an underspend thereby leaving the remaining funding that could in fact still be used for revenue purposes either in- year (by way of a revenue budget virement) or in future years as any unspent revenue budget is by default added to the HRA general reserves.
- With regard to paragraph 4.3 where it mentioned borrowing against £81m, some of that £81m was already included in the £29m. It was not an additional £56/57m as suggested.

44.10 Councillor Wares stated that the report was not clear regarding the £81m and asked for some clarification post committee. The Principal Accountant undertook to provide clarity and an email response was sent to all members of housing committee.

44.11 The Chair stated that the number of initiatives to increase the housing stock in the city for those that needed it was impressive. When people made comments that the council were not moving quickly enough, she reminded them that the council had a committee system and that it took time to implement initiatives.

44.12 **RESOLVED:-**

That the Housing & New Homes Committee:

- (1) Notes the work programme to date to increase the supply of affordable housing in the city and proposals to increase cross council resources to support expansion of the programme to realise the council's ambitions to increase housing supply.
- (2) Agrees (subject to government guidance) for the council to utilise HRA borrowing flexibilities to deliver future New Homes for Neighbourhoods Schemes.
- (3) Notes that as a result of current forecast underspend in the HRA, the month 7 Budget Monitoring report to Policy Resources & Growth Committee will propose that £1.5m will be used as a revenue contribution to the capital programme to support further housing delivery via the Home Purchase Scheme for 2019/20.

45 **REVIEW OF SENIORS HOUSING**

45.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which set out recommendations to undertake an appraisal of the council's seniors housing schemes to ensure that the council had the right investment plans to maintain and improve the council's homes and make sure that they

met residents' requirements into the future. The review would be undertaken in consultation with residents. The report was presented by the Housing Manager, Seniors Housing, accompanied by the Head of Housing Strategy, Property & Investment. Members were informed that the timeline for the review was six months when a report would be brought back to the committee.

- 45.2 Councillor Atkinson stated that he supported the idea of a review. He considered that sheltered accommodation was the right direction of travel especially for those people in the early stages of dementia. He referred to paragraph 3.12 and supported the inclusion of housing associations. He stressed the importance of voluntary organisations involvement in helping to combat loneliness. For example, Hazelholt arranged for an organisation called Volunteering Matters to come along and run activities in the unit. Councillor Atkinson welcomed the report and looked forward to more information.
- 45.3 The Housing Manager replied that when officers last reviewed the Seniors Housing service they had looked predominately at the need to deliver a different service. Work was carried out with voluntary sector organisations such as Volunteering Matters at Hazelholt and the other schemes. The current report was saying that if the service provision was right then the bricks and mortar needed to be right for that type of work.
- 45.4 Councillor Mears thanked the Housing Manager and welcomed the proposal for a future report following the review. She stressed that her only concern was that it would be presented to the committee after the elections in May. Meanwhile, Councillor Barnett had asked for concern to be expressed regarding the cost of the charges in sheltered accommodation. Councillor Mears requested details of charges in the schemes in the form of a report to committee. The Housing Manager agreed to investigate this matter and bring back a report to committee.
- 45.5 Councillor Moonan encouraged officers to link in with public health. The Health and Wellbeing Board were developing a Health & Wellbeing Strategy at the moment which talked about loneliness. She suggested officers spoke to the Director of Public Health as there was much more that could be done in terms of public health.
- 45.6 Councillor Wares welcomed the report which he considered was timely. He stressed that in order to achieve objectives, it was important to carry out impact assessments. Councillor Wares stressed the importance of communication.
- 45.7 The Housing Manager agreed that there was a need to ensure the involvement of residents. There was a huge amount of diversity in that group and they would be involved in the process.
- 45.8 **RESOLVED:-**
- (1) That the Committee agrees a review of the sheltered housing stock and service as detailed below, with a report of review recommendations back to a future Committee.

WELCOME TO JUSTINE HARRIS

The Chair welcomed Justine Harris as the council's new Head of Tenancy Services. She wished Ms Harris all the best in her post.

46 ITEMS REFERRED FOR FULL COUNCIL

46.1 No items were referred to full Council.

The meeting concluded at 8.42pm

Signed

Chair

Dated this

day of

WRITTEN QUESTIONS FROM MEMBERS

The following questions have been received from Councillors and will be responded to by the Chair, Councillor Meadows. A Member who asked a question may ask one relevant supplementary question which shall be put and answered without discussion.

(1) Councillor Gibson

As of 1st of January 2019 how much HRA borrowing had been undertaken?

(2) Councillor Gibson

Can you please provide a table showing (on 1.04.15, 1.04.16, 1.04.17, 1.04.18) the total number of council houses let at social rents (i.e. target rent or below), and the total numbers of council houses let at “affordable” rents (breaking down the numbers of affordable rents into the following categories: - LHA rents, 40% Living wage rents, 37.5% living wage rents and 27.5% living wage rents – i.e. the other options set out in the rent policy alongside social rents).

(3) Councillor Gibson

What is the number of council tenants and leaseholders living in areas that have a (recognised by the council as representative) tenants, residents or community association and what % is this number of the total number of BHCC tenants and leaseholders?

(4) Councillor Gibson

For each of the area panels held in 2018 (North, Central, East and West) please provide a table showing the number of officers, councillors and residents attending each meeting throughout the year?

(5) Councillor Gibson

For each of the 4 area panels, has the average number of residents attending each meeting in 2018 increased or decreased on the numbers attending meetings in 2017?

(6) Councillor Gibson

As of 1st January 2019, what % of the BHCC housing stock is let at Target rents?

Subject:	Support Service for People in Temporary Accommodation		
Date of Meeting:	16th January 2019		
Report of:	Executive Director for Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Jerry Aldous	Tel: 01273 296949
	Email:	jerry.aldous@brighton-hove.gcsx.gov.uk	
Ward(s) affected:	(All Wards);		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 In November Housing & New Homes committee, proposals were requested to look at how we can build on the support work that the Welfare Officers had been providing to help vulnerable homeless people living in temporary and emergency accommodation, both within the city and out of the city. Officers were also asked to look at innovative ways we can work to support applicants and homeless people through the application and assessment procedure.

2. RECOMMENDATIONS:

That the Housing and New Homes Committee:

- 2.1 Notes the contents of the report and recommends to Policy, Resource & Growth Committee that £0.250m is added to the council's 2019/20 budget proposals in order to expand the options for providing support for people in emergency and temporary accommodation for one year only.
- 2.2 Delegates to the Executive Director of Housing the decision to determine the most appropriate option to achieve a support service within the £0.250m budget, if approved.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 There is evidence to suggest that, over the past couple of years, there is an increase in the level of multiple and complex needs that people who are becoming homeless are experiencing. This is reflected in an increase in the number of people who have died while resident in emergency or temporary accommodation. There is a case to be made for increasing support for these households which would not only benefit them but may also reduce longer term demands on statutory services.

- 3.2 Becoming homeless is very stressful and on top of this, a significant proportion of people in emergency accommodation need supported accommodation but due to the level of demand, this can take some time to provide.
- 3.3 There are now approximately just under 1700 households currently in emergency and temporary accommodation. Most of these households are in longer term temporary accommodation which are good quality houses and flats and they generally have relatively lower or no support needs.
- 3.4 However, there are around 400 households in emergency accommodation of which approximately 125 are outside of the city. Accommodation is arranged depending on where there are vacancies at the time people become homeless.
- 3.5 Of all the households in emergency accommodation, approximately 10% are on waiting lists at any one time for supported accommodation. Many households require floating support on a spectrum of quite intensive support to basic practical support to enable them to settle in and manage. Households who have identified needs come to our attention but there is another cohort who may have deteriorated and therefore have unidentified needs.
- 3.6 Emergency accommodation is basic accommodation and placement depends upon what is available at the time a household become homeless. People are placed into emergency accommodation either whilst they are being assessed for what housing duty the council may have, or whilst they are waiting for other accommodation to become available. The length of time they will be waiting will depend upon what the assessed accommodation solution is that can meet their needs. This might be moving to private rented accommodation; moving to other longer-term temporary accommodation or moving to supported accommodation.
- 3.7 Whilst most emergency accommodation is self-contained and has basic furniture, it is generally small. In addition, each block has a mix of households that have differing needs.
- 3.8 The council's two welfare officers have been a valuable resource in supporting people to help them manage in difficult times. Until 2015 there was a Housing Support Service and the proposals in this report draw upon what worked well to set out options as to how to build on current provision
- 3.9 To provide a support service equivalent to the previous Housing Support service will cost approximately £0.250m pa. In addition, we can enable the development of a volunteer service to support and help people through the application and assessment process as we appreciate this can be daunting at a stressful time.
- 3.10 Therefore the report recommends the provision of an initial support service for one year (2019/20) whilst officers monitor and evaluate alternative options for supported and temporary accommodation

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The current level of support services be continued but we will not be able to address the concerns being raised in respect of residents.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 We have undertaken some brief consultation with existing support providers. However, in view of the timescale it has not been possible to conduct full consultation.

6. CONCLUSION

- 6.1 There are concerns being raised at the gaps in the level of support available to households who become homeless and are placed into emergency and temporary accommodation. There is sufficient evidence to support these concerns and therefore to expand current support. To supplement support we will also give consideration to developing a volunteer service that would help people through the assessment and application process. This can be achieved at costs in the region of £250k.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The estimated cost of the service is £0.250m. The report is recommending that this service is set up for one year, while officers monitor and evaluate alternative options for supported and temporary accommodation. Temporary accommodation is a housing general fund function. The current budget for temporary accommodation is forecast to overspend by £0.750m in 2018/19 although this can be mitigated in the short term by use of one-off grant funding. Therefore there is currently no budget available for a new housing support service. In order to fund this, new resources for 2019/20, approved by Policy, Resources & Growth Committee, are required. This report recommends that PR&G approve one year funding in 2019/20 of £0.250m to be included in the 2019/20 budget proposals

Finance Officer Consulted: Monica Brooks

Date: 13/12/18

Legal Implications:

- 7.2 The requirement under the Housing Act is to provide suitable accommodation. There is considerable case law around affordability location, space and arrangement. The Governments; Homelessness code of guidance for local authorities (Chapter 17) includes the requirements and circumstances of the homeless person. This is broadly set out, but does not include any reference to provision of welfare / support services. We are not aware of any case law which says provision of support is a legal requirement; as such it would be an addition to the basic requirements.
- 7.3 The government in its guidance (Chapter 16) acknowledges that local authorities can provide supported accommodation and commission supported housing services. This is as a concept somewhat different to what is proposed in this report (which is floating support) but could be a comparison.

- 7.4 Accommodation may be suitable in the short term even were it not to be suitable over a longer period.

Lawyer Consulted: Simon Court Date: 07/01/19

Equalities Implications:

- 7.5 In supporting the more vulnerable households in the city, this will have a positive impact on reducing inequalities.

Subject:	Support for people accommodated at Kendal Court Newhaven		
Date of Meeting:	16th January 2019		
Report of:	Executive Director for Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Jerry Aldous	Tel: 01273 296949
	Email:	jerry.aldous@brighton-hove.gcsx.gov.uk	
Ward(s) affected:	(All Wards);		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Following a Notice of Motion, an interim report on the support needs of people residing in Kendal Court came to Housing and New Homes Committee in September 2018. The independent organisation undertaking the survey of needs has now been able to complete this work. The summary results from the combined survey are set out in Appendix 1 with the full survey report in Appendix 2. In addition there were other questions that members raised and are addressed in 3.3

2. RECOMMENDATIONS:

- 2.1 That the Housing & New Homes Committee note the contents of the report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 In July, a cross party Notice of Motion was submitted calling for an independent review of the support needs of people residing in emergency accommodation at Kendal Court. Due to the short timescales, an interim report was presented to Housing and New Homes (H&NH) committee in September with the completed survey report to be presented in January.
- 3.2 In addition further information was requested by committee which is collated as follows:
- The ages of the people who died and how long they had lived at Kendal Court.
 - When was the previously commissioned support service cut.
 - For those people who had been banned from accommodation in the city, what was being done where the council had a duty of care
 - When was Healthwatch commissioned to undertake the survey

- Financial implications – the Government had announced £2m would be provided to the council. Could some of this be used to put in places where there were vulnerable people.
- Exploration of Laundry facilities
- Exploration of providing bus passes to people.

3.3 Each point is addressed in turn below:

3.3.1 The ages of the people who died and how long they had lived at Kendal Court.
Seven people have died whilst being resident at Kendal Court. Two of these died over a year ago and it is now difficult to extract those details, as they were not recorded for homeless statistic purposes. Since then we have recorded our own local records, which are as follows:

Age	Length of residence
34	1 year
70	2 years 2 months
37	1 month
36	1 month
53	2 weeks

3.3.2 When was the previously commissioned support service cut?

The Housing support service ended in December 2015. We retained two posts based in the credit control team to focus on assisting people to obtain benefits to pay their rent and retain their accommodation.

3.3.3 For those people who had been banned from accommodation in the city, what was being done where the council had a duty of care.

In these circumstances, we will place people into accommodation outside the city. This would be either in accommodation we have contracted such as Kendal Court, or spot purchase accommodation. We refer to Southdown who provide some support for people placed out of the area in Newhaven or Eastbourne. If people need to attend support or health services in Brighton, a travel warrant or bus pass is issued to enable them to attend their appointments if necessary. Where they meet the requirements to be priority A, under the Temporary Accommodation Allocation policy we will prioritise them for accommodation in the city as soon as we have availability that they are not banned from.

3.3.4 When was Healthwatch commissioned to undertake the survey?

We felt it was important that this piece of work be undertaken by an independent organisation and so we commissioned Healthwatch to undertake an independent survey on 18 September 2018 following H&NH Committee.

3.3.5 The Government had announced £2.0m would be provided to the council for social services. H&NH Committee asked whether some of this be used to support vulnerable people in emergency temporary accommodation?.

The £2.0m provided to Health & Adult Social Care from central government for vulnerable people is to ensure adult social care pressures do not create

additional demand on the NHS and to improve our social care offer for older people, people with disabilities and children. This will include mental health services but not exclusively. It cannot be used for other purposes.

3.3.6 Exploration of Laundry facilities

We have explored how laundry facilities can be provided and have identified the following options:

- The owner builds an extension to house separate laundry facilities – this is not practical in the short term, as it will require planning permission and construction works initially, and then a plan to manage the facility. This is outside the scope of the specification for the accommodation and so would require additional financing. The contract is due to expire in March 2019 although we have enacted our extension for a further 6 months whilst we consider future procurement options.
- Individual requests for plumbing in a washing machine. Due to the layout of the facilities in the accommodation, space for a washing machine is restricted. However, this can be considered on a case by case basis.
- A local charity in Newhaven is looking to provide laundry facilities for rough sleepers. We understand this is a new initiative and there is very limited capacity but we will continue discussions to explore whether this service could be extended to residents in Kendal Court and whether this would require additional funding.
- Bus pass to enable travel to the nearest launderettes at Seaford and Peacehaven. This would cost £4.72 return per person. If we provided all 50 residents with one pass per week this would cost £236 pw or £12,272 pa. There is currently no budget for this. In addition, there are concerns about the administration to enable this to happen set out in 3.3.8.

3.3.7 Exploration of providing bus passes to people

We have investigated the cost of providing travel warrants or bus passes to enable people placed outside of the city to more easily connect with services, friends and family. There are currently 125 households accommodated outside of the city as follows:

Kendal Court, Newhaven	50
Other accommodation in Newhaven	6
Peacehaven	20
Seaford	3
Eastbourne	46

Bus passes bought in bulk each cost as follows:

- Daily: £4.72
- Weekly: £25
- Monthly: £79

If a person has to make roughly three trips a week this would cost (£4.72 x 3 = £14.16 pw x 125 people x 52 weeks) = **£92,000 pa.**

If people had to travel once a week this would be (£4.72 x 125 x 52) = **£30,700 pa.**

These figures will increase if there is more than one person in the household. However, not all people placed out of area require travel costs back into the city on a regular basis and so the estimated cost may be between these two

amounts. There is no funding for this currently. If the administration want to prioritise this spend,, new funding would have to be identified which would need approval from PR&G.

3.3.8 Risks of operating a bus pass scheme.

We currently operate a bus pass scheme to enable people placed out of the area to reach their accommodation when they have no finances. We therefore have processes in place to administer a basic scheme. However, there are difficulties in administering a more expansive scheme. There are risks around ensuring passes are appropriately distributed and not misused i.e. we would need to consider how passes were distributed to people away from the office or whether we issued several in advance in which case consideration would be needed as to how we monitored the use of the passes and that they weren't lost or sold.

3.4 The full independent report is contained in Appendix 2.

Highlights of the key findings are as follows:

- A total of 29 people responded to at least some of the questions
- 17 people state that they used some form of health, care or housing support in the past 6 months, 8 of whom state that they are unable to continue to do due to be being placed at Kendal Ct. See Q1and Q6.
- 13 people state that they are satisfied or very satisfied with their main support service and 4 people state they are dissatisfied or very dissatisfied, See Q7.
- 4 people obtain their main support service from Newhaven and 15 people obtain this elsewhere. See Q8.
- When asked a series of questions about their experience of living at Kendal Ct out of the average of about 18 people who responded to at least one of the questions there was a total of 55 largely positive responses and 51 largely negative. See Q12.
- 11 of the 24 respondents said they did feel safe at Kendal Court while 13 said they felt unsafe. See Q12.
- 7 people stated that they have not experienced any barriers to receiving services while 9 stated that they had.

4. **COMMUNITY ENGAGEMENT & CONSULTATION**

In compiling the independent survey, Healthwatch engaged with the residents and management at Kendal Court.

5. **CONCLUSION**

The report is for noting following the notice of motion that called for further information relating to support needs of people placed in Kendal Court following a spate of deaths.

The survey report shows a wide range of responses, some of which are positive but also highlights that a significant number need some additional support. The

previous report at Committee today deals with the proposal to develop a support service for people in temporary accommodation and this will go some way to addressing some gaps identified by the survey. Where additional funding is required, this would need consideration by PR &G.

6. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 6.1 The costs of providing bus passes to residents placed outside of the city in temporary accommodation, as outlined in this report, range from £10,400 per annum to give residents of Kendal Court once a week access to a laundry in Newhaven, to £92,000 per annum if all current residents placed outside the city are each given three daily passes per week. The report suggests that not all residents would require travel to the city
- 6.2 The report discusses the risks and controls required to operate such a bus pass system. Current cost estimates assume that managing this process would be met from within current resources.
- 6.3 Temporary accommodation is a housing general fund function. The current budget for temporary accommodation is forecast to overspend by £0.750m in 2018/19 (month 8 forecast) although this can be mitigated in the short term by use of one-off grant funding. There is currently a small budget allocated for bus passes which is fully committed and so there are no funds available for expanding this system and it is unlikely that this can be managed within current resources (by using underspends) as this budget is already under pressure. In order to fund this, new general fund resources approved by PR&G for 2019/20 would be required.
- 6.4 The Draft Revenue Budget and Capital Strategy 2019/20 report to PR&G on 6th December identified a budget gap of £2.15m. A request for funding required for bus passes as outlined in this report would add to the budget gap which must be closed in order to present a balanced budget to Budget Council on 28th February 2019

Finance Officer Consulted: Monica Brooks

Date: 19/12/18

Legal Implications:

- 6.5 Under the Housing legislation, the key question is whether any offer of temporary accommodation is suitable. This is assessed on an individual basis.
- 6.6 There is to our knowledge no cases that have gone before the Court where laundry facilities are a feature. We do note that if for instance an individual was incontinent then the availability of laundry facilities might be a factor of suitability.
- 6.7 In certain cases (the main case being around a family with particular focus on children) travel distance was a feature. This involved accessing school and familial support networks. Again, the availability of support networks may be a factor to take into account on a case by case basis. Also of relevance would be alternate provisions in the area in which a person would be placed.

- 6.8 There should be an evidence-based approach to identifying factors around suitability.
- 6.9 The senior Courts continue to recognise the burden placed on local authorities in trying to identify local accommodation in cases of homelessness and in December confirmed that they will only reluctantly intervene with placements outside of the 'borough'. This is providing that there is in place a lawful local policy which explains why certain people are placed out of area and identifying the process to define who can and cannot be placed out of area. The Council has a policy, which has been approved by committee.
- 6.10 There is a process for anyone placed out of area to ask for a review of suitability.
- 6.11 The Care Act also makes provision for support for those with need.

Lawyer Consulted: Simon Court

Date: 12/12/18

Equalities Implications:

- 6.12 None

Sustainability Implications:

- 6.13 None

Any Other Significant Implications:

- 6.14 None

Extract of main findings from the Independent review of the support needs of residents of residents living in Kendal Ct. – Undertaken by Healthwatch

29 people were surveyed. Not all respondents answered all the questions.
Direct quotes from residents are in italics.

Survey: Residents and support services

This section of the survey aimed to capture:

- what health, care or housing support services residents are accessing
- identify any services they feel are not available to them
- how satisfied they are with their main service

Q1: Residents who had used health, care or housing support within the last 6 months	
Used	17
Not used	4
Total responses	21

Q2: Residents registered with a GP	
Registered	23
Not registered	3
Where registered	7 in Newhaven, 8 in Brighton, 1 out of county, 1 in Eastbourne
Total responses	26

Whilst some residents have registered with a GP in Newhaven, others wanted to maintain existing links with their Brighton GP for continuity of care and support, as they envisaged or hoped to be rehoused in Brighton.

Q3: Residents registered with a Dentist	
Registered	5
Not registered	21
Total responses	26

Q4: Services residents have used or are using		
Services	Currently using (ranked by response)	Have used services
Housing support	11	7
GP	11	5
Mental health services	8	4

Voluntary charity care	8	2
Hospital	3	7
Other community support e.g. district nursing	3	2
Drug & Alcohol services	2	3
Adult social care	1	1
Children's services	--	1
Dentist	--	5
Other	3	2
Q5: The main services people listed that they use		
Mental Health:		9 responses
GP:		5 responses
Other services:		10 responses
Meals on wheels, Money advice, diabetic clinic, Adult Social Care, Housing Support, Keyworker & Homefinder		

Q6: Services residents want to use but can't now they are at KC	
Yes	8
No	10
Total responses	18
	'Yes' examples given were dentist, mental health services, Adult Social Care and charities in Brighton.

Q7: How satisfied individuals are with their main service		
		Reasons given
Very satisfied	10	<i>'after months of neglect the social worker has been outstanding and I can't thank them enough'</i> <i>'Welfare Rights team- very satisfied with'</i>
Satisfied	3	<i>'Housing support service; some individuals are very good!'</i>
Neither satisfied or unsatisfied	1	<i>'ASC = okay'</i>
Unsatisfied	2	<i>'There is no care and support, no follow up from housing support. I've no idea how housing support works'</i>
Very unsatisfied	2	<i>'Not happy – been referred out of mental health services'</i> <i>'Nothing from the housing support team'</i>
Total responses	18	

Survey: Where residents go to access their main support service

This section looks at

- where residents go to access their main service

- how they normally travel
- if access to travel affects their ability to access service(s) they need

Q8: Where residents go to receive their main support service	
Newhaven	4
Lewes	1
Brighton and Hove	9
Other	5
Total responses	19

Q9: Mode of travel to support services	
Walk	3
Bus	8
Car	1
Train	5
Other	3
Total responses	20

Two residents have a bus pass.

One resident does not travel and their social worker visits them at KC.

Q10: If access to transport affected the resident's ability to get to services they needed	
Not at all	3
A little bit	1
Not really	5
Quite a lot	4
It is a problem	3
Total responses	16

Q11: Any other reasons why you cannot get to a service you need?	
Yes	6
No	4
Total responses	10

Four residents felt they were not able to access local mental health services.

Three residents could not access laundry services.

Two residents felt anxiety when they travelled on buses to Brighton.

Two residents were unable to register with a local dentist due to a closed list.

One resident with mental health issues did not want to access a local service where

Two residents could not access Brighton only services (RISE and Lighthouse)

One resident struggled to make a GP appointment

Survey: Access and Information

This section looks at residents' experiences at Kendal Court:

- whether residents can access the right care and support when they need it
- whether they have a choice about where they receive their service
- how safe they feel
- any barriers they encounter to receiving services

Q12: Experience of living at Kendal Court					
Statements	Strongly agree	Agree	Disagree	Strongly disagree	Total
I can access the right care and support when needed	1	5	7	5	18
It is easy to access information about my main service	3	8	3	3	17
I understand the information I am given	1	11	1	2	15
I have a choice about where I receive my service	0	4	5	3	12
I feel safe	2	9	9	4	24
I feel lonely	5	6	7	3	21

Q14: Have residents encountered barriers to receiving services since being at Kendal Court?	
No	7
Yes	9
Total responses	16

Q15: What has worked well for residents at Kendal Court?
Factors that residents reported have worked well are in bold type. Comments given by residents are in <i>italics</i>
<i>'The building is a big improvement on my previous temporary accommodation which was very damp and uncared for – broken locks etc'.</i>
<i>'I was assigned a ground floor room due to my health issues and the view of a garden has kept me sane'.</i>
<i>'It's ok so far, recently moved in'</i>
A young resident who had never experienced living anywhere but on the streets said KC was positive because of the one-to-one support from a charitable agency support

worker who had supported their move into KC by finding furniture and providing ongoing support. <i>'Really good to have St Mungo's worker helping me'</i>
One appreciated his independence and own facilities having been in a hostel in Eastbourne where you signed in and out and shared a kitchen and bathroom.
A new resident was happy to be here, having been on the street for some time. <i>'Pleased to get somewhere!'</i>
<i>'Settling in and sorting a GP out; will stay in Newhaven for all services. Need appointment with MH team'</i>
A resident who wanted to move as far away from Brighton and Sussex as possible, organised themselves with KC internet access and researched available accommodation in their preferred area.
The seven residents registered with a Newhaven GP all said they valued them highly and no resident reported bad GP care regardless of location.
<i>'Accommodation is not the problem, people are eg. drug addicts, needles lying around, 2 drug overdose deaths'</i> <i>'Accommodation ok – people are the problem'</i>
Three residents spoke about accessing the ' Food Bank ' service in Newhaven . Through conversations with other residents, respondents learnt of the Food Bank and we have learnt it is used frequently. Informal support received is valuable to wellbeing at KC.
A respondent liked the idea of not having support, and no one checking on them .
"Nothing" had worked well was recorded for four residents

Q16: What could be made better at Kendal Court?
This question prompted the most responses from residents. Factors that residents reported that could be better are in bold type, resident comments are in <i>italics</i> .
[1] Travel pass for Kendal Court residents Seven residents travelling to Brighton complained of the high travel costs to access the services they required as they were largely outside of Newhaven. These residents also sought the support and company of family and friends outside of KC as key to their wellbeing. Two residents said that a travel pass would alleviate much anxiety and financial hardship in accessing their support and care services in Brighton.
[2] Information for new residents A minority of residents reported arriving at KC with little or no social, healthcare or housing support in place. Most residents were unfamiliar with the area when moving in, having their networks, support and connections in the Brighton area. There was no formal signposting to local services and support, they had to find out from other residents or the caretaker. Eight residents have developed links with local community groups and agencies in Newhaven that offer support which mitigates the risks of isolation and deprivation. Some of these residents would have liked better access to services/resources that are available in Newhaven and two residents mentioned positive support they

received from a charity and the food bank.

[3] Improvements to the fabric of the building.

- *'Heating system is inadequate, and the windows don't close properly'; One resident reporting they frequently had bugs and creepy crawlies dropping on their face whilst they were sleeping at night.*
- *'There have also been leaks in the winter and mould'.*
- *'There is no adequate insulation, noise passes through walls and my clothes get damp'*
- *'Banisters fitted to all stairwells.'*
- *'No-one ever cleans the communal stairways, there is always dust and cobwebs'*
- *'Having a TV Ariel in the room would make a huge difference to my daily living. Helping me keep connected with the outside world.'*
- *'Offering recycling facilities, providing storage space.'*
- Two residents spoke about **Fire Alarms** repeatedly being set off, often at night. A resident raised concerns about fire procedures as living on the top floor they would find it hard to escape. Several residents were observed smoking in their flats, some vulnerable with mobility issues or high alcohol and drug users.
- *'A central area for residents to meet, a laundry and outside usable space'* would improve the Kendal Court resident's welfare and integration.
- Three residents spoke about 'management' issues with the property which added to their already low mood and poor mental health.

Independent review of the support needs of residents living at Kendal Court, Newhaven

2018

Author: East Sussex Community Voice
Date: 14th December, 2018

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East Sussex Community Voice (ESCV) is an independent community interest company (CIC) specialising in community engagement and insight. It was created in 2013 to be the primary vehicle for delivering the Healthwatch contract in East Sussex. As a CIC, it has built in flexibility to include a wider remit beyond how people experience health and care services and how local communities support people's overall health and social well-being (Wider Determinants of Health).

East Sussex Community Voice - Registered CIC: 08270069
ESCV delivers Healthwatch East Sussex and
commissions NHS Complaints Advocacy in East Sussex

Introduction

Brighton and Hove City Council (BHCC) commissioned ESCV to undertake an independent review of the support needs of residents placed at Kendal Court in Newhaven during October and December 2018. BHCC approached ESCV to carry out this study following a number of deaths at Kendal Court in the preceding months.

This review looks at how residents access services in and outside of their placing local authority and the extent to which living at Kendal Court [KC] has had an impact on their access to services.

Review Focus

The focus of this independent review is to gather as much information as possible about:

1. what support services residents need to access while living at Kendal Court
2. what services residents think they need
3. whether they can access them
4. what barriers residents experience in accessing services
5. the residents experience of living at Kendal Court [KC]
6. what works well for them living at Kendal Court and
7. what could be made better

The insight gleaned is intended

- to identify gaps in support provision
- to inform Brighton & Hove City Council work with partners
- to consider the support needs identified in the resident survey
- to utilise local services in Newhaven and in Brighton & Hove

Background

Kendal Court is leased by BHCC for use as emergency or temporary accommodation for people who otherwise would be homeless.

The building is leased from a Landlord, Colgate and Gray. There are 54 bedsit flats in the building set out over three floors in five adjoining blocks; one block is women only. Up to 50 residents are placed by BHCC where those residents have family or personal connections to the city.

In March 2018, prior to the BHCC commission, ESCV became aware of vulnerable residents at Kendal Court through discussions at the Havens Community of Practice group meetings. GP surgeries in Newhaven reported a spike of people from Brighton & Hove presenting with mental health and complex needs who were living at KC. Sussex Community Development Foundation (SCDA) and the Locality Link worker reported that some Kendal Court residents were accessing local support services.

How we gathered the information

ESCV together with BHCC and in consultation with the landlord developed a survey to interview residents to ascertain the information outlined.

Eight skilled and experienced interviewers were deployed which included a mix of ESCV staff and trained volunteers. Interviews were conducted in pairs during visits where interviewers knocked on doors of the individual flats to invite residents to take part. An option to undertake telephone interviews was also offered and taken up by some residents. Interview rooms at three local community venues were booked as an option to meet the interviewers off-site.

The interviews took place over two weeks in October and again over two weeks in December 2018. A programme of face to face and telephone appointments were offered to residents over 18 days. BHCC Housing Support officers distributed information to all residents a few days before the start dates, offering interview appointments with ESCV and making them aware of the interview options available.

Who did we speak to?

At the start of phase one of the review, 4th October 2018, the status of the 50 flats leased by BHCC was:

- 1 vacant
- 2 reserved
- 47 occupied

However, the occupancy rate changed significantly over the survey timescale as residents moved in and out of the flats.

At the start of phase two of the review, 3rd December 2018, the status of the 50 flats was:

- 14 vacant
- 3 reserved
- 33 occupied

Over the whole survey period, the median occupancy rate was 40 flats. The occupancy rate at the end of the survey period, 12th December 2018, was also 40 flats.

Every attempt was made to access all the residents residing at Kendal Court on the sessions the interviewers visited. When residents were out or not answering, multiple attempts were made to call again. Cards were posted through doors encouraging residents to contact the interviewers visiting KC the following day or by telephone.

Over the two phases of this project in October and December 2018:

- A total of 29 residents were interviewed face to face or by telephone, 72.5% of the median occupancy rate of 40 flats
- Two residents were spoken to but unable to complete the questionnaire
- 5 residents refused

Despite multiple visits, some residents proved impossible to reach. Our findings show some residents coping well at KC while others are vulnerable individuals, some with multiple complex needs and struggling to engage with services.

The survey focused on access to statutory services which relies on the individuals' knowledge of these services. Many residents reported having experienced difficulties with relationships and trust with formal agencies, other residents, friends and family. As a consequence, some residents told us they, and non-responders they had spoken to, were reluctant to engage in the survey.

For many of the interviews, it was not possible to go systematically through the survey form and not every resident answered every question. Some did not want to answer specific questions or struggled to understand some questions, often due in part, to their poor mental health and/or under the influence of alcohol or substances at time of the interview.

Most of the residents interviewed presented as vulnerable due to their visible and sometimes complex health needs, frailty and/or chaotic lifestyle. It was therefore more appropriate to have a **conversation** with the residents covering as many of the survey questions as possible. Not all residents wanted the interviewers in their flat; in this case, surveys were held in the corridor.

However, many respondents were eager to talk to an independent person and shared uninvited details spontaneously. In a small number of cases this involved safeguarding disclosures, and this is discussed further in the Observations section of the report.

What people told us

This report covers the key questions from the survey (Appendix 1) under the following headings:

- Your Support Services
- Where and how you get to your support services
- Access and Information while living at Kendal Court
- Kendal Court: thinking of your stay here

Where the survey asked an **opinion** of the resident, their comments and relevant information given are extrapolated in the appropriate sections.

As part of the survey, all residents were invited to complete an Equality Opportunity Monitoring section at the end of the interview.

Survey: Residents and support services

This section of the survey aimed to capture:

- what health, care or housing support services residents are accessing
- identify any services they feel are not available to them
- how satisfied they are with their main service

29 surveys were completed. Not all respondents answered all the questions.

Direct quotes from residents are in italics.

Q1: Residents who had used health, care or housing support within the last 6 months	
Used	17
Not used	4
Total responses	21

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Registered	23
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Where registered	7 in Newhaven, 8 in Brighton, 1 out of county, 1 in Eastbourne
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Whilst some residents have registered with a GP in Newhaven, others wanted to maintain existing links with their Brighton GP for continuity of care and support, as they envisaged or hoped to be rehoused in Brighton.

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Services	Currently using (ranked by response)	Have used services
Housing support	11	7
GP	11	5
Mental health services	8	4
Voluntary charity care	8	2
Hospital	3	7
Other community support e.g. district nursing	3	2
Drug & Alcohol services	2	3
Adult social care	1	1
Children's services	--	1
Dentist	--	5
Other	3	2

Q5: The main services people listed that they use	
Mental Health:	9 responses
GP:	5 responses
Other services:	10 responses
Meals on wheels, Money advice, diabetic clinic, Adult Social Care, Housing Support, Keyworker & Homefinder	

Q6: Services residents want to use but can't now they are at KC	
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	'Yes' examples given were dentist, mental health services, Adult Social Care and charities in Brighton.

Q7: How satisfied individuals are with their main service		
		Reasons given
Very satisfied	10	<i>'after months of neglect the social worker has been outstanding and I can't thank them enough'</i> <i>'Welfare Rights team- very satisfied with'</i>
Satisfied	3	<i>'Housing support service; some individuals are very good!'</i>
Neither satisfied or unsatisfied	1	<i>'ASC = okay'</i>
Unsatisfied	2	<i>'There is no care and support, no follow up from housing support. I've no idea how housing support works'</i>
Very unsatisfied	2	<i>'Not happy – been referred out of mental health services'</i> <i>'Nothing from the housing support team'</i>
Total responses	18	

High levels of satisfaction with main service were recorded, particularly GPs. Satisfaction with mental health and housing support services were more variable. Five residents identified more than one main service and others were unclear about services they are receiving or entitled to now they are at KC.

Some residents were confused as to the name and location of their service or indicated they were no longer accessing services since they had moved out of the Brighton area and believed that they were therefore no longer eligible for the service.

Survey: Where residents go to access their main support service

This section looks at

- where residents go to access their main service
- how they normally travel
- if access to travel affects their ability to access service(s) they need

Q8: Where residents go to receive their main support service	
Newhaven	4
Lewes	1
Brighton and Hove	9
Other	5
Total responses	19

Q9: Mode of travel to support services	
Walk	3
Bus	8
Car	1
Train	5
Other	3
Total responses	20

Two residents have a bus pass.

One resident does not travel and their social worker visits them at KC.

Q10: If access to transport affected the resident's ability to get to services they needed	
Not at all	3
A little bit	1
Not really	5
Quite a lot	4
It is a problem	3
Total responses	16

A recurring theme was the cost of travelling to Brighton to access support services: this included friends and family networks.

'It's expensive to travel to Brighton, so I try to have appointments on the days that I work'

'I currently fall through the gap in terms of service boundaries'

To meet the criteria for free transport passes, residents require medical evidence of entitlement. Residents have to prioritise their income to allow for travel costs to and from Brighton.

Q11: Any other reasons why you cannot get to a service you need?	
Yes	6
No	4
Total responses	10

Four residents felt they were not able to access local mental health services.
Three residents could not access laundry services.
Two residents felt anxiety when they travelled on buses to Brighton.
Two residents were unable to register with a local dentist due to a closed list.
One resident with mental health issues did not want to access a local service where
Two residents could not access Brighton only services (RISE and Lighthouse)
One resident struggled to make a GP appointment

Survey: Access and Information

This section looks at residents' experiences at Kendal Court:

- whether residents can access the right care and support when they need it
- whether they have a choice about where they receive their service
- how safe they feel
- any barriers they encounter to receiving services

Q12: Experience of living at Kendal Court					
Statements	Strongly agree	Agree	Disagree	Strongly disagree	Total
I can access the right care and support when needed	1	5	7	5	18
It is easy to access information about my main service	3	8	3	3	17
I understand the information I am given	1	11	1	2	15
I have a choice about where I receive my service	0	4	5	3	12
I feel safe	2	9	9	4	24
I feel lonely	5	6	7	3	21

Some residents accessing multiple services both agreed and disagreed with some of the statements above. In these cases, we recorded their overall experience.

Q13: Where residents disagreed with the statements above, they were asked to outline why that was	
I can access the right care and support when needed	A resident with complex mental health issues and previous substance misuse receives ongoing support from Brighton Crisis Mental Health team but is lonely and isolated. Most of their friendship networks are in Brighton. <i>'It does not make sense for me to be stuck out here'</i>
It is easy to access information about my main service	Some residents feel they have been left at Kendal Court and are not clear whether their MH and other support in Brighton would be transferred to Newhaven. Four residents commented on the lack of housing support. <i>'I have a housing officer, but difficult to see him'</i> <i>'Housing Officer disinterested'</i> One resident was aware of the housing officer as they had left our survey form under the door but reported that they had no contact.

	A resident trying to take control over their life felt the BHCC website housing section is difficult to navigate and they struggled
I understand the information I am given	<i>'No information given – I never feel safe'.</i> This question was not well understood but several residents commented upon the lack of information provided on arrival at Kendal Court
I have a choice about where I receive my service	A resident with complex health issues was given 2 days' notice of their move to Kendal Court and was offered no other choice. Another resident spoke about the very short notice to take up the offer of temporary accommodation - or lose it. One resident going through gender reassignment with all their specialist treatment and support systems provided in Brighton. They said it did not make sense for them to be placed in Newhaven.
I feel safe	11 of the 24 respondents said they did feel safe at Kendal Court but most of the comments were from the 13 who felt unsafe. <i>'I really don't feel safe. Most of the people who live here are single and some have behaviours which I am not comfortable to let my child be around. I don't like it!'</i> <i>'Don't feel safe anywhere – paranoia (MH) I want to be alone'.</i> <i>'I suppose so - in comparison to being on the streets'</i> <i>'I don't feel safe because the access code to enter the external door never changes and can then be used by people once they have left or passed on to others.'</i> <i>'Border line safe – level of aggression here, I'm not well a lot of the time, I can't get help out of hours.'</i> <i>I'm scared to talk to people here...lots of verbal abuse. I am at risk, but also pose a risk to others because of my poor mental health if I am pushed. I go to Brighton where I feel safe when I can, stay over in B&B to feel clean'.</i> A number of residents suggested spy holes and security chains should be on individual front doors to make people feel safer.
I feel lonely	<i>'I have been on the waiting list for counselling for a long time due to abuse, bereavement and domestic violence issues and I am concerned that moving here will now mean I have to start again. I still struggle with my MH having been sectioned several times and have no family support for this. I feel that no one is listening'</i> <i>'I feel quite isolated as there are no communal meeting areas in the building and it's located in an area of very few public amenities. Most of the people I know live in Brighton.'</i> Three residents reported not wanting to see or socialise with the

	other residents in KC. Two residents said they would like a communal area at KC to socialise in. Three residents said they preferred to keep to themselves.
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Interviewers had concerns about the impact on residents who were vulnerable with multiple and complex needs who had become isolated with limited access to support services and social networks. This is outlined in the Observations section.

Q14: Have residents encountered barriers to receiving services since being at Kendal Court?	
No	7
Yes	9
Total responses	16

If Yes, the following reasons were given	<i>'I've been told that my social care package will only kick in once rehoused back in Brighton'.</i> A resident said their anxiety meant they had not explored the area and it prevented them from making an appointment A resident reported they were referred out of the BHCC mental health team since coming to KC
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Three residents claimed that if they severed links to their existing services, they would lose their preferred place of residency.

Two residents thought that as KC is out of the placing authority boundary, services are unwilling to provide the on-going support they need. This can result in residents feeling a sense of abandonment and during five interviews residents described 'being dumped' at Kendal Court.

Q15: What has worked well for residents at Kendal Court?
Factors that residents reported have worked well are in bold type. Comments given by residents are in <i>italics</i>
<i>'The building is a big improvement on my previous temporary accommodation which was very damp and uncared for – broken locks etc'.</i>
<i>'I was assigned a ground floor room due to my health issues and the view of a garden has kept me sane'.</i>
<i>'It's ok so far, recently moved in'</i>
A young resident who had never experienced living anywhere but on the streets said KC was positive because of the one-to-one support from a charitable agency support worker who had supported their move into KC by finding furniture and providing ongoing support. <i>'Really good to have St Mungo's worker helping me'</i>
One appreciated his independence and own facilities having been in a hostel in Eastbourne where you signed in and out and shared a kitchen and bathroom.
A new resident was happy to be here, having been on the street for some time.

<i>'Pleased to get somewhere!'</i>
<i>'Settling in and sorting a GP out; will stay in Newhaven for all services. Need appointment with MH team'</i>
A resident who wanted to move as far away from Brighton and Sussex as possible, organised themselves with KC internet access and researched available accommodation in their preferred area.
The seven residents registered with a Newhaven GP all said they valued them highly and no resident reported bad GP care regardless of location.
<i>'Accommodation is not the problem, people are eg. drug addicts, needles lying around, 2 drug overdose deaths'</i>
<i>'Accommodation ok – people are the problem'</i>
Three residents spoke about accessing the ' Food Bank ' service in Newhaven . Through conversations with other residents, respondents learnt of the Food Bank and we have learnt it is used frequently. Informal support received is valuable to wellbeing at KC.
A respondent liked the idea of not having support, and no one checking on them .
"Nothing" had worked well was recorded for four residents

Q16: What could be made better at Kendal Court?
This question prompted the most responses from residents. Factors that residents reported that could be better are in bold type, resident comments are in <i>italics</i> .
[1] Travel pass for Kendal Court residents Seven residents travelling to Brighton complained of the high travel costs to access the services they required as they were largely outside of Newhaven. These residents also sought the support and company of family and friends outside of KC as key to their wellbeing. Two residents said that a travel pass would alleviate much anxiety and financial hardship in accessing their support and care services in Brighton.
[2] Information for new residents A minority of residents reported arriving at KC with little or no social, healthcare or housing support in place. Most residents were unfamiliar with the area when moving in, having their networks, support and connections in the Brighton area. There was no formal signposting to local services and support, they had to find out from other residents or the caretaker. Eight residents have developed links with local community groups and agencies in Newhaven that offer support which mitigates the risks of isolation and deprivation. Some of these residents would have liked better access to services/resources that are available in Newhaven and two residents mentioned positive support they received from a charity and the food bank.
[3] Improvements to the fabric of the building. <i>'Heating system is inadequate, and the windows don't close properly';</i> One resident reporting they frequently had bugs and creepy crawlies dropping on their face whilst they were sleeping at night.

- *'There have also been **leaks** in the winter and **mould**'.*
- *'There is no adequate insulation, noise passes through walls and my clothes get damp'*
- *'**Banisters** fitted to all stairwells.'*
- *'No-one ever cleans the communal stairways, there is always dust and cobwebs'*
- *'Having a **TV Ariel** in the room would make a huge difference to my daily living. Helping me keep connected with the outside world.'*
- *'Offering **recycling** facilities, providing **storage** space.'*
- Two residents spoke about **Fire Alarms** repeatedly being set off, often at night. A resident raised concerns about fire procedures as living on the top floor they would find it hard to escape. Several residents were observed smoking in their flats, some vulnerable with mobility issues or high alcohol and drug users.
- *'A **central area for residents to meet**, a laundry and outside usable space' would improve the Kendal Court resident's welfare and integration.*
- Three residents spoke about 'management' issues with the property which added to their already low mood and poor mental health.

[4] Improvement to the security system.

The majority of residents do not feel safe (see Q.12) and other residents said the block can be very noisy with regular altercations.

None of the front doors have spy holes or security chains fitted. The numbered key pads to gain access from outdoors can be accessed by other people aware of the combination.

*'I don't feel safe here with a child. People are often drunk and arguing. I don't feel I can trust people here. There is no proper **emergency contact** available'.*

'I don't feel safe at night or weekends when there is no caretaker here'

[5] Improving the relationship with local residents and services

Vulnerable people out of their preferred place of residency have an impact on the local networks.

Four residents and the caretaker reported violent incidents and arguments involving residents, including an altercation at the pub nearby where the Landlord refuses to have KC residents.

In the immediate vicinity, the neighbouring nursery commented to interviewers that they have found 'used needles' in the play area for children and that two residents are suspected of acting inappropriately towards young children (reported to the Police).

'The immediate area is also quite run down, and I do worry that we are vulnerable here. But part of my homeless application moving on is that I accept this placement.'

'When you tell shopkeepers, local people and taxi drivers you live at Kendal Court they look down on you'

[6] Basic items provided in the flat on tenancy

Most residents spoke of receiving little or no support to move in. Some had very few personal possessions, including minimum essentials for preparing and eating food, no bedding and pillows.

A mother with a toddler had not been told there were no laundry facilities in the building or in Newhaven.

We met a new resident who came with three bags of possessions but no food, bedding, bed, pots and pans, having just come from a drug rehab unit.

Interviewers observed some comfortable and warm flats, but others were sparse, neglected and malodorous. One resident's flat was chaotic, and they are currently sleeping on the floor as the bed was too uncomfortable.

'When I was moved here with my toddler there was no bed for him, I had to sort one through my family in Brighton'

[7] Having access to laundry facilities.

Most respondents referred to the lack of laundering facilities. This ranged from the practical barriers to the impact it had on them trying to re-organise their lives.

'Currently I have no choice but to take a bus to and from Seaford to use public facilities there. This makes me feel that the council have no regard for me, that I am almost a non-person not entitled to the dignity of being able to wash my clothes at home. It makes me angry and frustrated adding to my depleting sense of self-worth.'

'Providing communal facilities such as laundry.'

[8] An improved system for residents accessing electricity

Eight people mentioned the system of paying for electricity. This must be done through the caretaker who they pay to top up their meter through a key system. He is only available Monday to Friday, 9am- 5pm.

Three residents reported arriving at Kendal Court with no money to purchase electricity, one at the weekend when it was not possible to purchase electricity.

'The way you have to pay for electricity is inhumane and degrading. There is no facility to top up if you run out when the caretaker is not here; most people here don't prioritise checking they have enough electric! They don't check the electric meter reading to see when they are about to run out.'

Residents are not clear if there is any system in place for accessing emergency tokens out of the caretakers normal working hours, but one resident reported he had never been able to access them.

The existing system is costly for residents, increasing their risk of fuel poverty. Three residents asked interviewers to look into how much they were charged for electricity.

[9] Kendal Court is not a place for children

During the survey period, there were two potentially vulnerable children in residence

with single mothers as the lone carer. Their homeless status warrants a Safeguarding alert.

To escape an abusive relationship, a young mother with a toddler was placed in KC with no other choice offered. She feels unsafe and is anxious about other residents' activity and noise at night. She has witnessed several distressing events KC with the current mix of residents. There are no facilities for children and she has concerns with winter approaching. She works 2 days in Brighton and is unaware of local children's services in Newhaven or of local health visitors, though is registered with a local GP. She is eager to be housed in Brighton where she has family support mechanisms.

'I'm scared to talk to people here...lots of verbal abuse.'

'This is not a suitable environment for children to be placed'

Two residents with children were vulnerable themselves due to their visible and complex health needs.

'I really don't feel safe. Most of the people who live here are single and some have behaviours which I am not comfortable to let my child be around. I don't like it!'

[10] A key worker or advocate located at Kendal Court

The survey conversations repeatedly indicated the need of some residents to secure better access to their existing services, or have additional support, in a timely and efficient manner.

Three residents expressed concerns about local drug and alcohol services, including how they could access services from KC. Two residents currently go to Brighton and one to Eastbourne for their support.

Moving out of their area, residents were sometimes unclear who, when or where their support would come from. Three residents indicated they had a key worker who coordinated their support. An additional four residents asked interviewers for help in getting further support.

'somebody to help me such as a social worker'

[11] Emergency Contact

Residents said they want access to someone in an emergency when the caretaker is not on site. If something goes wrong out of hours, they have no one to contact in an emergency.

'If you call the BHCC number out of hours, they tell you that they have no access to keys to the building and the caretaker does not answer calls outside of 9 –5 on weekdays.'

Even when the caretaker is available, he is not trained as a support worker to deal with residents with complex health and social support needs. The caretaker takes high levels of responsibility and in doing so is taking personal risks.

[13] Improve the reputation of KC as a ‘dumping ground’.

There is a sense from some residents that individuals are dumped at KC and forgotten. The four deaths at KC over the year was mentioned by most residents interviewed.

One resident indicated that during a subsequent council inspection, a further body was allegedly discovered. This reinforced the reputation that you are forgotten at KC. He felt the removal of the deceased and clearing of the resident's flats by the authority was conducted insensitively and was degrading and disrespectful to the deceased and existing residents.

*‘Improve **welfare checks** on the residents in flats from the housing department. I was left quite traumatised in the summer being blamed for the presence of flies and a very unpleasant smell in the block. And it was only when a visitor lifted my vinyl flooring to find maggots from the decomposing body of a fellow resident in the room next door. Where was the care for that person?’ Who checked on him over the months? People are unsafe because they are isolated.’*

Another distressed vulnerable resident said he had little ‘official’ support. His mother lives in Brighton and does his washing. He spoke openly about ‘doing something stupid’ because of loss and isolation he is experiencing and his history of mental illness.

A very frail elderly gentlemen has been in KC over two years with no support services with evidence of severe self-neglect and vulnerable to potential financial abuse. He said he received no regular support and had not seen a GP for over four years. He wanted a social worker to help sort things out, including daily living. He stated he was lonely.

[14] Ensuring the suitability of the resident to Kendal Court.

There is evidence in residents' feedback that their care and support needs are considered prior to being offered a placement at Kendal Court. The suitability of the accommodation featured more positively in these cases..

We heard examples of where some residents have positive experiences living at Kendal Court. These were more able residents who are planning their next steps, developing relationships, securing access to the internet and are proactive about finding longer-term accommodation.

It was difficult to conclude that all individuals are consistently offered or have access to the right support services. Residents reported being placed without any or an inadequate assessment of need or support from a dedicated worker. Two residents had difficulties accessing their first-floor accommodation due to their mobility disabilities.

A resident with a physical disability and limited mobility had been at KC for well over 2 years. He said BHCC had sent information about other possible places, but none were suitable because of his disability. He felt he was wasting his time going to look at these places. He felt isolated and sometimes suicidal.

One resident reported that being placed at KC from Brighton now meant that they had difficulty providing support for their father who lived in a residential home in Portslade.

'Accommodation is not the problem, people are! e.g. drug addicts, needles lying around, 2 drug overdose deaths'

The survey identified unsupported marginalised individuals with multiple complex needs being co-located. At least three residents had drug and alcohol issues, with at least one being on methadone.

A resident described the situation as a *'ticking time bomb'*, arising from *'difficult geographical location and a toxic mix of residents'*.

Q17: How long residents had been at Kendal court	
less than 2 weeks	4
2-4 weeks	5
4-7 weeks	--
2-5 months	4
6-12 months	6
13-18 months	2
+2 years	2

Equality Monitoring Overview

Respondents were invited to provide some equality monitoring information at the end of their conversation. This information was voluntary and where responses were given these are shown in the tables below.

Are you?	
Male	12
Female	3
Total responses	15

Age Range	
25-34	4
35-44	4
45-54	1
55-64	2
65-74	0
75 and over	1
Total Responses	12

Ethnicity	
White British / White Irish	10
Indian	1
Black African / Caribbean	1
Total Responses	12

Are your day to day activities limited because of a health problem or disability as set out in the Equality Act 2010?	
Yes, a lot	8
Yes, a little	3
No	1
Total responses	12

Where responses were positive that a person did find their activities limited the following reasons were given.

Mental Health Condition	8
Physical Impairment	2
Sensory Impairment	1
Other (*)	1
(*) related to HIV & Dyslexia	

Observations

Duty of Care

The interviewers were selected because of their considerable experience with vulnerable people, including homeless individuals, in social and healthcare settings. Nevertheless, their observations of the wellbeing, mental health and everyday functioning of a significant number of residents was difficult and challenging.

During the survey conversations, unsolicited, some residents readily spoke of unmet needs and potential risk. As part of their Duty of Care, interviewers shared these disclosures with the ESCV survey manager and director.

Potential and actual safeguarding issues, for both children and adults, were apparent on most occasions KC was visited. These included self-harm, potential financial abuse and neglect. These residents needed to be more fully assessed for risk whilst at KC. Two appeared to have no link with key workers, agencies or family, increasing their vulnerability and risk.

Most unease involved residents who disclosed substance and alcohol misuse, multiple needs and mental illness. We interviewed two residents who are particularly isolated, vulnerable and who cannot self-refer. As a consequence, a small number of concerns were escalated to BHCC housing officer regarding specific residents or general issues. Assurances were sought that the relevant support services provided by BHCC were alerted to the situation.

Interestingly, interviewers noted that residents surveyed in December, the later cohort, appeared to have a more positive attitude to living in KC, were more eager to engage with interviewers [some requested to complete a telephone survey] and appeared to be more in control of their lives. This may be due to their recent arrival, the on-site familiarity and trust of the survey and interviewers, or changes to the way that residents are allocated to KC.

Caretaker

The caretaker was invaluable to interviewers. He offered the survey team helpful direction and valuable information about accessing residents for interviews.

Though untrained, his experience and close daily links means he acts as the go-between for BHCC housing and the residents. Though not his role, as a concerned citizen, he frequently alerts support services, including the police and ambulance, for the safety of the residents.

For many residents, especially new ones, he is the only contact that they had to helping them access their electricity, furniture and directions to secure food and other support. A frequent comment was the fact that a recognised and regular face on the site made residents feel safer and less isolated.

Living at Kendal Court

Overall, of the residents that responded, it appeared that there were an equal number of residents that were reasonably happy or unhappy to be living at KC. A number reported having positive experiences, especially where they had 'been on the street' previously. More experienced users of emergency housing and homelessness said they appreciated the individual privacy of their flats and not having to share facilities.

Interviewers observed at first hand that many flats were comfortable, reasonably furnished and were light, dry and warm. These were also the flats that were clean and well kept. Residents that reported they liked their flats were more likely to have made them homely. Where residents had been there for some time, all had a TV.

Satisfaction with KC did not necessarily correlate with whether residents were happy with their location out of Brighton. A young mother who desperately wanted to be in Brighton had made a comfortable home for her and her child in KC. She was 'sitting it out' to get rehoused in Brighton.

Although all of the residents in KC are vulnerable and in need of support by virtue of their placement in emergency housing by BHCC, many respondents indicated their life was made worse and more difficult by being placed at KC. These residents appeared to be long term users of a more complex mix of health and social care services plus charity and community support. Many are isolated from friends and family by being placed in Newhaven, sometimes leading to social isolation, deteriorating mental health and escalating their need for services.

Conclusions

Selection of Kendal Court residents

We heard residents who had positive experiences of living at Kendal Court. Many were glad to have moved to Newhaven and be out of Brighton. They saw Kendal Court as a 'new start' to organising their lives. Residents that reported a positive view were mainly individuals who organised themselves, could prioritise and self-managed their day to day routines.

A greater ratio of residents that would be better suited to living here may possibly reduce the problems and reputation of KC. Residents with a multiplicity of complex health and social care needs, particularly mental health, already have challenges that mean any placement would be difficult for them. Improved selection may well benefit residents, BHCC and the Newhaven community.

Isolation from support services and poor daily living facilities were more often mentioned as a failing, not the flats themselves.

Laundry facilities

Difficult access to laundry facilities is a major barrier to residents organising and regulating their lives. Having no facilities at KC or even in Newhaven mitigates the safe care aspired to and encouraged in most of this resident group. Virtually all residents felt being clean and dignified improves confidence and self-worth.

Out-of-Hours Contact

The lack of an out-of-hours emergency contact was a common concern for residents, the caretaker himself and interviewers.

Having a caretaker is a key component to the experience of those who were positive about living at KC. The present incumbent has no training or support for the role and position he often finds himself in.

Additional support whilst at Kendal Court

With the current mixed calibre of residents, additional support was reported consistently as being needed. A majority of residents wanted more holistic guidance and clear signposting to relevant services and additional support to attend meetings and appointments.

Information should be given to all new residents, and a copy on display in each flat and main stairway. This would include contact details for local services such as GPs, dentists, mental health, food bank, laundry facilities etc.

It may be safer and achieve better outcomes to have advocacy services available to support KC residents and for more vulnerable residents to be assigned a case worker. Vulnerable residents who have a key worker or support from friends and family networks appeared to have better experiences of living in Kendal Court; they are more resilient in coping with the travelling to and from Brighton to maintain access their preferred services and services only available there.

With difficult and expensive journeys to their fractured support services, living at KC often means there are more barriers to residents trying to manage their lives.

Safeguarding

Potential and actual Safeguarding issues were apparent on most occasions KC was visited by the experienced interviewers.

Inadequate assessment of needs and inappropriate placement of some residents mean they become vulnerable and at risk by their very allocation to KC.

To meet the multi-agency safeguarding expectations, it appears vulnerable residents should have a more robust appraisal of their care and support needs **prior** to considering a placement at KC.

Safety

Getting residents to participate in the survey was extremely difficult but not surprising in this client group. We believe some residents chose not to answer their door. Residents and interviewers consider spy holes and security chains on the doors would reduce a reluctance to answer callers and help residents feel safer in their flats at all times.

Acknowledgements

ESCV would like to acknowledge the support of all those concerned in producing this report. Most of all we would like to thank the residents of Kendal Court for sharing their personal experiences with us. We would like to thank ESCV volunteers and staff for their help with all aspects of this project.

The caretaker and owner of Kendal Court enabled us free access at all times and were indispensable to the smooth running of our interview schedule. Officers at BHCC helped facilitate our interview schedule with residents and Sussex Community Development Association helped us access some residents through their services in Newhaven.

Contact

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End

Subject:	Homeless Move on Accommodation		
Date of Meeting:	16 January 2019 24 January , 2019 – Policy, Resources & Growth Committee		
Report of:	Executive Director – Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Martin Reid	Tel: 01273 29 3321
	Email:	martin.reid@brighton-hove.gov.uk	
Ward(s) affected:	Patcham		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT**

- 1.1 A successful bid by the Council to Homes England has been made under the *Shared Ownership and Affordable Homes Programme (SOAHP) 2016-21* for the development of a move-on housing scheme to provide medium level support and settled accommodation for vulnerable households typically blocking high support accommodation places in the city.
- 1.2 The proposed scheme is aligned to the development of the former Hollingbury Library (as identified in site map and satellite photographs appended to this report) to comprise 13 self-contained one person units for use as move-on accommodation for those ready for intermediate support. We have a grant allocation identified of £750,000, payment subject to: acquisition; planning permission; start on site; completion. Under the proposed scheme the land will be appropriated for housing provision with the receipt ring-fenced to support the library service in line with the disposal that received consent at Policy Resources & Growth (PR&G) Committee on 9 June 2016.
- 1.3 The proposed scheme links to the City's Strategic Priorities to provide pathways to independence and ensure timely move on to independent accommodation for predominantly older people with complex needs making sure supported accommodation offers solutions appropriate to residents pledged in the Rough Sleeping Strategy 2016.
- 1.4 This report seeks approval for the proposed development and the appropriation of the land and buildings initially for planning purposes and once the development has been completed for housing purposes. The site is currently held within the General Fund. After the second appropriation, it will be held for Part II Housing Act 1985 purposes, (Provision of housing accommodation) and will be accounted for within the HRA. The transfer from the General Fund to the HRA will be at best consideration, with the proceeds ring-fenced to support the library service. A

further report on a final viable scheme will come forward to a future Housing & New Homes Committee and, Policy Resources & Growth Committee for approval following further consideration at Estate Regeneration Members Board.

2. RECOMMENDATIONS:

Housing & New Homes Committee

- 2.1 Agree that the proposed development brings forward supported move on housing.
- 2.2 Recommend that Policy, Resources & Growth Committee approve that the land comprising the former Hollingbury Library site is appropriated for planning purposes and that the Executive Director for Neighbourhoods, Communities & Housing be authorised to appropriate the site for housing once the development is complete.
- 2.3 Recommend that Policy, Resources & Growth Committee approve the transfer of the land & buildings at the former Hollingbury Library site from the General Fund to the Housing Revenue Account for £0.365m, being the best consideration reasonably obtainable.
- 2.4 Recommend the Policy, Resources & Growth Committee approve that the proceeds are ring-fenced to support the library service in line with the disposal that received consent at Policy Resources and Growth Committee on 9 June 2016.
- 2.5 Recommend the Policy, Resources & Growth Committee approve a budget of £0.365m financed by HRA borrowing and Homes England Funding to form part of the HRA capital programme for 2018/19.
- 2.6 Note that a further report on a final viable scheme will come forward to a future committee for approval.

Policy, Resources & Growth Committee agree

- 2.7 That the transfer of the land & buildings from the General Fund to the Housing Revenue Account for best consideration for housing provision at an independent valuation of £0.365m be approved.
- 2.8 That the land comprising the former Hollingbury Library site is appropriated for planning purposes.
- 2.9 That the Executive Director for Neighbourhoods, Communities & Housing be authorised to appropriate the site for housing once the development is complete.
- 2.10 That it be agreed that the proceeds are ring-fenced to support the library service in line with the disposal that received consent at Policy Resources and Growth Committee on 9 June 2016.

- 2.11 Approve a budget of £0.365m financed by HRA borrowing and Homes England Funding to form part of the HRA capital programme for 2018/19.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The vision of the 2016 City Rough Sleeper Strategy is to make sure no-one has the need to sleep rough in Brighton & Hove by 2020.
- 3.2 This proposed scheme formed a bid to Homes England through their Shared Ownership and Affordable Housing Programme 2016-21 (SOAHP). The funding was sought under 'Specialist housing for rent' as a scheme designed to meet the council's Rough Sleeper Strategy 2016 Priority 5 'Pathways to Independence – to support people sleeping rough into regaining their independence'. The bid proposed a specialist service to enable people who are making progress in their recovery journey, to move from high needs hostel accommodation into self-contained move on accommodation grouped in one scheme, with assessed support requirements funded by the council's Adult Social Care service.
- 3.3 Key factors for Homes England in assessing support for schemes are affordability and deliverability. While Homes England have some flexibility regarding changes to the scheme deliverability, the funds must achieve the final drawdown of final grant tranche by the programme end date of March 2021. If the scheme looks unlikely to go ahead then the grant investment risks being lost to the city.
- 3.4 Homes England have the right to request repayment of all the grant if it is not used for the purposes for which it is paid. If the scheme were to change use in the future, for example from supported housing to general needs housing, the council would be required to inform Homes England who would then decide if this requires the grant to be recycled or handed back.
- 3.5 The current proposals for the development will be the third site to be considered to utilise Homes England funding provided for this identified housing need. Housing & New Homes Committee have previously considered proposed use of the former housing officer at Oxford Street for conversion for supported move on accommodation for homeless people to be funded by an earlier application of this Homes England fund ('Homeless Change' grant funding). Conversion of Oxford Street into council owned Temporary Accommodation was the preferred option in that case. An earlier option of purchasing and converting another public sector building for this purpose, also to be funded by Homes England, did not proceed as the site was disposed of to another party.

Proposed scheme mix and service provision: Specialist housing for rent

- 3.6 Homes England have approved funding for a scheme of 13 one person flats. The financial appraisals reflect the proposed use of one flat on the site by the support provider for the provision of 'on site' support to mitigate anticipated resident concerns that may arise concerning potential gaps in support provision should a 'floating support' model be adopted. This can be easily adapted to suit the needs of the proposed service and also for any future uses. There are a number of

successful services operating across the city which are integrated into the community.

- 3.7 The Council's Health & Adult Social Care Commissioning Team will enter a competitive tender process to appoint a Service Provider to provide support and case coordination to residents within the service. Those entering the service will be single adults with support needs and a history of homelessness or rough sleeping. The proposed service will offer safe and secure accommodation to men and women who are recovering from homelessness and who require support. The individuals placed in the service will either be moving on from high support accommodation, because they no longer require this level of support or moving straight from rough sleeping. Referrals to the service will be accessed by an Allocations Panel to ensure that the residents needs are appropriate to the level of support being offered and that they will be able to manage their accommodation.
- 3.8 The supported move-on provision will offer a medium level of support and in the longer term enable people to move on from this service into low support or independent accommodation. It is proposed that the service will be staffed during office hours and will offer an on call service over night for emergencies.
- 3.9 The Service Provider will be commissioned to provide support tailored to the individual service user and to work with partners to ensure the effective communication and co-ordination of this support. The aim of the service will be to enable service users to make empowered and positive choices about their future including involvement in local activities ensuring that the service contributes to the community in a positive way. As individuals recover from homelessness it is our aim to support them to develop the skills to live independently within a community, to manage a home and a tenancy.
- 3.10 As part of the tender process the Service Provider will be evaluated on their experience of managing supported accommodation and their experience of working with local communities. The Service Provider will be expected to link in with the local community ensuring that residents are aware of communication channels should they have any concerns.
- 3.11 This proposed specialist service is to enable people who are making progress in their recovery journey, to move from high support accommodation services into self-contained move-on accommodation grouped in one scheme, with support funded by the council's Health & Adult Social Care Commissioning Service. Health & Adult Social Care have allocated £0.150m from 2019/20 to the specialised supported move-on provision as outlined in the report. This 13 unit scheme will have a positive impact on rough sleeping freeing up desperately needed places in high support accommodation and taking individuals straight from the streets where appropriate.
- 3.12 The flats have been designed as self-contained accommodation, so that in the future they may be let to households on the Housing Register who require permanent accommodation which is in high demand.

- 3.13 The final scheme will look to ensure that any costs to the HRA will be offset by income from the properties.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The alternative options for use of the site include disposal for open market sale or development of the site as council general needs accommodation. Neither of these options would attract the Homes England grant funding. Also, neither would achieve the strategic objective to provide pathways to independence and ensure timely move on to independent accommodation for predominantly older people with complex needs making sure supported accommodation offers solutions appropriate to residents pledged in the Rough Sleeping Strategy 2016.
- 4.2 Financial Services have undertaken some early viability modelling to ensure that if the appropriation of land is approved a viable scheme can be bought back via Estate Regeneration Board to Housing & New Homes Committee at a later date. This modelling has been based on high level scheme costs received from the council's Quantity Surveyor and assumptions about the running costs and expenditure associated with delivering a scheme outlined in the main report. If the appropriation of land is approved value engineering of these costs will be undertaken, as with all projects of this nature, to ensure value for money is achieved.
- 4.3 The options for the homeless move-on project are for the HRA to manage the property with the care provision being commissioned by Adult Social Care or for the HRA to lease the building to the service provider on a short term lease, where the management, maintenance and repairs are provided by the service provider. Under both options the building will revert back to the HRA to use as affordable housing. Results from the modelling at this stage suggest use as Temporary accommodation will not support a viable project. Any change of use at a later date could result in the repayment of some or all of the grant and will need Homes England's prior written approval. This is likely to depend on the timescales involved. Work is still required by officers to ensure that the option pursued is suitable for Housing, Adult Social Care and the housing support service provider.
- 4.4 A further report on a final viable scheme will come forward to a future Housing & New Homes Committee and, Policy Resources & Growth Committee for approval following further consideration at Estate Regeneration Members Board.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 In addition to the community being consulted in the usual manner on proposals through the Planning process we would propose to adopt the same principles of extensive resident consultation as utilised under our New Homes for Neighbourhoods programme.

6. CONCLUSION

- 6.1 The proposals reflect the Council's Rough Sleeper Strategy priorities. In particular the objective to remodel and re-commission supported accommodation for homeless people with support needs. It is therefore recommended that they are pursued.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The report recommends the purchase of this site by the Housing Revenue Account (HRA) and outlines that the priority for this site is to deliver a homeless move-on scheme. Based on the high level financial appraisals carried out to date there are two options which have been considered which both currently deliver a viable move-on scheme. Continued value engineering of the costs will be undertaken alongside updated financial appraisals to ensure that value for money is achieved at each stage of the project.
- 7.2 The Market Value of the site has been confirmed as £0.365m by GVA (independent external valuers). This capital receipt is ring-fenced for the Library Service for re-investment into improving the service delivery as approved by PR&G on 9 June 2016. Forecasts at month 7 are that the General Fund will receive the capital receipt by the end of 2018/19 and approval of recommendations 2.2 and 2.6 will enable this to happen. Grant conditions stipulate that upon acquisition of the land, 40% of the grant would be released towards the cost of the acquisition, with further instalments paid at start on site and practical completion which is Homes England standard practice.
- 7.3 If approved, the budget of £0.365m would form part of the 2018/19 HRA Capital programme, funded by the grant funding received and HRA borrowing. This forms part of the total scheme costs and any future budget requests will be exclusive of this amount.
- 7.4 The grant funding from Homes England is predicated on a move-on supported housing scheme. The grant funding of £0.750m relates to the proposal for 13 units of accommodation so any changes to the number of units in the final scheme will affect the level of grant funding. The council have until March 2021 to complete the build of the scheme in order to receive the full grant allocation. If this deadline is not met, there is a risk that the grant already received will need to be repaid and any future instalments will be forgone. Homes England will then look to reallocate it to another Local Authority. Therefore, any delays in appropriation of the land could significantly impact on the scheme getting planning approval and subsequently starting on site.
- 7.5 Health & Adult Social Care have allocated a budget of £0.150m for 2019/20 to the specialised supported move-on provision as outlined in the report. At this stage the same level of budget is anticipated for future years of the new commission, however this will be subject to council's annual budget setting process.

- 7.6 If the scheme were not to progress as homeless move-on accommodation then other delivery options will need to be pursued, for example, delivery of a project through the New Homes for Neighbourhood Programme and will need to be reported back to committee for approval. Early financial modelling suggests that an affordable housing scheme for this site would be viable, although Homes England grant funding would no longer apply.
- 7.7 Detailed proposals for a final viable move-on scheme will be reported through a future Estate Regeneration Member Board, Housing & New Homes Committee and Policy Resources & Growth Committee.

*Finance Officer Consulted: Monica Brooks
2019*

Date: 3rd January

Legal Implications:

- 7.8 Land appropriation for the purposes of this report means transferring the use of land from one purpose to another. Under S122 of the Local Government Act 1972, the council has the power to appropriate land for planning purposes. Under Section 203 of the Housing and Planning Act 2016 where land is held for planning purposes and work is done in accordance with planning permission, third party rights are overridden. The benefit of appropriating this site for planning purposes is to protect the council from the risk of the development process being stopped once it has started. The rights of third parties whose private interests may be affected by development are protected to the extent that they have a right to compensation. The appropriation for planning purposes will take place immediately Policy Resources and Growth Committee approve the recommendation at paragraph 2.8. Once the site has been developed, the council will need to appropriate the site for housing purposes and it is therefore proposed that the Executive Director Economy, Environment & Culture be authorised to effect the second appropriation by the execution of an "Appropriation Memo".
- 7.9 The letting arrangements under which the 13 self-contained units are occupied will need to be carefully drawn up to ensure that the occupiers do not acquire security of tenure and can be moved on at an appropriate time.

Lawyer Consulted: Liz Woodley

Date: 31/12/18

Equalities Implications:

- 7.10 The delivery of the scheme supports the delivery of both the city's Housing Strategy and Rough Sleeping Strategy creating an opportunity to provide move on accommodation to vulnerable households in the city. This will also have a positive impact on rough sleeping freeing up desperately needed places in high support accommodation.

Sustainability Implications:

- 7.11 The homes delivered will be built to high sustainability and energy efficiency standards, including photo voltaic panels on roofs where feasible.

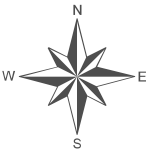
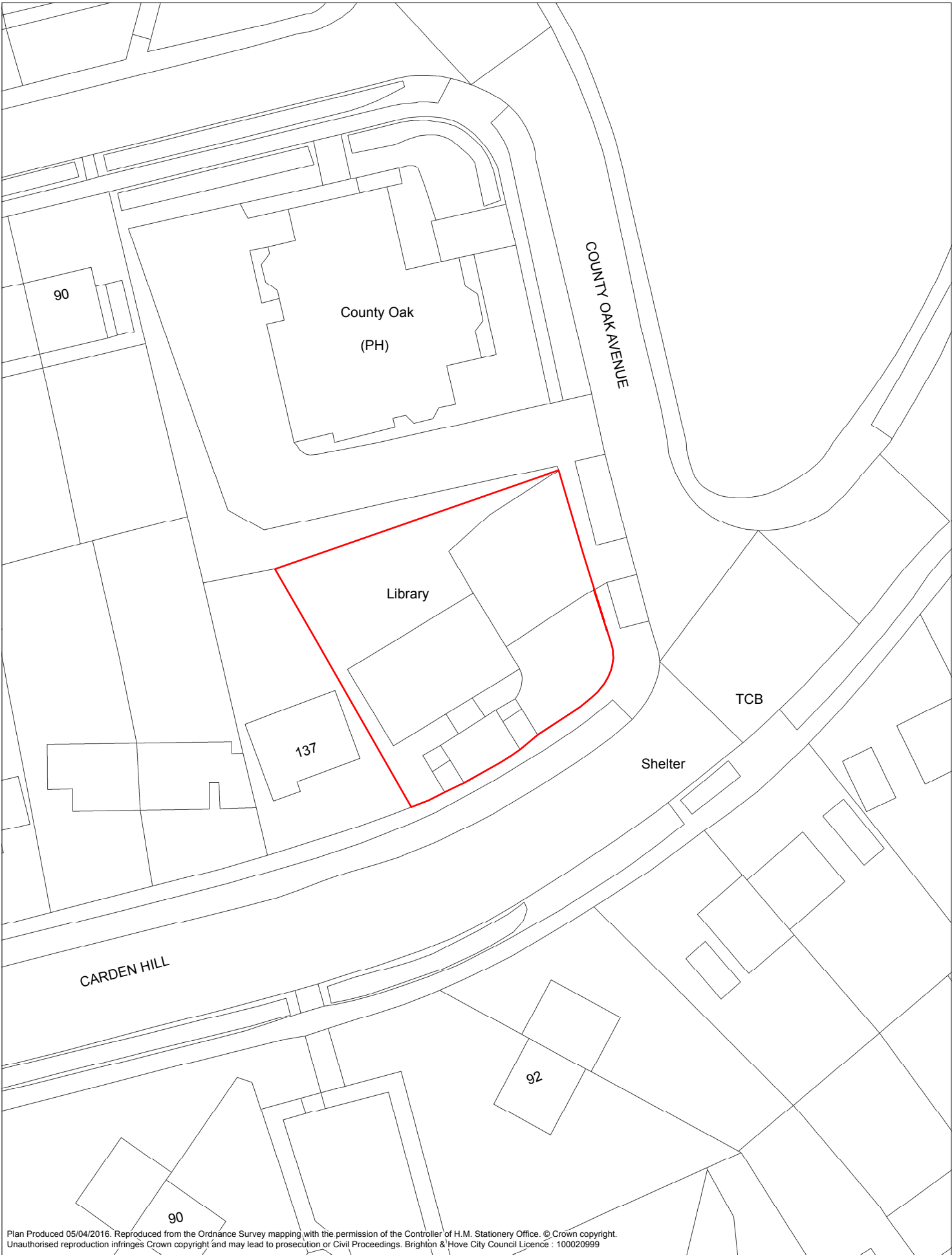
Any Other Significant Implications:

- 7.12 None identified

SUPPORTING DOCUMENTATION

Appendices:

1. Site Map
2. Site Photograph





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Subject:	Proposal for Environmental Improvement Budget		
Date of Meeting:	16 January 2018		
Report of:	Executive Director for Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Ododo Dafe	Tel: 01273 293201
	Email:	ododo.dafe@brighton-hove.gov.uk	
Ward(s) affected:	(All Wards);		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report provides further detail on the Housing Revenue Account Environmental Improvement Budget proposed in a report to Housing & New Homes Committee on 14 November 2018.
- 1.2 The suggested environmental improvement budget will enable the council to respond in an effective and speedy manner to aspects within communal areas. This will positively influence residents' satisfaction with their neighbourhood as a place to live.

2. RECOMMENDATIONS:

- 2.1 That the Committee agrees that the sum of £0.500m is proposed as part of the HRA Budget and Capital Investment Programme 2019/20 to be approved by Policy, Resources & Growth Committee (PR&G) for improvements to communal areas.
- 2.2 That the Committee agrees that the budget allocated in paragraph 2.1 is committed for a minimum period of three years, subject to the relevant approval by PR&G.
- 2.3 That the Committee agrees that the fair geographical distribution of the budget is best considered in the context of needs arising on estates, as is the case with other repairs budgets.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 It is the aim of the city council to provide excellent homes and landlord services that residents can be proud of. While overall tenant satisfaction levels compare well with other landlords, for the first time since the national surveys began in 2008, satisfaction with their area as a place to live went down in tenants estimation. This placed the city council within the second 25%, or the second

quartile, of local authorities rather than the top 25% as had previously been the case. In addition, residents and councillors in a number of areas have expressed a desire for the council to have a speedy and effective response to addressing some communal area issues that require attention.

- 3.2 One of the five aims of the government's social housing green paper is to tackle stigma – making sure that social housing residents feel at home in their neighbourhoods, and that they do not see their home simply as a place to live. While there are a range of factors that relate to stigma, some residents have reported that their communal areas can feel neglected and that they would like to have an enhanced sense of pride of their shared spaces.

3.3 Types of activities for potential spend

Through a range of fora, residents have expressed a desire for enhanced work to communal areas. The types of work that has been mentioned to date are shown in the box below. Some work may already be on a programme, for example internal way decorations, and some require a dedicated programme if the spread were to be comprehensive - eg requests for CCTV on certain parts of the estates.

Tenants' suggestions for potential activity areas for estates	
1. Accessibility around our blocks – eg ramps, handrails, level access entrances	16. Graffiti
2. Benches and places for people to come together	17. Grounds maintenance – ie grass verges, grass cutting, hedges, planting (contract review)
3. Car parking areas - eg resurfacing	18. Grounds maintenance – grey areas ie weeding alleyways, pavement on roads, hedges on roads
4. CCTV – eg for dustbin areas	19. Internal block decorations
5. Coal bunkers/outside storage – change use of redundant stores	20. Internal block flooring surfaces
6. Community rooms and community buildings	21. Laundry facilities, laundry rooms
7. Cycle parking and/or storage	22. Planting - eg boxed flower beds to prevent parking on grass verges; wild flower planting on sloping verges
8. Drying rooms within blocks	23. Play areas
9. Drying areas and lines - outside	24. Rubbish - bulk items
10. Estate cleaning - eg litter on paths; window cleaning in blocks, carpet cleaning	25. Rubbish disposal - storage areas for general household

11. Fencing - houses, roads	waste
12. Fencing – communal areas	26. Recycling - better facilities, larger bins, covered storage areas
13. Flytipping	27. Removing old trailing cables from blocks – eg Rediffusion cables
14. Garage sites	28. Scooter stores
15. Gardening – eg getting a professional experienced gardener to help tenants work on one house together to motivate community action on a few gardens in a street	29. Seniors housing communal rooms
	30. Trees - especially in tenants gardens

3.4 Decision-making and consultation

There is considerable information already known about some of the issues residents are wanting to see action on. In such cases the council would seek to remove obstacles preventing progress, and proceed with matters. There will also be cases where effective initial or follow-up consultation will need to be carried out. This might be in relation to play areas, as an example, to ascertain whether there is still a demographic need for the facility and whether it is positioned in the most appropriate place to minimise potential antisocial behaviour. A balance will sought to be struck here between being responsive and agile, while making sure that residents are involved in the delivery of improvements they would like to see.

3.5 Fair distribution of spend

A scientific approach to ensure an even distribution across all housing estates will prove very difficult to do, and has the potential for being equitable, but not being strategic or responsive. A more pragmatic approach discussed with some residents is one that takes into account any criteria for spend and, importantly, is decided upon against a known and clearly visible need for that particular estate. An example might be where councillors and staff are very much aware of a seniors housing scheme with no association, where perhaps the communal chairs are past their best, or where residents would benefit from soft furnishings.

3.6 Distinction between the budget proposed in this report and the Estate Development Budget (EDB)

The environmental improvements or communal area budget can be seen as being distinct from EDB because it will be spent on areas the council, as a good landlord, needs to take action on or progress on estates – ie in order to demonstrate landlord responsibility and attention. EDB will continue to be spent on tenant's wishes.

3.7 Ensuring tenants are the main beneficiaries of the budget spend

Oversight of individual requests for spend will be in line with government financial guidance on the use of the Housing Revenue Account.

3.8 Lifeline of the budget

It is anticipated that a minimum period of three years will enable some main areas of activity to have a reach across the city. Within this time, it is possible that a collaborative approach with residents to develop a strategy for estates that dovetails with or stands separately from an asset management strategy could be developed.

3.9 Monitoring and reporting

Residents groups, and residents generally will be kept up to date with progress on activities on their estates in the moment, and more widely through social media and through each edition of *Homing In* carrying updated information on a 'You said, we did' sort of basis. Ward councillors and committee members will also receive updates, transparently showing where tenants across the city have been delighted with the changes made.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Some of the considerations that support the recommendation for a dedicated budget to address communal area concerns are:-

- To increase tenant satisfaction with 'neighbourhood as a place to live'
- Resident feedback from recent survey on the future of repairs service expressed a desire to have more focus on communal areas of estates
- Tenant concern that areas without resident associations have high levels of communal area need yet receive less landlord attention
- The awareness that while the Estate Development Budget has met some particular need in some areas, it is not the most suitable vehicle for achieving strategic improvements, especially where they are most needed
- Increasingly tenants' groups are wishing to be informal, if they desire forming a group at all, and are therefore unable to vote on the estate development budget, even though they can bid.
- Feeling among tenants that despite EDB changes, funds are distributed inequitably
- Resident, councillor and officer desire to improve the appearance of several estates

4.2 Queries or concerns that have been expressed at, for example, Area Panels and at the Home Service Improvement Group have included whether the budget lifeline will endure over years; how decisions for spend will be made; how distinction will be drawn between the budget proposed in this report and EDB; and how it will be ensured that council tenants are the main beneficiaries of any spend. These matters are addressed under subheadings in Section 3 above.

- 4.3 An option of not introducing any change, and instead seeking to find monies from small underspent budgets as situations arose was considered. However, this option would not suitably address tenant frustration with limited actions arising from estate inspections, would not provide residents with the proactive and speedy landlord service they desire, would lead to reputational damage from some unkempt estates, and could lead to feelings of stigma attached to council housing in the city.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The winter edition of Homing In carries a question for residents, seeking feedback on action they would like to see taken in their communal area. This method will enable all residents including those in areas with no resident association to be involved, responding by phone or email. Residents will also be asked if they would like to participate in a focus group.
- 5.2 The 'Home' Service Improvement Group has expressed some interest in consideration being given to window cleaning, and communal area carpet cleaning - where they exist. It was also minded that depending on the extent of resident needs and desires, it was likely that some work might need to be considered as part of a contract.
- 5.3 Consultation with new tenants found that the main communal area or neighbourhood improvements they would like to see are waste and recycling, flooring and decorating of shared areas, fencing, car parking and garages, landscaping and play areas.
- 5.4 Recent consultation with over 1,000 residents on the new arrangements for the repairs and maintenance service from 2020, showed that many residents are concerned with the condition of estates, as opposed to individual properties, and would like to see the delivery of improved communal area programmes.

6. CONCLUSION

- 6.1 The key reason for the proposal for a dedicated budget for environmental or communal area improvements is because there is a need to demonstrate care for and to lift the public areas of the city's council estates. It would further increase resident pride, and would potentially increase voluntary and collaborative activity on estates which can help to reduce social isolation

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The draft Housing Revenue Account Budget report elsewhere on this agenda includes proposals of £0.500m for environmental improvements. £0.100m is included as a new revenue budget and £0.400m in the capital programme,

funded by a revenue contribution to the capital programme. This reflects the current assessment of the mix of spend required but funding of budgets can be moved in-year should the mix of spend change.

This investment still enables the HRA to achieve a balanced budget meaning that HRA income meets expenditure and that the HRA is consequently viable.

Finance Officer Consulted: Monica Brooks

Date: 10/12/18

Legal Implications:

- 7.2 Expenditure in respect of the repair and maintenance of houses and other accommodation accounted for in the Housing Revenue Account (HRA) is properly chargeable to that account. Most of the tenants' suggestions in paragraph 3.3 of the report clearly fall within the heading of repair or maintenance. Department of Environment Circular 8/95 gives advice about the operation of the HRA in relation to other items which are not so clearly linked to the council's housing function. These include play and other recreational areas, grassed areas and gardens and community centres. The Circular advises that in such cases, "it is for the authority to form their own judgement about whether provision is proper under Part II of the Housing Act 1985 and the extent to which the costs should be charged to the HRA. Much will depend upon local circumstances. Among the issues to be considered are the purpose of provision and the use made of the facilities by tenants and other people. There can only be a charge to the HRA where the amenities are provided and maintained in connection with Part II housing accommodation. Where an amenity is shared by the community as a whole, the authority must have regard to paragraph 3 of Part III of Schedule 4 to the 1989 Act. This requires a contribution to be made from the General Fund to the HRA reflecting the general community's share of the amenity." As mentioned in paragraph 3.7 of the report, officers will have regard to government guidance, including this Circular, in processing requests for spend.

Lawyer Consulted:

Liz Woodley

Date: 24/12/18

Equalities Implications:

- 7.3 The investment proposed within this report will enable the council to ensure equitable access for all residents to communal area improvements, irrespective of whether residents form part of a tenant or resident association.

Sustainability Implications:

- 7.4 There are no sustainability implications arising directly from this report.

Crime & Disorder Implications:

- 7.5 The council's duty to prevent crime and disorder is supported by this proposal. Well-kept areas are less likely to suffer the effects of anti-social behaviour, and an increase in resident pride is potentially followed by an increase in neighbourliness.

Risk and Opportunity Management Implications:

- 7.6 The potential risks of not progressing with the proposal of this report is that some estates continue to receive patchy attention and that residents, councillors and officers continue to experience some frustration. However this would be mitigated by looking to use potential budget underspends effectively.

The potential risk of upsetting people because an immediate initial impact is not seen on their estate will be mitigated through regular updates to residents through Homing In and the council's website about what work is happening in the various locations and what future work or projects are planned.

Public Health Implications:

- 7.7 None arising directly from this report.

Corporate / Citywide Implications:

- 7.8 None arising directly from this report.

Any Other Significant Implications:

- 7.9 None arising directly from this report.

SUPPORTING DOCUMENTATION

Appendices: None

Documents in Members' Rooms: None

Background Documents

1. Housing & New Homes Committee report 'Proposal for environmental improvement budget - Housing Revenue Account' 14 November 2018

HOUSING & NEW HOMES COMMITTEE	Agenda Item 57
	Brighton & Hove City Council

Subject:	Housing Management Performance Report Quarter 2 2018/19		
Date of Meeting:	16 January 2019		
Report of:	Executive Director Neighbourhoods Communities & Housing		
Contact Officer:	Name:	Ododo Dafé	Tel: 01273 293201
	Email:	ododo.dafe@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The housing management performance report covers Quarter 2 of the financial year 2018/19. The report is attached as Appendix 1 and notable results include:
- **Rent collection and current arrears** – 98.31% of rent collected.
 - **Customer services and complaints** – 73% of complaints were responded to within 10 working days, with 10% escalated to stage two.
 - **Empty home turnaround time** – 138 homes re-let in an average of 25 days (or 47 days including time spent in major works).
 - **Repairs and maintenance** – 97% of appointments were kept and routine repairs took an average of 14 days to complete
 - **Estates service** – 99% of inspected cleaning tasks and mobile warden jobs passed their quality checks.
 - **Anti-social behaviour** – 88% of people surveyed were satisfied with the way their anti-social behaviour complaint was dealt with.
 - **Tenancy management** – 23 people helped to keep their tenancies which were at risk and eight properties returned to stock due to housing fraud.
 - **Seniors housing** – 96% of residents have had their annual review.

2. RECOMMENDATIONS:

- 2.1 That the Housing & New Homes Committee notes and comments upon the report.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The report continues the use of the 'RAG' rating system of red, amber and green traffic light symbols to provide an indication of performance, and also trend arrows to provide an indication of movement from the previous quarter.

4. COMMUNITY ENGAGEMENT AND CONSULTATION:

- 4.1 A draft version of this report went to Area Panels in November and December 2018. As a result of resident feedback, the table in section 4.23 has been amended to include the numbers of council and leasehold dwellings affected by major projects. Information has also been requested about the estimated cost of major works projects for leaseholders, which will be provided in the Quarter 3 2018/19 report.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The area of performance with the most significant financial impact is the ability to collect rents from tenants. The report shows that during the second quarter of 2018/19 the amount of rent forecast to be collected has reduced by 0.25% when compared to the last quarter. Closer analysis of this position indicates that this increase in arrears is mainly due to the effects of tenants transferring from Housing Benefit to Universal Credit. The Income Management Team is undertaking targeted work with tenants who are transferring to Universal Credit, and the 2019/20 HRA budget proposals allow for 2 full time equivalent (FTE) posts to assist tenants into work and learning in light of the changes to the welfare benefits system. The HRA budget for 2018/19 already includes an increased level of contribution to the bad debt provision to take account of any possible debts arising from Universal Credit. This is monitored as part of the Targeted Budget Management process throughout the year.

Finance Officer Consulted: Monica Brooks

Date: 19/12/18

Legal Implications:

- 5.2 There are no legal implications to draw to Members' attention arising from this regular performance report.

Lawyer Consulted: Liz Woodley

Date: 06/12/18

Equalities Implications:

- 5.3 There are no direct equalities implications arising from this report.

Sustainability Implications:

- 5.4 There are no direct sustainability implications arising from this report.

Crime & Disorder Implications:

- 5.5 There are no direct crime and disorder implications arising from this report. Cases of anti-social behaviour involving criminal activity are worked on in partnership with the Police and other appropriate agencies.

Risk and Opportunity Management Implications:

- 5.6 There are no direct risk and opportunity implications arising from this report.

Public Health Implications:

- 5.7 There are no direct public health implications arising from this report.

Corporate or Citywide Implications:

- 5.8 There are no direct corporate or city wide implications arising from this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1. Housing Management Performance Report Quarter 2 2018/19

Housing Management Performance Report

Quarter 2 2018/19

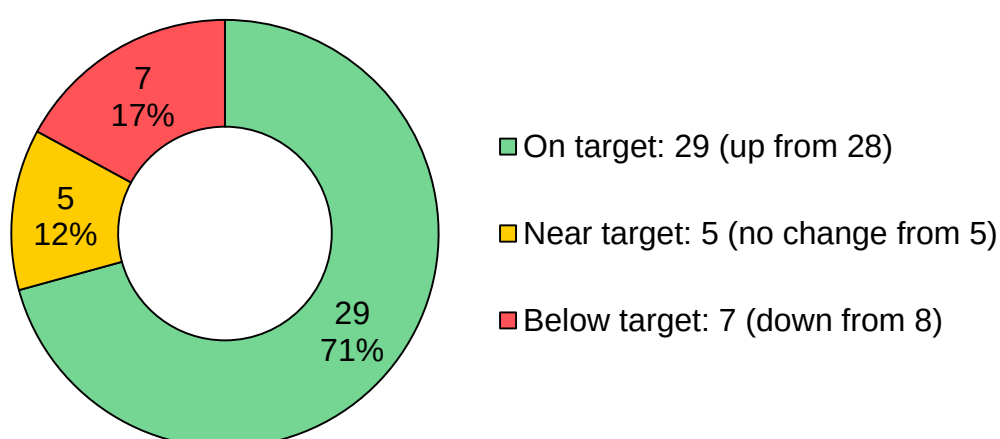
This housing management performance report covers Quarter 2 of the financial year 2018/19. It uses the 'RAG' rating system of red, amber and green traffic light symbols to provide an indication of performance, and also trend arrows to provide an indication of movement from the previous quarter.

Status		Trend	
	Performance is below target (red)		Poorer than previous reporting period
	Performance is close to achieving target, but in need of improvement (amber)		Same as previous reporting period
	Performance is on or above target (green)		Improvement on previous reporting period

Comments on performance are given for indicators which are near or below target. A total of 41 performance indicators are measured against a target for this quarter:

- 29 are on target (of which 23 were on target, 3 near and 3 below target last quarter)
- 5 are near target (3 were on target and 2 were near target)
- 7 are below target (2 were on target and 5 were below target).

Status of performance indicators



In terms of movement since the previous quarter:

- 19 have improved (of which 15 are on target, 1 is near target and 3 are below target)
- 9 are the same (8 are on target and 1 is near target)
- 13 have declined (6 are on target, 3 are near target and 4 are below target).

As more indicators have improved (46%) rather than declined (32%), overall performance is up since the last quarter.

1. Rent collection and current arrears

The first four indicators in the table below give end of year forecasts and the latter two give cumulative year to date results. Results for Quarter 4 will therefore also be for the whole financial year.

 Rent collection and current arrears indicators		Target 2018/19	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
1.1	Current tenants' rent collected as proportion of rent due for the year	98.00%	98.56% (£49.9m of £50.7m)	98.31% (£50.1m of £50.9m)		
1.2	Former tenant arrears collected	25%	36.99% (£221k of £598k)	24.87% (£152k of £610k)		
1.3	Rechargeable debt collected	20%	4.35% (£5k of £113k)	4.72% (£5k of £111k)		
1.4	Rent loss due to empty dwellings*	Under 1%	0.84% (£422k of £50.4m)	0.78% (£397k of £50.6m)		
1.5	Tenants served a Notice of Seeking Possession	For info	155	289	n/a	n/a
1.6	Tenants evicted because of rent arrears	For info	0	0	n/a	n/a

*The total rent for this indicator (£50.6m) is lower compared to the total for current tenants' rent collection (£50.9m) because it excludes arrears brought forward from the previous year (£0.7m) but includes uncollectable rent lost from empty properties (£0.4m).

How we are using this information to improve services – Rent collection and current arrears

Two indicators are below or near target:

Former tenant arrears collected – target 25%

The forecast collection rate for 2018/19 is slightly off target as of Quarter 2 (by 0.13%) and has decreased compared to the forecast from Quarter 1 (from 36.99% to 24.87%). Performance has been impacted by a number of vacancies in the team and the need to concentrate current resources on tenants affected by Universal Credit. To improve performance, a further round of recruitment will commence in the new year.

Rechargeable debt collected – target 20%

The forecast collection rate for 2018/19 currently stands at 4.72% and is below target, which is slightly better than the forecast from the previous quarter. To improve performance, the Income Management team have recently completed a review of recharges which will mean improved resources for collecting rechargeable debt. Like with former tenant arrears, performance has also been impacted by vacancies and Universal Credit.

 Welfare reform information		Q1 2018/19	Q2 2018/19
1.7	Universal Credit – affected tenants	699 (6.1% of tenants)	819 (7.1% of tenants)
1.8	Universal Credit – arrears of affected tenants	£260k (35% of total arrears)	£367k (41% of total arrears)
1.9	Removal of the Spare Room Subsidy – affected tenants (under occupiers)	574 (5%)	557 (5%)
1.10	Under occupiers – arrears of affected tenants	£57k (8%)	£62k (7%)
1.11	Benefit Cap – affected tenants	49 (0.4%)	48 (0.4%)
1.12	Benefit Cap – arrears of affected tenants	£4k (0.5%)	£6k (0.7%)
1.13	Total current tenants	11,433	11,465
1.14	Total current tenant arrears	£751k	£892k

1.15 Area breakdown of rent collected

The Quarter 2 figures below are end of year forecasts.

Rent collection area	Q1 2018/19	Q2 2018/19
North (includes Seniors housing)	98.85% (£14.2m of £14.4m)	98.66% (£14.3m of £14.5m)
West	98.49% (£10.1m of £10.3m)	98.17% (£10.1m of £10.3m)
Central	98.26% (£8.9m of (£9.0m)	97.94% (£8.8m of (£9.0m)
East	98.52% (£16.7m of £17.0m)	98.27% (£16.8m of £17.1m)
All areas	98.56% (£49.9m of £50.7m)	98.31% (£50.1m of £50.9m)

1.16 Tenants in arrears by amount

All figures in the table below are end of quarter results.

Amount of arrears	Q1 2018/19	Q2 2018/19
No arrears	79% (9,060)	79% (9,094)
Any arrears	21% (2,373)	21% (2,371)
... £0.01 to £99.99	8% (971)	8% (902)
... £100 to £499.99	9% (988)	8% (946)
... £500 and above	4% (414)	5% (523)
Total tenants	11,433	11,465

2. Customer services and complaints

All indicators in the table below give quarterly results.

 Customer services and complaints indicators		Target 2018/19	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
2.1	Calls answered by Housing Customer Services Team (HCST)	90%	94% (9,248 of 9,817)	85% (7,974 of 9,386)		
2.2	Stage one complaints responded to within 10 working days	80%	70% (80 of 114)	73% (77 of 105)		
2.3	Stage one complaints upheld	For info	38% (43 of 114)	45% (47 of 105)	n/a	n/a
2.4	Stage one complaints escalated to stage two	10%	16% (18 of 114)	10% (11 of 105)		
2.5	Stage two complaints upheld	18% or under	28% (5 of 18)	9% (1 of 11)		
2.6	Housing Ombudsman Complaints upheld (year to date)	For info	0% (0 of 1)	None	n/a	n/a

How we are using this information to improve services – Customer services and complaints

Two indicators are below or near target:

Calls answered by Housing Customer Services Team (HCST)

The rate of calls answered has decreased compared to the previous quarter, from 94% to 85%. This is expected because HCST have been focusing more resources on other customer contact channels (eg answering emails more quickly) in line with changes at a Council-wide level. This took some adjusting to, and call waiting times increased to 107 seconds in July before improving to 69 by September. In addition to the 7,974 external calls dealt with by HCST during Quarter 2, the team also dealt with 3,230 emails and 2,459 reception queries.

On a typical working day there are three full-time equivalent staff taking phone calls, four working on receptions and two answering emails. The team are also responsible for a range of other functions such as taking action when tenants don't give access (to the contractor) for gas safety checks and processing requests for adaptations, alterations, car parking spaces and garages.

Stage one complaints responded to within 10 working days – target 80%

Performance remains below target but has slightly improved, from 70% to 73% since the previous quarter. These response times are for a full stage one response and do not include holding replies. To improve performance, managers who respond to complaints have been advised to seek more input from colleagues, as this can be quicker than trying to respond by oneself.

Two other indicators are back on target:

- Stage one complaints escalated to stage two
- Stage two complaints upheld.

3. Empty home turnaround time and mutual exchanges

All indicators in the table below give quarterly results, except for the last one which is end quarter.

 Empty home turnaround time and mutual exchange indicators		Target 2018/19	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
3.1	Average re-let time, excluding time spent in major works (calendar days)	21	21 (147 lets)	25 (138 lets)		
3.2	... as above for general needs properties	For info	16 (114 lets)	18 (103 lets)	n/a	n/a
3.3	... as above for Seniors housing properties	For info	41 (33 lets)	57 (25 lets)	n/a	n/a
3.4	Average 'key to key' empty period, including time spent in major works and time being re-let (calendar days)	For info	56 (147 lets)	47 (138 lets)	n/a	n/a
3.5	New build properties let (for first time)	For info	30	38	n/a	n/a
3.6	Mutual exchange decisions made within 42 calendar days	100%	100% (30 of 30)	100% (50 of 50)		
3.7	Total empty dwellings at end quarter (general needs and Seniors)*	For info	104	70	n/a	n/a

*Total stock is 11,547 of which 11,465 are let, 70 are empty and 12 are leased to housing associations.

How we are using this information to improve services – Empty home turnaround time and mutual exchanges

One indicator is below target:

Average re-let time, excluding time spent in major works – target 21 days

Performance has slipped below target since the previous quarter, with the average re-let time increasing from 21 to 25 calendar days. This was driven by an increase in the Seniors re-let time, which in turn was affected by a handful of properties skewing the result – these were especially difficult to let because they were small studio flats which didn't attract many applicants through Homemove. To improve performance, we will analyse demand for Seniors housing in more detail (eg to identify applicants who may be interested but are not aware they can apply for it).

The Re-Housing team have also been dealing with a larger workload than usual, because in addition to re-lets they have also been letting new build properties for the first time, so overall lettings are higher than usual for this time of year – there have been 181 lets in total during Quarter 2 compared to 140 during the same quarter last year. The quarterly number of lets has averaged 152 over the past five years.

3.7. Long term empty dwellings by ward (empty six weeks or more as of 1 October 2018)

Ward name (excludes those with no long term empty properties)	No. dwellings	Average days empty	Range of days empty	Average rent loss*	Total rent loss*	Comment
East Brighton	3	53	44-58	£585	£1.8k	1 seniors flat ready to let; 1 seniors flat in major works; 1 flat ready to let (all 3 are now let).
Goldsmid	1	79	79-79	£849	£849	1 flat ready to let (now let).
Hangleton and Knoll	4	51	44-72	£568	£2.3k	1 house and 3 flats in major works (all 4 now let).
Hanover and Elm Grove	1	170	170-170	£2.1k	£2.1k	1 flat ready to let.
Hollingdean and Stanmer	3	77	44-135	£766	£2.3k	1 flat ready to let (now let); 1 seniors flat in major works, 1 seniors flat ready to let.
Moulsecoomb and Bevendean	4	130	51-247	£1.3k	£5.4k	1 house in major works (now let); 1 due to undergo refurbishment; 2 seniors flats ready to let.
Patcham	1	44	44-44	£679	£679	1 house ready to let (now let).
Preston Park	2	272	142-401	£3.3k	£6.5k	2 flats in major works (adjoining properties undergoing health and safety works).
Queens Park	5	189	44-263	£3.0k	£15.2k	4 Seniors flats ready to let (3 now let); 1 flat ready to let.
St Peters and North Laine	1	212	212-212	£2.0k	£2.0k	1 flat ready to let.
Westbourne	1	93	93-93	£1.5k	£1.5k	1 flat ready to let (now let).
Wish	1	65	65-65	£616	£616	1 seniors flat ready to let (now let).
Woodingdean	1	163	163-163	£2.0k	£2.0k	1 house in major works (now let).
Total	28	122	44-401	£1.5k	£43.2k	Of 28 properties, 17 are ready to let (61%); 10 are major repairs (36%); 1 being assessed for an extension (4%).

*Snapshot of historic rent loss for whole time since properties became empty: of the £43.2k total rent loss, £35.5k occurred during 2018/19 to date and £7.7k during 2017/18. As several properties have been brought back into use, this snapshot of rent loss has fallen from £77.0k on 1 July 2018 to £43.2k on 1 October 2018.

4. Repairs and maintenance

All indicators in the table below give quarterly or end of quarter results, except for one which is marked as year to date.

 Repairs and maintenance indicators		Target 2018/19	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
4.1	Emergency repairs completed in time (within 24 hours)	99%	99.8% (2,864 of 2,870)	99.9% (3,200 of 3,203)	ⓖ	↑
4.2	Routine repairs completed in time (within 20 working days)	99%	99.8% (5,911 of 5,920)	99.7% (6,340 of 6,358)	ⓖ	↓
4.3	Complex repairs completed in time (work needing longer than 20 days)	For info	100% (179 of 179)	100% (241 of 241)	n/a	n/a
4.4	Average time to complete routine repairs (calendar days)	15 days	16 days	14 days	ⓖ	↑
4.5	Appointments kept by contractor as proportion of appointments made	97%	96.8% (11,581 of 11,960)	97.1% (11,764 of 12,117)	ⓖ	↑
4.6	Tenants satisfied with repairs	96%	96.1% (1,377 of 1,433)	95.9% (1,560 of 1,626)	Ⓐ	↓
4.7	Responsive repairs passing post-inspection	97%	89.2% (639 of 716)	89.6% (499 of 557)	Ⓡ	↑
4.8	Repairs completed at first visit	92%	91% (7,996 of 8,790)	92.3% (8,821 of 9,561)	ⓖ	↑

 Repairs and maintenance indicators		Target 2018/19	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
4.9	Dwellings meeting Decent Homes Standard	100%	100% (11,550 of 11,550)	100% (11,547 of 11,547)	Ⓞ	↔
4.10	Energy efficiency rating of homes (out of 100)	66.7	66.7	66.8	Ⓞ	↑
4.11	Planned works passing post-inspection	97%	99.6% (245 of 246)	100% (245 of 245)	Ⓞ	↑
4.12	Stock with a gas supply with up-to-date gas certificates	100%	100% (9,990 of 9,990)	100% (9,990 of 9,990)	Ⓞ	↔
4.13	Empty properties passing post-inspection	98%	98.1% (157 of 160)	98.1% (105 of 107)	Ⓞ	↔
4.14	Lifts – average time taken (hours) to respond	2 hours	1h 55m	3h 36m	Ⓡ	↓
4.15	Lifts restored to service within 24 hours	95%	95.2% (118 of 124)	95.9% (163 of 170)	Ⓞ	↑
4.16	Lifts – average time to restore service when not within 24 hours	7 days	12 days (70 days, 6 lifts)	6 days (42 days, 7 lifts)	Ⓞ	↑

 Repairs and maintenance indicators		Target 2018/19	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
4.17	Repairs Helpdesk – calls answered	90%	95% (18,172 of 19,107)	94% (17,162 of 18,203)		
4.18	Repairs Helpdesk – calls answered within 20 seconds	75%	68% (12,258 of 18,172)	66% (11,354 of 17,162)		
4.19	Repairs Helpdesk – longest wait time	5 mins	11m 15s	12m 55s		
4.20	Estate Development Budget main bids – quality checks	90%	100% (8 of 8)	100% (20 of 20)		
4.21	Estate Development Budget main bids – completions (year to date)	For info	8% (8 of 104)	52% (62 of 104)	n/a	n/a
4.22	Estate Development Budget main bids – average duration of work	For info	9 days	35 days	n/a	n/a

How we are using this information to improve services – Repairs and maintenance

Five indicators are below or near target:

Tenants satisfied with repairs – target 96%

Satisfaction with repairs work carried out has slipped very slightly (0.1%) below target. We will continue to closely monitor satisfaction with the contractor to ensure that performance gets back on track.

Responsive repairs passing post-inspection – target 97%

Performance was below target but slightly improved, from 89.2% in Quarter 1 to 89.6% in Quarter 2. A total of 557 jobs were inspected with 58 failing quality checks. The reasons why jobs failed their first inspection are as follows:

- 54% (31) poor quality work
- 36% (21) corrections or additions to the volume of labour or materials used (Schedule of Rates codes)
- 10% (6) needed extra work to finish the job.

The review of training for new employees has resulted in a reduction in the number of administrative errors. Also, the inspection process has identified areas of work which are below standard and are being addressed through further training.

Lifts – average time taken (hours) to respond – 2 hours

The average wait time to respond to breakdowns increased from 1h 55m in Quarter 1 to 3h 36m hours in Quarter 2. There was a decline in performance during August which has now been addressed and performance was back on target in September.

Repairs Helpdesk – calls answered within 20 seconds – target 75%

Performance remains below target this quarter at 66%. The call answering time continues to be affected by recruitment and training of new starters, although results significantly improved in September with 76% of calls answered within 20 seconds. This trend is expected to continue in the following months now that recruitment and training has been completed.

Repairs Helpdesk – longest wait time – target 5 minutes

The longest call waiting time recorded in Quarter 2 was 12 minutes 55 seconds, although the average call waiting time was much quicker at 35 seconds. The training of new recruits meant performance improved in September, when calls were answered in 19 seconds on average.

Four other indicators are back on target:

- Average time to complete routine repairs
- Appointments kept by contractor as proportion of appointments made
- Repairs completed at first visit
- Lifts – average time to restore service when not within 24 hours.

4.23 Major projects programme summary 2018/19 (as of 1 October 2018)

Project	2018/19 Budget	Latest budget	Status	Number of dwellings	
				Council	Leasehold
Holmstead – structural repairs	£678k	£632k	On site	12	3
Tyson Place and St Johns Mount – structural repairs	£2,657k	£1,680k	Start Oct 2018	109	39
Wickhurst Rise – structural repairs	£1,290k	£1,142k	On site	26	6
Park Court – external repairs	£381k	£381k	On site	7	2
Ingram Crescent balconies – structural repairs	£600k	£317k	Planning approved works restarting November	130	24
Sylvan Hall – external repairs	£520k	£262k	Start Feb 2019	30	19
Ellen Street low rises – structural repairs	-	-	Leaseholder consultation	23	9
Tyfoam Properties – external repairs	£990k	£1,210k	On site	24	0
Saxonbury – structural repairs	£1,510k	£606k	Start Oct 2018	29	16
1-4 Hawkhurst Place	-	-	Out to tender start date expected March 2019	3	1
Sheltered Housing conversions	£331k	-	Budget set aside but project already complete	n/a	n/a
Hidden Homes	£520k	£851k	3 new homes by Mar 2019	n/a	n/a
Oxford Street conversion	£1,064k	£1,064k	Start Nov 2018	n/a	n/a
St Aubyns Gardens – external repairs	£600k	£180k	Start Feb 2019	4	11
Unity Housing phase 1 (Condensation and damp works)	£208k	£344k	Start Mar 2019	6	0
Leach Court – structural repairs	-	£107k	Complete	108	0
Citywide loft Conversions and extensions	£598k	£598k	7 complete, 2 due for completion in Feb 2019	9	0
St James' House car park	-	£285k	Awaiting outcome of planning application	n/a	n/a
Holbrook and Downford – roofing (new project)	-	£200k	Leaseholder consultation	10	3
Somerset Point – windows and external decoration	-	-	Out to tender	71	0
Total	£11,947k	£9,859k	Four projects on site	601	133

4.24 Details of major projects on site (as of 1 October 2018)

Project	Holmstead – major external works and repairs						
Exp. Start	20/02/18	Exp. Finish	27/11/18	2018/19 Budget	£678k	Latest budget	£678k
Act. Start	20/02/18	Current Status	On site	Council dwellings	12	Leasehold dwellings	3
External repairs including brickwork and concrete repairs, roof replacement, roof insulation, cavity wall insulation and external wall insulation, replacement of windows and balcony doors and replacement of flat entrance doors.							
Project	Wickhurst Rise – major external works and repairs						
Exp. Start	Mar 2018	Exp. Finish	08/01/19	2018/19 Budget	£1,290k	Latest Budget	£1,290k
Act. Start	19/02/18	Current Status	On site	Council dwellings	26	Leasehold dwellings	6
External repairs including brickwork and concrete repairs, roof replacement, roof insulation, cavity wall insulation, external wall insulation, replacement of windows and balcony doors.							
Project	Park Court – major external works and repairs						
Exp. Start	May 2018	Exp. Finish	17/1/19	2018/19 Budget	£381k	Latest Budget	£381k
Act. Start	08/05/18	Current Status	On site	Council dwellings	7	Leasehold dwellings	2
External repairs including brickwork and concrete repairs, roof replacement, roof insulation, cavity wall insulation, fire safety upgrades and replacement of windows and balcony doors. Expected finish in January 2019 to allow for new car park gates.							
Project	Freshfield Estate – extraction of Tyfoam wall insulation						
Exp. Start		Exp. Finish	25/02/19	2018/19 Budget	£990k	Latest Budget	£990k
Act. Start	03/04/18	Current Status	On site	Council dwellings	24	Leasehold dwellings	0
Removal of Tyfoam insulation to the cavity of the properties, rebuilding of outer skin of blockwork and facings with an external wall insulation system.							

5. Estates service

All indicators in the table below give quarterly results.

 Estates service indicators		Target 2018/19	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
5.1	Cleaning quality inspection pass rate	99%	100% (151 of 151)	99% (185 of 186)		
5.2	Estates Response Team quality inspection pass rate	99%	99% (192 of 194)	99% (171 of 172)		
5.3	Cleaning tasks completed	98%	97% (13,689 of 14,043)	97% (13,717 of 14,075)		
5.4	Bulk waste removed within 7 working days	92%	80% (687 of 859)	81% (624 of 774)		
5.5	Light replacements / repairs completed within 3 working days	99%	100% (246 of 246)	99% (242 of 244)		
5.6	Mobile warden jobs completed within 3 working days	96%	98% (1,659 of 1,694)	99.7% (1,555 of 1,560)		
5.7	Incidents of drug paraphernalia collected	For info	47	48	n/a	n/a

How we are using this information to improve services – Estates service

Two indicators are below or near target:

Cleaning tasks completed – target 98%

Performance remains the same as the previous quarter, and was 1% point below target due to a dip in August (when fewer staff were available during the school holidays).

Bulk waste removed within 7 working days – target 92%

Performance at 81% is below target and has only slightly improved since the previous quarter. This is because the cage van for bulk waste is still out of service, so in the meantime a more generic van is being used which has less capacity. To improve performance, new cage vans have been ordered and are due to arrive during Quarter 3.

6. Anti-social behaviour (ASB)

All indicators in the table below give cumulative year to date results.

 ASB indicators		Target 2018/19	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
6.1	Victim satisfaction with way ASB case dealt with	82%	83% (10 of 12)	88% (15 of 17)		
6.2	Tenants evicted due to ASB	For info	1	2	n/a	n/a
6.3	Closure orders obtained	For info	1	1	n/a	n/a
6.4	ASB cases closed without need for legal action	For info	97% (148 of 152)	99% (358 of 363)	n/a	n/a

6.5 New ASB cases by type

This table presents new ASB cases where the reporter or alleged perpetrator is a council resident such as a tenant or leaseholder.

Looking at the seasonal pattern over the past few years, the number of new cases has gone from having been higher than usual in Quarter 1 (for that time of year) to being about average in Quarter 2.

Type of ASB incident / case	Q1 2018/19	Q2 2018/19	Change between quarters
Verbal abuse / harassment / intimidation	38% 96	41% 87	-9
Noise	17% 44	18% 37	-7
Drugs	13% 33	14% 29	-4
Crime	5% 12	7% 15	+3
Domestic violence / abuse	10% 26	4% 8	-18
Physical violence	6% 14	5% 10	-4
Pets and animal nuisance	7% 17	6% 13	-4
Hate incident	2% 6	3% 7	+1
Alcohol related	1% 3	2% 4	+1
Prostitution / sexual acts	1% 2	0% 0	-2
Total	100% 253	100% 210	-43

6.6 New ASB cases by ward

This table presents new ASB cases where the reporter or alleged perpetrator is a council resident such as a tenant or leaseholder.

Ward name	Q1 2018/19	Q2 2018/19	Change between quarters
Brunswick and Adelaide	0	0	0
Central Hove	3	3	0
East Brighton	60	48	-12
Goldsmid	9	4	-5
Hangleton and Knoll	24	14	-10
Hanover and Elm Grove	14	3	-11
Hollingdean and Stanmer	24	25	1
Hove Park	0	0	0
Moulsecoomb and Bevendean	36	26	-10
North Portslade	16	17	1
Patcham	6	10	4
Preston Park	3	0	-3
Queen's Park	28	40	12
Regency	0	0	0
Rottingdean Coastal	0	0	0
South Portslade	8	7	-1
St. Peter's and North Laine	6	8	2
Westbourne	5	2	-3
Wish	3	0	-3
Withdean	1	0	-1
Woodingdean	7	3	-4
Total	253	210	-43

7. Tenancy management

The first two indicators in the table below give cumulative year to date results and the last one gives an end of quarter result.

 Tenancy management indicators		Target 2017/18	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
7.1	Tenancy fraud – properties returned to stock	For info	5	13	n/a	n/a
7.2	Tenancies sustained – tenancy sustainment closed cases	98%	100% (33 of 33)	100% (56 of 56)		
7.3	Tenancy visit to general needs tenants within last 5 years	90%	92% (9,364 of 10,172)	93% (9,449 of 10,178)		

7.4 New tenancy management cases by type

This table presents tenancy management cases (other than ASB) involving a council resident such as a tenant or leaseholder.

Type of tenancy management case	Q1 2018/19	Q2 2018/19	Change between quarters
Abandonment	4% 13	6% 22	+9
Assignment request	2% 7	1% 2	-5
Boundary issues	14% 47	12% 41	-6
Caretaking	1% 2	2% 6	+4
Court of Protection	1% 4	1% 4	0
Death of a tenant	10% 33	13% 46	+13
Decants and temporary moves	2% 8	3% 11	+3
Fraud	2% 5	1% 5	0
Leaseholder breach	3% 9	2% 8	-1
Succession application	5% 15	5% 18	+3
Tenancy breach	11% 36	13% 44	+8
Unsatisfactory interiors	4% 12	5% 19	+7
Untidy gardens	26% 86	23% 82	-4
Use & occupation	1% 4	1% 4	0
Vulnerable adult and safeguarding	14% 47	11% 40	-7
Total	100% 328	100% 352	+24

7.5 New tenancy management cases by ward

This table presents tenancy management cases, other than ASB, involving a council resident such as a tenant or leaseholder.

Ward name	Q1 2018/19	Q2 2018/19	Change between quarters
Brunswick and Adelaide	1	0	-1
Central Hove	4	5	+1
East Brighton	40	43	+3
Goldsmid	5	8	+3
Hangleton and Knoll	40	36	-4
Hanover and Elm Grove	7	8	+1
Hollingdean and Stanmer	47	46	-1
Hove Park	0	0	0
Moulsecoomb and Bevendean	53	68	+15
North Portslade	17	18	+1
Patcham	20	15	-5
Preston Park	5	4	-1
Queen's Park	38	44	+6
Regency	1	1	0
Rottingdean Coastal	0	0	0
South Portslade	14	17	+3
St. Peter's and North Laine	11	6	-5
Westbourne	5	5	0
Wish	8	13	+5
Withdean	4	2	-2
Woodingdean	8	13	+5
Total	328	352	+24

8. Seniors housing

The first indicator in the table below is the result at the end of the quarter and the latter two during the quarter.

 Seniors Housing indicators		Target 2017/18	Q1 2018/19	Q2 2018/19	Status against target	Trend since last quarter
8.1	Residents with up to date annual review	96%	97% (868 of 898)	96% (872 of 911)		
8.2	Schemes hosting social, health and wellbeing activities (at least weekly)	95%	95% (21 of 22)	100% (22 of 22)		
8.3	Schemes hosting events in collaboration with external organisations	90%	91% (20 of 22)	91% (20 of 22)		

Subject:	Housing Revenue Account Budget and Capital Investment Programme 2019/20 and Medium Term Financial Strategy		
Date of Meeting:	16 January 2019 – Housing & New Homes Committee 14 February 2019 – Policy, Resources & Growth Committee		
Report of:	Executive Director for Finance & Resources Executive Director for Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Monica Brooks Martin Reid	Tel: 01273 29-2279 01273 29-3321
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1 PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report presents the proposed Housing Revenue Account (HRA) revenue and capital budget for 2019/20 as required by the Local Government and Housing Act 1989. Members are required to consider the revenue budget proposals including savings and re-investments (service pressures) as well as changes to rents, fees and charges and also the capital programme. This report also sets out the Medium Term Financial Strategy and 30 year financial forecast.
- 1.2 The HRA contains the income and expenditure relating to the council's social landlord duties covering approximately 11,500 properties and 2,900 leasehold properties. The income and expenditure relating to these properties, including rent rebates, is accounted for separately from the council's other services and activities which form part of the council's General Fund.

2 RECOMMENDATIONS:

- 2.1 That the Housing & New Homes Committee:
- (a) Recommends that Policy, Resources & Growth Committee approves and recommends to full Council the updated HRA revenue budget for 2019/20 as shown in Appendix 2;
 - (b) Recommends that Policy, Resources & Growth Committee approves and recommends to full Council the capital programme budget of £26.964m for 2019/20 and notes the 3 year programme as set out in Appendix 4;

- (c) Recommends that Policy, Resources & Growth Committee approves the procurement of a contract for insurance cover for the council's residential leasehold properties as set out in the report in section 5.
- (d) Recommends that Policy, Resources & Growth Committee approves that the Executive Director of Neighbourhoods, Communities and Housing be given delegated powers to award the contract for insurance cover and the extensions set out in the report in section 5.

2.2 That the Housing & New Homes Committee:

- (a) Approves a rent reduction of 1% in line with government legislation as detailed in paragraph 4.9;
- (b) Approves service charges and fees as detailed in Appendix 3;
- (c) Notes the current HRA forecast outturn for 2018/19 in Appendix 1 of £0.500m underspend;
- (d) Notes the Medium Term Financial Strategy and 30 year financial projections shown in Appendix 5;
- (e) Notes the Integrated Service & Financial Plan proposals (savings) in Appendix 6.

3 HRA BUDGET STRATEGY

3.1 The HRA Budget aims to balance the priorities of both the council and council housing residents within the context of the council's Housing Strategy, Housing Revenue Account Asset Management Strategy and Corporate Plan which set out the overall direction for the council over the 4 year period. The Budget Strategy going forward will also reflect recommendations for the future delivery of responsive repairs and empty property refurbishments, planned maintenance and improvement programmes and major capital projects to council housing stock following the expiry of the current contractual arrangements in March 2020. In particular, continuing to work in consultation with tenants and leaseholders: to deliver in house customer service, quality assurance, responsive repairs and empty property services; to agree planned and major works programmes based on updated information on council housing stock. This information will enable the council to contract for the provision of planned maintenance, improvement programmes and major capital projects. The Housing Strategy priorities included in developing the HRA Revenue Budget and Capital Programme are:

Priority 1: Improving Housing Supply

- Respond to the opportunities to increase housing supply following the lifting of the HRA borrowing cap, including additional resources agreed toward an enhanced cross directorate housing delivery team to drive projects forward;
- Continue the innovative 'New Homes for Neighbourhoods' programme. The programme has been successful and since summer 2015 has completed 172 new council homes in 11 projects, has another 12 council homes under construction. It has sites currently identified for a total of around 500 homes;
- Maintain and enhance our Hidden Homes programme to refurbish and convert under used or unused spaces within existing council stock into new

homes. Nine new homes have been delivered to date, with a further six due to be delivered in 2018/19. A pipeline of potential sites has been developed to deliver approximately 30 further units;

- Continue to create a supply of council owned temporary accommodation allowing the council to achieve savings against the costs of procuring more expensive accommodation from the private market either through existing frameworks or spot purchase. The conversion of Stonehurst Court provided ten family units this summer with 12 additional units to be provided at the former Oxford Street Housing Office. The property purchase from Orbit agreed at Housing & New Homes Committee in March 2018 will provide a further 15 units of temporary accommodation;
- Expand our Home Purchase Policy scheme which has so far allowed the council to buy back properties which will now be used for general needs or temporary accommodation. Housing & New Homes Committee agreed to the expansion of the scheme in September 2018 allowing the council the option to look at purchasing affordable housing units supplied as part of new housing developments in the city (typically known as S106 sites). So far eight properties are back in council ownership. The buy-back scheme was expanded on 1 December 2018 enabling the council to consider approaches from other leaseholders/freeholders who own former council homes. At present the scheme has only considered properties where the council has the right of first refusal. This expansion is likely to lead to an increased number of properties coming forward for consideration;
- Commission new adapted homes and ensure best use of existing adapted / accessible housing in order to promote independent living, which has been demonstrated to deliver significant cost benefits;
- Support households wanting to downsize to increase the supply of available family housing.

Priority 2: Improving Housing Quality

- Continue to meet the council's landlord obligations with regards to health and safety, including continuing to review and enhance fire safety measures for residents;
- Continue to review and respond to Government guidance and any regulatory and / or legislative changes emerging following the Grenfell Tower tragedy;
- To work in consultation with tenants and leaseholders to agree planned and major works programmes based on updated information on our stock in order to enable us to contract for the provision of planned maintenance, improvement programmes and major capital projects;
- Continue to promote the highest possible building, space and environmental standards in all new council homes being built to high sustainability levels;
- Continue to improve council housing sustainability standards and maintain 100% achievement of the council's housing stock meeting the Decent Homes Standard and invest in other priorities that promote the health and wellbeing of residents;

- Continue to review the energy efficiency performance of the council's housing stock, our approaches for future improvement and support for initiatives to reduce fuel poverty;
- Undertake an appraisal of the council's seniors housing schemes to ensure that the right investment plans are in place to maintain and improve homes and make sure that they meet resident requirements into the future;
- Support early actions to improve public areas of the Council's housing estates through a budget for enhanced environmental improvements to enable the Council to respond with greater speed to issues impacting upon tenant's satisfaction levels with their neighbourhood as a place to live.

Priority 3: Improving Housing Support

- Ensure that as services are reviewed, they are accessible and safe for all;
- Improve front facing customer services at Council Housing Offices;
- Continued investment in specialist tenancy management and support services to support vulnerable council housing residents and work with Community Safety to resolve housing issues and harassment in a timely manner;
- Early intervention for families struggling with accommodation including money advice and tenancy support;
- Ensure that adaptations are done at the right time to support people to stay in their homes when they want to;
- Support people to 'downsize' when they choose and provide a range of options for them, including accessible tools to support decision making;
- Better links between seniors housing schemes and surrounding communities;
- Ensure new housing development includes community spaces, where resources allow.

HRA Asset Management Strategy

- 3.2 The HRA Asset Management Strategy acts as a link between Housing Strategy priorities and investment programmes. In 2016 the HRA Asset Management Strategy was agreed following extensive consultation and work with residents with an Asset Strategy Review reported to Housing & New Homes Committee 20 September 2017 following the Grenfell Tower tragedy.
- 3.3 The key priority objectives of the strategy are to:
 - Invest in homes and neighbourhoods to provide safe, good quality housing and support services;
 - Support new housing supply;
 - Ensure financial viability within the Tenancy Strategy.
- 3.4 The proposed Capital Investment Programme supports all 3 of these objectives. This year the budget includes new areas for investment including environmental improvements to estates, additional resources agreed toward an enhanced cross directorate housing supply team to speed up the new build programme as well as extra staffing resources to improve neighbourhoods. This is a direct result of consulting and listening to residents.

4 HRA REVENUE BUDGET PROPOSALS 2019/20

- 4.1 The HRA is a ring-fenced account which covers the management and maintenance of council owned housing stock. This must be in balance, meaning that the authority must show in its financial planning that HRA income meets expenditure and that the HRA is consequently viable.
- 4.2 Although the HRA is not subject to the same funding constraints as the General Fund it still follows the principles of value for money and equally seeks to improve efficiency and achieve cost economies wherever possible. Benchmarking of both service quality and cost with comparator organisations is used to identify opportunities for better efficiency and service delivery.
- 4.3 The HRA budget for 2019/20 is shown in Appendix 2 with the main budget variations, proposed savings, re-investment of savings (including service pressures), areas for investment and other changes in resources. Savings of £0.280m have been identified, including a number of efficiencies resulting from reviews of all premises, transport and supplies costs across the housing management service. There are also cost savings on mechanical and engineering services and a reduction in employee costs. None of these savings will impact on the level of service provided to residents and are detailed in Appendix 2 (note 2) and Appendix 6.
- 4.4 The budget also provides funding of £0.338m for the following re-investments from savings and new priority areas for investment. (detailed in Appendix 2, note 3):
- New revenue resources of £0.100m to enable environmental improvements to council estates around the City as proposed in the Environmental Improvement report elsewhere on this agenda. Further investment of £0.058m is also proposed to address issues arising from 'untidy gardens' and hard surfaces around estates. A further £0.400m for this purpose is included in the proposed capital programme for 2019/20 and beyond. This is new investment as a result of consultation with residents who have consistently raised 'improving neighbourhoods' as one of the top priorities for further investment;
 - An increase in revenue resources of £0.075m to create a team with the aim of accelerating the increase in supply of affordable rented homes in the city in light of the removal of the HRA borrowing cap on 29th October 2018. The need for more resources for this was discussed at Housing & New Homes Committee in November 2018 as part of the report on Housing supply;
 - New investment for two new Work & Learning officers to assist tenants into work and training in light of the changes to the welfare benefits system and the introduction of Universal Credit;
 - A new contract management role to manage the wide range of smaller non-repairs contracts such as laundries, grounds maintenance, money advice, removals and storage, and mediation. This is to enhance the level of service and value for money for residents.
- 4.5 The HRA budget for 2019/20 also takes account of the set up and mobilisation costs associated with a new in-house responsive repairs and empty property refurbishment service as agreed at Policy Resources & Growth Committee on

11 October 2018. An earmarked reserve for £0.982m has now been set up for this purpose in 2019/20. The HRA already includes a budget of £0.250m for the preparation of the wider re-procurement of the repairs and improvements contract.

- 4.6 The 2019/20 also provides for a range of other inflationary costs and pressures including £0.508m relating to the effect of a reduction in rental income as a result of the government's statutory requirement to reduce rents by 1%. These changes in resources are listed under 'Other Changes' in Appendix 2.
- 4.7 The net revenue budget results in an initial surplus of £25.104m which is then used to provide 'Direct Revenue Funding' (shown within expenditure at Appendix 2) in support of the capital programme.
- 4.8 Rents are calculated in accordance with government guidelines. Rent restructuring rules still apply and Target Rents for each property are calculated based on the relative property values, bedroom size and local earnings. Target Rents will apply to the granting of all new tenancies. The Government has recently issued a consultation on the setting of social rents and officers are currently awaiting new guidance, although the expectation is that this will not have an effect on the rent levels for this council in 2019/20.
- 4.9 The Welfare Reform and Work Act 2016 requires rents to be reduced by 1% per annum for 4 years, commencing 2016/17. Therefore, 2019/20 is the last year of this reduction. This is positive for tenants and means an average reduction of £0.85 per week. The average weekly rent is now £83.84 per week including all of the new build properties. However, this reduction in rents does reduce the level of income for the HRA by an estimated £0.508m. This is identified in Appendix 2 (note 4).
- 4.10 From 2020, rent increases will be applicable again and on 4 October 2017 the previous Department for Communities & Local Government (DCLG) announced that "increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020". This has since been confirmed by the government in a recent consultation exercise.
- 4.11 Rents are not calculated to take into account any service charges and only include charges associated with the occupation of a dwelling, such as maintenance of the building and general housing management services. Service charges are therefore calculated to reflect additional services which may not be provided to every tenant or which may be connected with communal facilities rather than to a particular occupation of a house or flat. Different tenants may receive different types of services reflecting their housing circumstances. All current service charges are reviewed annually to ensure full cost recovery and also to identify any service efficiencies which can be offset against inflationary increases, to keep increases to a minimum. The proposed fees and service charges for 2019/20 are set out in Appendix 3.
- 4.12 For 2019/20, most service charge increases are close to the current levels of inflation with the exception of the communal electricity and heating charges. Unfortunately, the unit prices for both of gas and electricity are set to rise significantly for 2019/20. Gas prices have increased by an average of 20% and electricity prices will increase from 1st April 2019 by an estimated 30%. Therefore, in order to recover these extra costs, some tenants will see

increases in these service charges. Appendix 3 shows the estimated average service charge paid per week for each service and the average increase. This extra cost will be mitigated by a 1% reduction in the rent and it is worth noting that these service charges have seen large reductions in 2017/18 and 2018/19 so that the proposed charges for 2019/20 are on average lower than those in 2016/17.

4.13 The projected level of HRA reserves at 31 March 2019 and 31 March 2020 are shown in Appendix 2 (note 5). A minimum reserve of £3.000m is recommended to meet general legal and financial risks including higher than expected inflationary pressures, cost overruns, legal challenges and other contingencies. After taking this into account, current estimates mean that the level of usable reserves will be £2.736m at 31 March 2020. This is being held at this level in addition to the minimum reserve to allow for the following uncertainties:

- Levels of investment that may be required as a result of the outcome of Grenfell fire reviews;
- The report to Housing & New Homes Committee in September 2018 on the future delivery of repairs and maintenance services identified a number of legal and financial risk areas, in particular around the set-up and TUPE costs of the new in-house repairs service;
- There are general risks around the stock condition which could give rise to a short term financial impact.

The council's Section 151 Chief Finance Officer has reviewed the level of reserves and provisions in accordance with the principles of Section 25 of the Local Government Act 2003 and considers them to adequate and reasonable for their purpose.

5 PROCUREMENT OF BUILDINGS INSURANCE FOR RESIDENTIAL LEASEHOLD PROPERTIES

- 5.1 The council arranges insurance for its leaseholder properties on council estates. As the freeholder, it recharges the premiums to the leaseholders as part of the service charge. There is also the requirement for a smaller policy to cover 'Domestic Leasehold Flats'. These are typically flats above shops or GP surgeries where the council is the freeholder and again the premiums are recharged.
- 5.2 The previous long term agreement ended on 31 October 2018 and the current provider extended the cover at existing premium rates until 31 March 2019. This was to enable the policy to be renewable on the common Orbis renewal date which has been agreed as the 1st April. The insurer has now been asked to extend further to 31 May 2019 to comply with committee and procurement timeframes.
- 5.3 The contract would commence on 1st June 2019 and run until 31st March 2022 with an option to extend for two further years. Based on the last annual premium the contract is estimated to have an annual value of £0.312m with an estimated total value of £1.508m. The costs and service charge income for this are included within the HRA revenue budget proposals herewith.

- 5.4 All leaseholders were written to on 5th November 2018 advising them of the intention to enter into a new long term agreement for this service. There will be a further period of consultation once the preferred bidder is known.
- 5.5 Therefore, this report requests that Housing & New Homes Committee recommends that Policy, Resources & Growth Committee approves the procurement of this leaseholder insurance contract and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing to award the contract for insurance cover and any extension.

6 HRA CAPITAL PROGRAMME 2019/20

- 6.1 The Housing Capital Programme seeks to provide substantial investment in the council's housing stock and improve the quality of homes. The implementation of the proposed programme will take account of all relevant best practice guidelines and has been informed by the priorities agreed in the HRA Asset Management Strategy and the Asset Strategy Review report to Housing & New Homes Committee 20 September 2017. The Programme also reflects the end of the current Mears contract in April 2020 and arrangements being put in place to reflect recommendations agreed at Committee around the future delivery of planned maintenance and improvement programmes and major capital projects to council housing stock.
- 6.2 This report recommends that a budget of £26.964m is approved for 2019/20. The total proposed programme for 2019/20 and the funding arrangements totalling £47.543m are shown in Appendix 4. This programme includes budget of £20.579m that has already been approved, for example, where individual scheme approval has been sought for new build schemes or where budgets for existing schemes have been reprofiled, as approved by PR&G Committee.
- 6.3 The Capital Programme is a key part of implementing the main aims of the long-term asset management approach, which aims to maximise investment in homes and support reductions in responsive repairs need whilst providing safe, good quality housing and support services, and also supporting new housing supply and financial viability for the HRA. Other assets, such as car parks and garages, receive investment to ensure both health and safety compliance and best use of these assets.
- 6.4 On 26 September 2018, Housing & New Homes Committee agreed the procurement of at least one contract for the provision of planned maintenance and improvement programmes to council housing stock and a multi- contractor framework agreement for major capital projects following the end of the current contract with Mears. In order to agree future planned and major works programmes it is considered timely for the council to update information held on council housing stock condition to enable us to consult on and procure contracts for the provision of future planned maintenance, improvement programmes and major capital projects.
- 6.5 To this end, officers are currently commissioning a stock condition survey of council dwellings. This will provide an up to date needs assessment of maintenance and improvements required to council homes in both the short and longer term. Given it is subject to procurement, the cost of this survey is

currently unknown but this will be managed within the proposed budget resources for 2019/20.

- 6.6 The programme for 2019/20 includes new investment in environmental improvements around estates of £0.400m. This relates to the 'Environmental Improvements Report' elsewhere on this Housing & New Homes Committee agenda. A total budget of £0.500m is being proposed for this work, £0.400m in the capital programme and £0.100m in revenue. More details on the use of these budgets can be found in the separate report.
- 6.7 Our highest priority remains the health and safety of our residents and those visiting or working on council homes. This is a key responsibility, and as such, through the capital programme proposals it is ensured that the investment required is maintained and made available ahead of other investment decisions. This includes good practice procedures and resources to support the management of asbestos, fire risk, legionella, gas and electrical equipment, amongst others. This budget continues to support funding for enhanced works to reduce fire risk, in particular support for the proposed projects to install sprinklers in high rise blocks (subject to consultation with residents), as set out in previous committee reports.
- 6.8 The Housing Fire Health & Safety Update report to Housing & New Homes Committee on 19 September 2018 updated members on our continued joint work with East Sussex Fire & Rescue Service (ESFRS) in response to housing fire health & safety matters arising following the Grenfell Tower tragedy. In particular, concerning fire doors. In light of this, the programme also includes a provisional sum of £1.200m in 2019/20 and 2020/21 for potential additional works arising from the government's review of the Grenfell fire tragedy.
- 6.9 The Capital Programme targets investments that will ensure that the HRA maintains, and improves, where possible, the quality of housing. The programme will support the delivery of the following commitments:
- To maintain 100% achievement of properties meeting the government's Decent Homes Standard and the local Brighton & Hove Standard over the medium term.
 - To ensure that all homes are as suitable as practicable for the needs of their occupants, in line with council policy. For example, there is a substantial investment commitment to providing adaptations and to reducing overcrowding in the programme.
 - To ensure homes are energy efficient and that we continue to improve the energy performance of our housing stock, including through modern heating systems to reduce carbon emissions and resident's fuel costs.
 - To continue working closely with residents to help increase levels of resident satisfaction with the quality of their home and to support the ongoing reduction in the level of responsive repair need.
- 6.10 Additionally, based on feedback from residents on their priorities, the programme continues the commitment to invest in external and common way repairs and decorations across the city and the modernisation of passenger lifts serving blocks of flats, subject to resident consultation and analysis of information to establish if replacement works are necessary. This programme has been very effective in helping many residents to be able to rely on their lifts

to be safe and reliable. All lift project proposals are continually evaluated on a case-by-case basis to ensure value for money continues to be delivered through this programme, and that replacement works are reasonably required.

- 6.11 The proposed capital programme for 2019/20 includes a budget of £0.185m for the Estates Development Budget (EDB). The current budget strategy uses EDB capital reserves to support this over a further 2 years, augmenting this budget to a total of £0.355m for 2019/20 and £0.247m for 2020/21. Tenants are currently involved in a review of EDB and the bidding process. Therefore, no substantial changes have been made to this budget as officers await the outcome of this review. A reserves table is shown in Appendix 2 (note 5).
- 6.12 Helping residents to live in well-insulated, efficiently heated, healthy homes remains a key long-term commitment, which is supported through the capital programme. Past progress on achieving this has been consistently good, with national Standard Assessment Procedure (SAP) energy rating performance monitoring being used to benchmark these. Key investments that contribute to these include installing high efficiency boilers, heating controls, efficient doors, windows, insulation and renewable or community energy schemes, where appropriate.
- 6.13 As outlined above, the Housing Asset Management Strategy acts as a link between the Housing Strategy and Investment Programmes including a priority of supporting new housing supply. The service will continue to focus on the key Housing Strategy priorities to increase the numbers and make best use of affordable homes, including the following HRA related measures:
- Housing Allocation Policy framework ensuring best use of existing council and Registered Provider resources through nomination of affordable housing to priority households.
 - The 'New Homes for Neighbourhoods' estate regeneration programme to deliver new affordable homes in the city.
 - Improving supply through best use of existing HRA assets including the conversions / Hidden Homes programme.
 - Development and delivery of more council owned Temporary Accommodation.
 - The recently approved and amended HRA Home Purchase Policy.
 - The proposal to set up a new housing delivery team to accelerate the supply of affordable housing in the city as outlined in paragraph 4.4.

7 HRA MEDIUM TERM & 30 YEAR FINANCIAL FORECASTS

- 7.1 The introduction of self-financing in 2012 provided additional resources from the retention of all rental income and, through greater control locally, enabled longer term planning to improve the management and maintenance of council homes.
- 7.2 The medium term and 30 year financial forecasts are provided in Appendix 5 along with the business planning assumptions used for income and expenditure.
- 7.3 There have been some positive developments during 2018/19 in respect of the HRA. In October 2018, the Minister for Housing, Communities and Local Government issued a determination – The Limits on Indebtedness (Revocation)

Determination 2018. This came into force on 29th October 2018 and removes the restrictions on borrowing for the HRA, enabling councils to play a key role in delivering new homes in their area.

- 7.4 Essentially, the financial plan shows that the HRA has healthy financial indicators to borrow to source future funding for regeneration and development. However, any borrowing will have to be affordable. This means that each scheme should be funded either from the new rental stream (net of any management and maintenance costs) or from current tenants rents, rent rebates and service charges. The current 30 year forecast assumes £80.966m for building and purchasing of new homes in the next five years to 2023/24.
- 7.5 Revenue reserves have been maintained in the business plan at £5.736m for the time being but this will be revised annually.
- 7.6 The year 2019/20 is the last year of the rent reduction of 1% as advised by government. As mentioned above, the DCLG has announced an increase to social housing rents limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. Councils are awaiting further guidance on council housing rents after a recent consultation exercise by the Ministry for Housing, Communities and Government. Assuming other factors remain stable, this will help to sustain the HRA in the medium term. The 30 year business plan shown at Appendix 5 assumes rent increases of CPI plus 1% for 5 years from 2020 and then increases at CPI.
- 7.7 Alternative options and delivery mechanisms for new build and regeneration funding outside the HRA are still being developed in the form of a wholly owned company and the Joint Venture with Hyde Housing Association as agreed by Policy, Resources & Growth Committee alongside a review of priorities included in the financial plan.
- 7.8 As a result of the review carried out by government, their decision was not to proceed with the Pay-to-Stay policy included in the Housing and Planning Act 2016. The Government has also announced this year that there are now no plans to introduce a levy on high value voids within the HRA. However, there are still some uncertainties which may have a significant impact on the long term health of the financial plan, such as:
 - The Welfare Reform and Work Act 2016 continues to be implemented with the reduction of the benefit cap to £20,000 per annum during 2016/17, the single room rates extended to people under 35, the roll out of Universal Credit in 2017 and the reduction in tax credits implemented from October 2017. All these reforms are expected to affect many tenants' ability to pay their rent, but it is difficult at this stage to accurately predict to what extent this will impact on HRA resources. The budget proposes an extra 2 FTE staff during 2019/20 to undertake proactive work with tenants to assist them to access work and training opportunities.
 - Uncertainty of future rent policy. Even though there has been an announcement to allow increases in rents of CPI plus 1% for five years after 2020, any changes in government could overturn this.
 - Any additional investment requirements arising from any legislative or regulatory changes following post Grenfell Tower tragedy reviews.

- The introduction of an in-house responsive repairs and empty property refurbishment service. An earmarked reserve for £0.982m has been set aside for the mobilisation and set up costs associated with this service. However, there are some uncertainties around certain costs such as TUPE costs and ICT costs.
- 7.9 The 30 year financial plan will continue to be updated in 2019 to reflect the 2019/20 budget proposals. This will enable a review of future opportunities for additional investment in existing housing stock and building new homes, and also how the housing debt could be structured to accommodate these plans or possibilities.

8 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 8.1 The budget process allows all parties to engage in the scrutiny of budget proposals and put forward viable alternative budget proposals to Budget Council on 28 February 2019. Budget Council has the opportunity to debate both the proposals recommended by Policy, Resources & Growth Committee at the same time as any viable alternative proposals.
- 8.2 The Welfare Reform and Work Act 2016 details a statutory requirement to set the rents at 1% less than the previous year for 2019/20. There are financial restrictions placed upon local authorities who do not follow this statutory requirement. The government annually sets a limit rent, set to include the 1% reduction, which is used to determine how much housing benefit subsidy is received from the Department for Work and Pensions. Rises above the limit rent would reduce the amount of subsidy receivable by the council.

9 COMMUNITY ENGAGEMENT & CONSULTATION

- 9.1 Involvement of our residents in service delivery and priorities is a key focus for Housing. Ongoing consultation with tenants and leaseholders has taken place through the year in a number of forums and settings.
- 9.2 Tenant representatives, for example those at Central Area Panel and Home Group understand there have been specific consultations impacting parts of the HRA (eg on sprinkler systems, SHINE, and communal areas). However, they requested summary information about the key budget figures and the main changes proposed for the coming year.
- 9.3 Therefore, all Area Panel representatives and chairs have been sent a letter explaining the budget proposals. This summarised the various components including the details of the proposed savings and how the savings would be reinvested back into the service and also the areas of new investment. It also included information on the 1% rent reduction and changes to service charges as well as advice on contact details if further information or clarification was sought.
- 9.4 Extensive consultation was carried out with tenants and leaseholders to inform the current Asset Management Strategy. Further consultation will be carried out in 2019 to inform the new strategy from 2020 onwards. Residents have been

consulted on some changes to the Strategy due to changes in priority following the Grenfell fire and government guidance arising from it.

- 9.5 All leaseholders have been, or will be, consulted about individual contracts carried out as part of the programme in full compliance with the Commonhold and Leasehold Reform Act 2002.
- 9.6 The HRA budget task and finish group, made up of the Chair and opposition spokespersons of the Housing & New Homes Committee, residents from Service Improvement Groups and officers, met last year to work up future budget consultation arrangements. The group decided that, to inform the 2019/2020 budget, a range of residents views would be gathered on areas including energy efficiency, social isolation, support for vulnerable tenants, maintaining older stock, increasing social housing provision, and the appearance of estates. Some of these items are currently under consultation with residents and some are in progress with proposals included in this budget report. For example, the report proposes additional resources to support work and learning help for vulnerable and other tenants and resources for addressing communal areas on council estates.

10 CONCLUSION

- 10.1 The Local Government and Housing Act 1989 requires each local authority to formulate proposals relating to income from rent and charges, expenditure on repairs, maintenance, supervision and management, capital expenditure and any other prescribed matters in respect of the HRA. In formulating these proposals using best estimates and assumptions, the Authority must set a balanced account. This budget report provides a capital programme, break-even revenue budget and recommends rent proposals in line with current government guidance.
- 10.2 This report also provides the latest medium and long term forecasts for the HRA. However there are a number of uncertainties due to impending government legislation, which mean that the current forecasts should be treated with caution.

11 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 11.1 The financial implications are contained within the main body of the report.

Finance Officer Consulted: Monica Brooks

Date: 07/01/19

Legal Implications:

- 11.2 In its landlord role, the council has contractual obligations to its tenants and leaseholders to maintain the structure of its housing stock. These obligations are complemented by statutory duties in the Landlord and Tenant Act 1985 as amended. The council must comply with other statutory regimes, including

those relating to health and safety, legionella and fire safety. The measures outlined in the report will assist the council in discharging those duties.

The Housing and Local Government Act 1989 regulates the HRA. The requirement in the Act to set a balanced budget is referenced in sections 4.1 and 10.1 of the report.

Lawyer Consulted: Liz Woodley
07/01/2019

Date:

Equalities Implications:

- 11.3 The HRA budget funds services to people with special needs resulting from age, vulnerability or health. All capital programme projects undertaken include full consideration of various equality issues and specifically the implications of the Equality Act. To ensure that the equality impact of budget proposals are fully considered as part of the decision making process, equality impact assessments have been developed on specific areas where required.

Sustainability Implications:

- 11.4 The HRA budget will fund a range of measures that will benefit and sustain the local environment. This capital programme supports the affordable warmth and fuel poverty strategy brought forward from Public Health. Housing is a key contributor to the Carbon Emissions reduction commitment and will help to reduce the number of residents affected by fuel poverty and rising energy costs.
- 11.5 Project briefs are issued on all capital projects and require due consideration of sustainability issues, including energy conservation and procurement of materials from managed and sustainable sources.

Any other Significant Implications:

- 11.6 Financial risks have been assessed throughout the development of the council's HRA annual budget and 30 year financial model. A number of key sensitivities and scenarios are modelled to ensure that the service understands the business impact of decision making and include areas such as:
- Impacts of the government's Housing & Planning Act and Welfare Reform legislation;
 - Potential impact of any post Grenfell tragedy review of building regulations and / or standards;
 - Inflationary risk where expenditure inflation is greater than income, particularly with the current reduction in rental income over the four years;
 - Managing interest rate fluctuations and the debt portfolio;
 - Long term capital and maintenance responsibilities compared with available resources;
 - Balancing regeneration and redevelopment needs with tenants' priorities.

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1: HRA Revenue Forecast Outturn 2018/19 (Month 7)
2. Appendix 2: HRA Budget 2019/20
3. Appendix 3: Fees and Service Charges 2019/20
4. Appendix 4: Capital Programme and Funding 2019/20 – 2021/22
5. Appendix 5: HRA Medium Term Financial Strategy & 30 Year Financial Forecast
6. Appendix 6: Integrated Service & Financial Plan (Detailed Savings Proposals)

Documents in Members' Rooms

None

Background Documents

None

Appendix 1 – Forecast Outturn 2018/19 at Month 7

2019/20 HRA Revenue & Capital Budget

	2018/19 Forecast Outturn £'000
SUBJECTIVE ANALYSIS	
Expenditure	
Employees	9,110
Premises - Repairs	9,415
Premises - Other	2,481
Transport	103
Contribution to Bad Debt Provision	332
Support Services	3,522
Supplies & Services	1,887
Third Party Payments	161
Direct Revenue Funding	25,626
Capital Financing Costs	6,473
Total Expenditure	59,110
Income	
Rents - Dwellings	(50,323)
Rents - Car Parking / Garages	(952)
Commercial Rents	(530)
Service Charges	(7,516)
Other Recharges & Income	(289)
Total Income	(59,610)
DEFICIT / (SURPLUS)	(500)
OBJECTIVE ANALYSIS	
Housing Management & Support	4,329
Income, Inclusion & Improvement	(46,120)
Tenancy Services	1,953
Property & Investment	6,950
Head of Regeneration	352
Capital Financing	32,036
DEFICIT / (SURPLUS)	(500)

HRA Forecast Outturn as at Month 7 key variances	£'000
Capital Financing costs: Significant re-profiling of HRA capital expenditure from 2017/18 into 2018/19 impacts on the timing of when borrowing is required to be undertaken to fund the expenditure. This has resulted in lower interest charges being incurred during 2018/19, compared to the original budget forecast.	(140)
Employee Costs: Forecast underspend due to staff vacancies, mobilisation of resources, staff capitalisation and a service redesign	(180)
Rent and Service charges: Projected income is slightly more than budget assumptions for General Needs dwellings and Seniors Housing	(180)
TBM Month 7 Variance	(500)

Appendix 2 – HRA Revenue Budget 2019/20

	2018/19 Adjusted budget	Budget Changes				2019/20 Original Budget
		Inflation	Savings	Investments & Re- investments	Other Changes	
Note		1	2	3	4	
	£'000	£'000	£'000	£'000	£'000	£'000
SUBJECTIVE ANALYSIS						
Expenditure						
Employees (FTE details in data table A)	9,244	191	(80)	238	106	9,699
Premises - Repairs	9,422	94	(95)	100	0	9,521
Premises - Other	2,470	26	(16)	0	185	2,665
Transport	117	1	0	0	0	118
Contribution to Bad Debt Provision	367	0	0	0	0	367
Supplies & Services	1,869	16	(89)	0	0	1,796
Support Services (details in data table B)	3,429	19	0	0	60	3,508
Third Party Payments	128	3	0	0	(7)	124
Direct Revenue Funding	25,725	0	0	0	(621)	25,104
Capital Financing Costs	6,577	0	0	0	(322)	6,255
Total Expenditure	59,348	350	(280)	338	(599)	59,157
Income						
Rents - Dwellings	(50,184)	0	0	0	(213)	(50,397)
Rents - Car Parking / Garages	(917)	(18)	0	0	0	(935)
Commercial Rents	(530)	0	0	0	0	(530)
Service Charges	(7,496)	(1)	0	0	399	(7,098)
Other Recharges & Income	(221)	(3)	0	0	27	(197)
Total Income	(59,348)	(22)	0	0	213	(59,157)
DEFICIT / (SURPLUS)	0	328	(280)	338	(386)	0
OBJECTIVE ANALYSIS						
Housing Management & Support	4,399	34	(1)	76	97	4,605
Income, Inclusion & Improvement	(45,955)	39	(71)	134	(351)	(46,204)
Tenancy Services	1,919	111	(90)	128	94	2,162
Property & Investment	7,050	139	(118)	0	719	7,790
Head of Regeneration	286	5	0	0	0	291
Capital Financing	32,301	0	0	0	(945)	31,356
DEFICIT / (SURPLUS)	0	328	(280)	338	(386)	0

Appendix 2 – HRA Revenue Budget 2019/20 Cont'd

Note 1: Inflation

Inflation of 2% has been applied to Direct Employees, and 1% to Premises, Transport and Supplies & Services. Adjustments are made to specific areas based on known inflation above or below the standard 1% applied. Most income budgets are zero-based (that is they are recalculated each year rather than changing incrementally) and therefore budgets are estimated based on known increases in costs or inflation.

Note 2: Savings

Savings	£'000
Staff turnover - reduction in employees budgets to allow for short spells of vacancy for leavers/joiners	(80)
Mechanical & Engineering contract costs review of budgets	(100)
Budget review of premises and supplies and services costs across Tenancy Services	(50)
Budget review of premises and supplies and services costs across Income, Involvement and Improvement	(50)
Total Savings	(280)

Note 3: Investments and Re-investments (including Service Pressures)

Service Pressures and priority areas for investment and re-investment	£'000
Environmental and communal area improvement work	100
Enhancement of the Housing Delivery team to accelerate delivery of new affordable homes	75
Two new Work and Learning Officers to assist tenants in managing the effects of Universal Credit	70
Additional post for maintenance of untidy gardens	34
Enhanced resources to manage the wide range of smaller non-repairs contracts.	35
Additional Housing Estates Response Operative	24
Total Service Pressures and priority areas for investment and re-investment	338

Appendix 2 – HRA Revenue Budget 2019/20 Cont'd

Note 4: Other Changes

Other Changes	£'000
Impact of the statutory 1% rent reduction	508
Increase in Employee costs for annual increments and staff establishment amendments	74
Increase in ESCC pension contribution	32
Net Increase in contract prices for gas and electricity	185
Increase in Support Service Charges	60
Budget realignment to contract value for financial inclusion support	(7)
Decrease in direct revenue funding of capital programme	(621)
Decrease in capital financing costs	(322)
Increase in rents from 53 week rent year net of sales and disposals and new build rents	(721)
Estimated decrease in major works income from leaseholders	700
Increase over and above inflation in service charge income across all charges	(301)
Repairs rechargeable works budget realignment	27
Total Other Changes	(386)

Note 5: Projected Reserves

Description	Balance at 1 April 2018 £'000	Projected Balance at 31/3/2019 £'000	Projected Balance at 31/3/2020 £'000	Use
Revenue Reserves - Working Balance	3,000	3,000	3,000	Minimum working balance requirement
Useable revenue reserves	4,853	4,486	2,736	Available for use
Mobilisation and set-up costs of new in-house service for repairs	-	982	-	Earmarked reserve
Estate Development Budget (EDB) reserve	407	237	67	Earmarked allocation for EDB
Restructure & Redundancy Reserve	388	388	388	Earmarked reserve
HRA - Renewable Energy Projects	229	179	129	Capital programme funding
HRA Auto Meter Reads (AMR) Reserve	45	-	-	Moved to general reserves
Total Projected Reserves	8,922	9,272	6,320	

Appendix 2 – HRA Revenue Budget 2019/20 Cont'd

Data Table A - Employee Full Time Equivalent (FTE) Reconciliation

The table below shows the actual movements in FTE's in 2018/19 and includes FTE numbers for proposed service pressures.

Original FTE 2018/19	276.4
Changes for 18/19	
Property & Investment	5.0
Sheltered Housing	(0.3)
New staff in preparation for Universal Credit	3.0
Tenancy Services - Rehousing Team	3.0
Adjusted budget 2018/19 FTEs	287.1
Changes for 2019/20	
Estates Services in-year restructure (net change)	2.4
Rehousing in-year restructure (net change)	(1.0)
Investments & Re-investments	
Housing Estates Response Operative	1.0
Additional post for maintenance of untidy gardens	1.0
Housing delivery team	5.5
Contract management support	1.0
Work & Learning officers	2.0
2019/20 FTEs	299.0

Appendix 2 – HRA Revenue Budget 2019/20 Cont'd

Data Table B - Support Service and Other Charges Analysis

The table below provides a breakdown of the support service charges for 2019/20 and compares this to 2018/19.

Charging Service	Budget 2018/19 £'000	Budget 2019/20 £'000
Support Functions:		
ICT	650	671
Finance	379	212
Legal	291	313
Democratic	234	238
Human Resources	196	177
Property	124	107
Tenancy Fraud	62	62
Procurement	0	50
Business Operations	0	42
Communications	25	25
Director	16	17
Other charges:		
Youth Service	250	255
Discretionary Community Grants	145	145
Disabled Adaptations	115	118
Field Officer support	48	50
Family Coach funding	37	38
Apprenticeship Levy	31	31
Homing in and Area Panels	29	29
Energy Efficiency Support	26	26
Noise Pollution	16	16
Insurance costs (now defined as support service costs)	755	886
Total	3,429	3,508

Appendix 3 - Tenant Service Charges

All fees and service charges are reviewed annually to ensure full cost recovery (where appropriate) and also to identify any service efficiencies that can be offset against inflationary increases to keep increases to a minimum. Proposed fees and service charges for 2019/20 are detailed below. Please note that the comparable 2018/19 average weekly charge may change from the previous year's budget report as a result of stock changes (for example new builds and Right to Buy Sales)

Service Charges Eligible for Housing Benefit	Tenants Charged (No.)	Approx. not eligible for Housing Benefit (No.)	2018/19 Average Weekly Charge £	2019/20 Average Weekly Charge £	Average Increase/ Decrease £	Average Increase/ Decrease %	Comments
Communal Cleaning	5,312	2,225	£2.87	£2.93	£0.06	2.0%	The increase reflects pay and price inflation.
Door Entry Servicing and Maintenance	4,305	1,709	£0.48	£0.49	£0.01	2.0%	The increase reflects annual contract inflation.
Electricity - Communal Ways	5,338	2,143	£0.72	£0.88	£0.16	22.8%	The change is mainly as a result of higher electricity prices.
Grounds Maintenance	5,667	2,105	£0.70	£0.71	£0.01	2.0%	The increase reflects annual contract inflation.
Lift Servicing and Maintenance	2,530	776	£0.91	£0.94	£0.03	3.0%	The increase reflects annual contract inflation.
Seniors Housing - Common Ways	877	157	£8.64	£8.90	£0.26	3.0%	The increase is primarily due to the higher electricity prices.
Seniors Housing - Intensive Management	873	154	£21.04	£21.89	£0.85	4.04%	The increase is mainly due to increased staff costs (a nationally agreed pay increase).
Seniors Housing - Laundry	850	151	£1.65	£1.70	£0.05	3.0%	The increase reflects price inflation.
TV Aerials	5,690	2,114	£0.78	£0.78	£0.00	0.0%	No change in overall costs.
Video Entry Servicing and Maintenance	140	37	£0.96	£0.98	£0.02	2.0%	The increase reflects annual contract inflation.

Service Charges Not Eligible for Housing Benefit	Tenants Charged (No.)	Approx. not eligible for Housing Benefit (No.)	2018/19 Average Weekly Charge £	2019/20 Average Weekly Charge £	Average Increase/ Decrease £	Average Increase/ Decrease %	Comments
Communal Heating - Electricity	124	N/A	£7.36	£8.10	£0.74	10.0%	The change is the result of forecast higher electricity prices.
Communal Heating - Gas	1,206	N/A	£5.43	£6.67	£1.24	22.8%	The change is the result of forecast higher gas prices.
Garages and Car Parking	2,762	N/A	£9.03	£9.21	£0.18	2.0%	The increase reflects pay and price inflation.
Mobility Scooter and Cycle Storage	35	N/A	£2.50	£2.50	£0.00	0.0%	No change is proposed for 2019/20.
Seniors Housing - Guest Rooms	N/A	N/A	£15.00	£15.00	£0.00	0.0%	No change is proposed for 2019/20.
Water Charges	240	N/A	£4.46	£4.60	£0.14	3.2%	The increase is mainly the forecast inflation increase of 3.2% for water charges.

Appendix 4 - HRA Capital Programme and Funding 2019/20 - 2021/22

	<i>For Info</i>	For Approval	<i>For information</i>				
EXPENDITURE	<i>Total Budget 2018/19</i>	Proposed Budget 2019/20	Profiled Budget 2019/20	Total Budget 2019/20	Provisional Budget 2020/21	Provisional Budget 2021/22	Description
	<i>£'000</i>	£'000	£'000	£'000	£'000	£'000	
Improving Housing Quality							
Door Entry Systems & CCTV	687	628		628	699	703	A long-term programme to replace door entry systems across the city, where needed, as many are nearing the end of their serviceable life, with spare parts being difficult to source. This programme is constantly reviewed, alongside the communal main entrance door programme to ensure value for money.
Water Tanks, Ventilation, Lighting & Lightening Protection & Fire Alarms	806	675		675	537	539	Projects help meet statutory requirements and ensure safety and welfare for residents through a replacement and improvement programme as required.
Lifts	1,256	571	350	921	779	418	The lift replacement and upgrade programme is a long-term commitment to council residents. The majority of lifts have now been replaced since its inception, and the programme is under ongoing review to ensure it continues to provide good value for money.
Fire Safety & Asbestos Management	2,122	3,388		3,388	3,490	2,008	Effectively managing the risks of both fire and asbestos materials is an ongoing need. . Includes both statutory requirements and provision for enhanced fire safety measures. In particular, including provision for a programme of retro-fitting of sprinklers which continues subject to consultation with residents.
Minor Capital Works	401	549	65	614	355	364	Investment in smaller capital repairs across the HRA stock as well as investing in car parks and garages. The budget for 19-20 includes additional investment in St James House Car Park.
Roofing	1,602	1,752	175	1,927	1,059	1,255	Helps to extend the life of assets, improves insulation and reduces responsive repairs.
Condensation & Damp Works	431	244	148	392	274	314	Health and welfare of council residents is assisted by tackling issues arising from condensation and damp in properties

Appendix 4 - HRA Capital Programme and Funding 2019/20 - 2021/22

	<i>For Info</i>	For Approval	For information				
EXPENDITURE	Total Budget 2018/19	Proposed Budget 2019/20	Profiled Budget 2019/20	Total Budget 2019/20	Provisional Budget 2020/21	Provisional Budget 2021/22	Description
	£'000	£'000	£'000	£'000	£'000	£'000	
Major Structural works	7,131	2,645	1,701	4,346	6,530	7,068	Meeting our landlord obligations through maintaining the structural and general external integrity of properties.
Major Empty Property works	123	91		91	87	126	Extensive refurbishment of empty homes prior to re-letting.
Cyclical Repairs & Decorations	3,844	2,745	503	3,248	2,599	2,868	External and common way repairs and decorations across the city help reduce ongoing costs and keep properties well maintained. Property & Investment are working closely with residents to ensure internal decorations in blocks are consistently delivered across the city.
Future capital projects	112	112		112	112	112	Specialist and other surveys to support future programmes.
Brighton & Hove Standard Works							
Dwelling Doors	407	293		293	249	282	Replacing doors to properties with secure and efficient design helps residents feel safer. This programme includes the provision of fire-rated doors to dwellings where required.
Kitchens & Bathrooms	1,911	1,671		1,671	1,683	1,908	This budget helps to ensure homes comply with the Brighton & Hove Standard.
Rewiring - Domestic/ Communal	1,787	1,384		1,384	1,346	1,431	Safe and reliable and compliant electrical installations and efficient lighting are supported from this budget.
Windows	1,602	1,806		1,806	1,122	1,443	Window replacement programmes meet the council's landlord obligations, improve energy efficiency, warmth and reduce ongoing repair costs.
Sustainability & Carbon Reduction							
Domestic/Communal Heating Improvements	2,158	2,100		2,100	2,099	2,104	Efficient and modern replacement heating systems improve thermal comfort, reduce carbon emissions and resident fuel costs.

Appendix 4 - HRA Capital Programme and Funding 2019/20 - 2021/22

	<i>For Info</i>	For Approval	<i>For information</i>				
EXPENDITURE	<i>Total Budget 2018/19</i>	Proposed Budget 2019/20	Profiled Budget 2019/20	Total Budget 2019/20	Provisional Budget 2020/21	Provisional Budget 2021/22	Description
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
Insulation improvements	62	61		61	62	63	Improving insulation levels in the roof and other parts of buildings improves thermal comfort, reduces mould growth and resident heating costs.
Home Energy Efficiency & Renewables	601	51	550	601	51	51	Many homes now benefit from solar panels. This programme will help take up other opportunities to further improve the energy rating of our homes.
Tackling Inequality							
Estate Development Budget	348	355		355	247	181	Residents are able to prioritise smaller projects through this continuing and well supported budget. Also utilising EDB earmarked reserves .
Environmental Improvements		400		400	400	400	New budget to fund environmental and communal area improvement work.
Fencing	62	61		61	62	63	Maintaining and improving our neighbourhoods and estates.
Disabled Aids & Adaptations	1,300	1,150		1,150	1,150	1,150	Enabling vulnerable residents continue to live independently in their homes through investment in housing adaptations. .
Conversions & Extensions	632	550		550	599	598	Tackling overcrowding across the city is of key importance to ensure good quality housing.
Housing ICT Budget	1,050	250		250	80	80	As part of the modernisation of the HRA's ICT (and in support of the implementation of the new housing management system) investment is required for replacement servers and new ICT hardware.
Estate Service Vehicle Replacement	280						
Total Investment in existing Housing Stock	30,716	23,532	3,492	27,024	25,670	25,528	

Appendix 4 - HRA Capital Programme and Funding 2019/20 - 2021/22

	For Info	For Approval	For information				
EXPENDITURE	Total Budget 2018/19	Proposed Budget 2019/20	Profiled Budget 2019/20	Total Budget 2019/20	Provisional Budget 2020/21	Provisional Budget 2021/22	Description
	£'000	£'000	£'000	£'000	£'000	£'000	
Delivery of New Council Homes							
New schemes	5,000				3,947	13,039	This is the forecast expenditure required to meet the use of RTB receipts requirement. Specific schemes have yet to be identified for future years to utilise the receipts.
Converting spaces in existing buildings	880	1,432	146	1,578	272	326	Increasing housing supply through an ongoing Hidden Homes programme to deliver new homes by converting existing redundant spaces.
Purchase properties	2,763	2,000	1,500	3,500	2,000	2,000	Increasing housing supply through our expanded Home Purchase Policy approved by Committee in 2018.
Design competition	2,500		1,037	1,037	1,463		The approved budget for 2019/20 relates to the Rotherfield Crescent scheme.
Oxford Street conversion	1,064		1,125	1,125			Increasing housing supply through provision of council owned temporary accommodation. This includes a budget variation & reprofile of £0.561m, which is subject to approval as part of the TBM09 report to February PR&G Committee.
Portslade Police Station	127						
Redevelopment of vacant HRA garage sites	2,464						Increasing housing supply through our New Homes for Neighbourhoods programme. 2018/19 budget relates to development at Kensington Street.
Lynchet Close	954						Scheme completed in 2018/19
Wellsbourne Development	69						Scheme completed in 2018/19
Selsfield Drive	7,663		5,737	5,737	387		Scheme due for completion in 2020/21.
Buckley Close			2,720	2,720	240		Increasing housing supply through our New Homes for Neighbourhoods programme. Total budget of £2.96m approved at December PR&G for the development of 12 .

Appendix 4 - HRA Capital Programme and Funding 2019/20 - 2021/22

	<i>For Info</i>	For Approval	<i>For information</i>				
EXPENDITURE	<i>Total Budget 2018/19</i>	Proposed Budget 2019/20	Profiled Budget 2019/20	Total Budget 2019/20	Provisional Budget 2020/21	Provisional Budget 2021/22	Description
	<i>£'000</i>	£'000	£'000	£'000	£'000	£'000	
Victoria Road			3,805	3,805	7,048	2,061	Increasing housing supply through our New Homes for Neighbourhoods programme. Total budget of £12.914m approved at December PR&G for the development of 45 homes and the re-provision of a Sports Pavilion at Victoria Road, Portslade.
Property purchase from Orbit HA			790	790			Increasing housing supply through provision of council owned temporary accommodation. Refurbishment costs relating to the purchase of 15 homes for use as Temporary Accommodation.
Feasibility	377		227	227	150	150	
Total Delivery of New Council Homes	23,861	3,432	17,087	20,519	15,507	17,576	
Total Programme	54,578	26,964	20,579	47,543	41,177	43,104	
Programme Funding							
Revenue Contribution to Capital		22,933	2,171	25,104	27,021	27,758	Funding from revenue surpluses.
Borrowing		2,402	12,512	14,914	9,222	9,858	Borrowing required mainly for new build development.
HRA reserves		250	1,500	1,750	80	80	Useable revenue and capital reserves
EDB Earmarked reserves		170		170	67		Earmarked reserve
Capital Receipts		1,029	4,396	5,425	4,607	5,228	Retained RTB receipts for New Build
Energy Grants/FITs		180		180	180	180	Funding received to support sustainability and carbon projects.
Total Funding	54,578	26,964	20,579	47,543	41,177	43,104	

Appendix 4 - HRA Capital Programme and Funding 2019/20 - 2021/22

Right to Buy (RTB) Receipts Monitoring

In June 2012, the council signed an agreement to retain RTB Receipts, which can be used to fund up to 30% of a new build development. The agreement requires these amounts to be spent within 3 years of receipt, otherwise the council will be required to repay them to the Government with interest at a rate of 4% above the base rate on a day to day basis compounded with three monthly rests.

The following table sets out current and planned usage, showing that all receipts are assumed to be spent: -

Financial Year	In year RTB receipts	Affordable Housing Expenditure required	Affordable Housing forecast expenditure	(Under) / over achieved
	£'000	£'000	£'000	£'000
Pre 2015/16			1,788	1,788
2015/16	609	2,030	6,684	4,653
2016/17	3,966	15,249	19,332	4,083
2017/18	2,561	23,787	31,713	7,927
2018/19	5,431	41,890	41,890	
2019/20	4,611	57,259	60,672	3,413
2020/21	5,631	76,029	76,029	
2021/22	5,228	93,455	93,455	

Appendix 5 - HRA MEDIUM TERM FINANCIAL STRATEGY AND 30 YEAR FINANCIAL FORECAST

Medium Term Financial Strategy

The Medium Term Financial revenue position provides a cumulative surplus of £79.883m that can be used to support the delivery of the Capital Programme during this period. The projected surplus for the HRA is lower in 2019/20 due to the 1% reduction in rents. However, for 2020/21, rental income increases, which is consistent with the government announcement that rents can increase by CPI plus 1% from 2020/21. This increases the level of surpluses for the HRA.

HRA Medium Term Financial Strategy

	2019/20 £'000	2020/21 £'000	2021/22 £'000
Expenditure			
Management & Service Costs	17,358	17,486	17,791
Repairs and Maintenance	9,389	10,190	10,460
Other Costs	639	652	665
Borrowing costs	6,299	6,616	6,684
Total Expenditure	33,685	34,944	35,600
Income			
Rental Income	(50,030)	(51,884)	(54,263)
Service Charges (Tenants)	(3,703)	(3,770)	(3,838)
Other Income	(5,056)	(6,311)	(5,257)
Total Income	(58,789)	(61,965)	(63,358)
Net Revenue Income	(25,104)	(27,021)	(27,758)

Appendix 5 - HRA MEDIUM TERM FINANCIAL STRATEGY AND 30 YEAR FINANCIAL FORECAST

30 YEAR FINANCIAL FORECAST

The introduction of self-financing provided local authorities with the opportunity to develop longer term planning to improve the management and maintenance of council homes. The government's self-financing valuation agreed at April 2012 was based on using the rent restructuring formula with increases set at RPI + ½% + £2 per week and was set at a level to provide a balanced business plan over the next 30 years.

Since then the government has imposed two changes to the rent calculation which have both resulted in significant reductions in future rental income. From April 2015, government guidance revised annual increases to Consumer Price Index (CPI) + 1%. This change removed the flexibility of social landlords to increase social rents each year by an additional £2 where rents were below target, resulting in lower annual rental increases over the long term. Then from April 2016, the Welfare Reform and Work Act 2016 introduced that rents should be reduced by 1% per annum for four years commencing in 2016/17.

However, in October 2017 the government announced that "increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020". The current financial plan projections shown below continue to provide a balanced business plan and show surpluses of £288.748m over 30 years, which allows for regeneration and new investment within the HRA. This surplus has increased since last year's plan due to the assumptions made for new rental streams from more new build properties and the inclusion of rental increases at CPI+1% for a further two years than last years plan allowed for.

Assumptions

The 30 year financial forecast has been developed based on the following assumptions:

- A general inflation of CPI assumed as an average of 2% for years 2 to 30.
- Revenue repairs and maintenance costs are assumed to increase by 2.5% per year throughout the plan.
- The forecast currently includes approved schemes and an assumption that an additional 260 new homes will be built over the next 7 years. This amounts to an estimate of £70m from 2020/21 utilising current and estimated future right-to-buy receipts and borrowing. There is a small allowance of £2.000m per annum for purchasing properties but no further allowance for any future regeneration schemes beyond 2024/25.
- Rents are assumed to decrease by 1% per annum for 2019/20 and then increase at CPI +1% for five years after. Longer term rent increases of CPI have been assumed.

Appendix 5 - HRA MEDIUM TERM FINANCIAL STRATEGY AND 30 YEAR FINANCIAL FORECAST

	Years 1-5	Years 6-10	Years 11-20	Years 21-30	Total
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Management & Service Costs	86,901	92,885	203,535	232,654	615,975
Repairs and Maintenance	50,140	57,155	134,624	167,934	409,853
Other Costs	3,338	3,601	8,365	10,197	25,501
Borrowing costs	38,426	54,004	69,825	65,056	227,311
Total Expenditure	178,805	207,645	416,349	475,841	1,278,640
Income					
Rental Income	(262,553)	(308,438)	(708,972)	(846,056)	(2,126,019)
Service Charges (Tenants)	(18,619)	(20,629)	(47,345)	(56,937)	(143,530)
Other Income	(28,443)	(24,782)	(52,949)	(68,856)	(175,030)
Total Income	(309,615)	(353,849)	(809,266)	(971,849)	(2,444,579)
Net Revenue Income	(130,810)	(146,204)	(392,917)	(496,008)	(1,165,939)
Capital Expenditure					
Capital investment programme	129,943	118,636	220,260	379,152	847,991
Development	80,966	39,518	20,000	20,000	160,484
Total Expenditure	210,909	158,154	240,260	399,152	1,008,475

Appendix 5 - HRA MEDIUM TERM FINANCIAL STRATEGY AND 30 YEAR FINANCIAL FORECAST

	Years 1-5	Years 6-10	Years 11-20	Years 21-30	Total
	£'000	£'000	£'000	£'000	£'000
Funded By:					
Other Capital Income	(25,945)	(11,855)	(6,000)	(6,000)	(49,800)
Borrowing	(50,990)	(21,594)	-	-	(72,584)
Direct Revenue Funding	(130,810)	(146,204)	(392,917)	(496,008)	(1,165,939)
Total Funding	(207,745)	(179,653)	(398,917)	(502,008)	(1,288,323)
Opening HRA reserves	(7,853)	(5,736)	(27,235)	(185,892)	(7,853)
(To) / From Reserves	2,117	(21,499)	(158,657)	(102,856)	(280,895)
Cash surplus at year 30	(5,736)	(27,235)	(185,892)	(288,748)	(288,748)

Appendix 6 – Integrated Service & Financial Plan (detailed savings proposals)

	Service Area				Service and Financial Strategy			Savings Detail	
Section	Service Area	Gross budget 2018/19	Net budget 2018/19	FTEs 2018/19	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2018/19	Savings 2019/20
		£'000	£'000					£'000	£'000
Housing Revenue Account									
HRA employees Costs	Included in budget and FTE figures below				To improve budgeting in order to plan expenditure effectively and avoid large variances at the year end.	To include an element of staff turnover allowance in some of the staffing budgets in Housing Management in order to allow for a the historic high turnover of staff in some areas which has led to underspends.	Delivery Risk: If turnover is less than expected, then savings may not be fully realised although this is unlikely. Impact on outcomes: This saving proposal should not have any effect on the landlord service as staffing numbers will be unchanged.	105	80
HRA Employees costs								105	80
Capital Financing	Capital Financing	32,334	32,302	-	Capital financing costs are calculated based on existing borrowing and any new borrowing anticipated during the financial year.	Capital financing charges will be reported to Housing & New Homes Committee (Jan 2019) and Policy, Resources & Growth Committee (Feb 2019).	N/A	-	-

Appendix 6 – Integrated Service & Financial Plan (detailed savings proposals)

Section	Service Area				Service and Financial Strategy			Savings Detail	
	Service Area	Gross budget 2018/19	Net budget 2018/19	FTEs 2018/19	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2018/19	Savings 2019/20
		£'000	£'000					£'000	£'000
Housing Management, Service Wide Savings from Reviews, Support Service Charges	Central services Housing HRA (includes central support services and Homemove service).	4,728	4,728	1.6	To ensure that the use of HRA resources is maximised against strategic priorities.	No savings planned in this area which largely relates to support services. These are calculated centrally by finance so any reductions will be built into the HRA budget. All support service costs to the HRA are reviewed to ensure value for money for the landlord service.	N/A	-	
Estates Regeneration	Head of City Development & Regeneration	286	286	5.3	Key political priority to deliver new council homes and this team is responsible for the delivery of the new homes for neighbourhoods programme (NHFN).	No savings proposed for 2019/20. Due to the removal of the HRA borrowing cap, this team requires more resources going forward most of which will be capitalised.	N/A	-	
Income Inclusion Improvement, Rents & Service Charges	Income Involvement Improvement	3,644	(50,603)	75.8	To ensure that the use of HRA resources is maximised against strategic priorities.	Review of premises and supplies and services budgets with the aim of achieving cost savings across the Income. inclusion and improvement area without	Delivery Risk: Low risk as the service is currently underspending and therefore this level of budget reduction should be achievable.	-	50

Appendix 6 – Integrated Service & Financial Plan (detailed savings proposals)

Section	Service Area				Service and Financial Strategy			Savings Detail	
	Service Area	Gross budget 2018/19	Net budget 2018/19	FTEs 2018/19	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2018/19	Savings 2019/20
		£'000	£'000					£'000	£'000
						affecting the level of service to residents.	Impact on Outcomes: No impact on the level of service to residents.		
Property & Investment Management including Repairs & Servicing Contracts	Property & Investment	11,746	11,697	47.8	To improve housing quality by continuing to improve sustainability standards, maintain decent homes and health, safety and wellbeing. To do this through the effective management and procurement of repairs, maintenance, improvement works and service contracts.	A review of the Mechanical and Electrical service contracts budgets to match actual contractual commitments (£0.100m).	Delivery Risk: Low risk - This area of the service is already underspending as reported in budget monitoring (TBM). Based on continued proactive investment in improving stock. This will be kept under review. Impact on Outcomes: Improved outcomes from efficiency and effectiveness.	550	100

Appendix 6 – Integrated Service & Financial Plan (detailed savings proposals)

Section	Service Area				Service and Financial Strategy			Savings Detail	
	Service Area	Gross budget 2018/19	Net budget 2018/19	FTEs 2018/19	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2018/19	Savings 2019/20
		£'000	£'000					£'000	£'000
Tenancy Services and HRA TACC	Tenancy Services	6,642	1,590	159.1	To ensure that the use of HRA resources is maximised against strategic priorities.	Review of premises and supplies and services budgets with the aim of achieving cost savings across the Tenancy Services area without affecting the level of service to residents.	Delivery Risk: Low risk as the service is currently underspending and therefore this level of budget reduction should be achievable. Impact on Outcomes: No impact on the level of service to residents.	-	50

Subject:	Home Purchase Policy Opportunity – Appropriation of 84 Coombe Road, Brighton		
Date of Meeting:	Housing & New Homes Committee 16 January 2019 Policy, Resources & Growth Committee 24 January 2019		
Report of:	Housing & New Homes Committee - Executive Director Neighbourhoods, Communities & Housing Policy Resources & Growth Committee - Executive Director Neighbourhoods, Communities & Housing, Executive Director Economy, Environment & Culture		
Contact Officer:	Name:	Diane Hughes	Tel: 01273 293159
	Email:	<u>Diane.hughes@brighton-hove.gov.uk</u>	
Contact Officer:	Name:	Angela Dymott	Tel: 01273 291450
	Email:	<u>Angela.dymott@brighton-hove.gov.uk</u>	
Contact Officer:	Name:	Jonathan Jose	Tel: 01273 291082
	Email:	<u>Jonathan.jose@brighton-hove.gov.uk</u>	
Ward(s) affected:	Moulsecoomb & Bevendean		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks approval for the appropriation of 84 Coombe Road (see appendices 1 and 2 for plan and photograph), a three bedroom residential property currently owned by the General Fund to Part II of Housing Act 1985, financed through the Home Purchase Policy. The property is a vacant school caretaker's house that has been declared surplus to requirement and is managed centrally by Property & Design.
- 1.2 The Home Purchase Policy has successfully increased the number of affordable homes in the city since it was agreed in autumn 2017. This has allowed the council to buy back properties which will now be used for general needs or temporary accommodation. So far eight properties are back in council ownership with offers accepted on three further properties and a fourth offer being considered. Housing & New Homes Committee agreed to the expansion of the scheme in September 2018 allowing the council the option to look at purchasing affordable housing units supplied as part of new housing developments in the city (typically known as S106 sites), and utilising other options to increase affordable homes under the 'Other Opportunities' section of the policy.
- 1.3 The report also seeks Policy, Resources & Growth Committee approval for the retention of the net capital receipt generated by the proposed appropriation, to be

used for reinvestment by Families Children and Learning, to support the integration of disability services by co-locating the three teams currently based in Montague House, Bartholomew House and Seaside View together in Wellington House. Please see Appendix 3 for rationale and detail.

- 1.4 The colocation of these teams will enable £200,000 in revenue savings, identified as part of the directorate's ISFP: *"Reduction in management capacity across the Children's Disability Service and the Adults Learning Disability Service following re-structure to provide one integrated service from one location. Bringing together adult and children's services provides an opportunity to rationalise management across both services and to streamline provision."*

2. RECOMMENDATIONS:

- 2.1 That the Housing & New Homes Committee recommends to Policy, Resources and Growth Committee that it:-
 - 2.1.1 appropriates 84 Coombe Road, Brighton from existing purposes to Housing Act purposes;
 - 2.1.2 agrees that the General Fund should receive the value of £290,000 in consideration for the appropriation at recommendation 2.1.1;
 - 2.1.3 authorises the retention of the net capital receipt to be used for reinvestment by Families Children and Learning to support the integration of disability services by co-locating the teams in Wellington House; and
 - 2.1.4 notes that the appropriation referred to at 2.1.1 above will take place when the Policy, Resources & Growth Committee makes the decision to appropriate (assuming that the Committee approves the recommendation) and that the funds referred to at 2.1.2 will be transferred following that decision.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Brighton & Hove City Council (General Fund) owns a three bedroom house at 84 Coombe Road, Brighton. Previously it housed a school caretaker under a service tenancy but the property is now vacant and surplus to operational requirements. Options for its future use are being considered.
- 3.2 Due to the pressing need for affordable housing in the city, the Property and Design Estates team have engaged with Housing colleagues to see whether this can meet a housing need in the first instance. Alternative options have also been considered including disposal of the property on the open market or entering a lease arrangement with a Registered Housing Association.
- 3.3 The property is a three bedroom house and has been valued at £290,000. Research has been undertaken via the Land Registry to compare this purchase price against recent sales in the vicinity to Coombe Road. Findings from this research confirm that this purchase price will offer the HRA value for money. Works are required to bring the property up to a lettable standard. A survey was carried out by the Housing Asset Team and it is anticipated that these works will cost up to £35,000.

- 3.4 A viability assessment has been completed on the property, which has found that a purchase is viable at Local Housing Allowance rent levels. It is recommended that should the purchase go ahead it be used as council owned temporary accommodation. Funds are still available in the HRA Home Purchase Policy budget for 2018/19 to make this purchase. This budget is funded by Right to Buy Receipts and HRA borrowing.

Rent Level	Weekly Rent	Subsidy / (Surplus)
Local Housing Allowance	£230.28	(£0.047m)
Local Housing Allowance TA Rates	£228.47	(£0.045m)
Living Wage 37.5%	£179.85	£0.024m
Living Wage 27.5%	£131.89	£0.092m
Social	£97.37	£0.141m

As the valuation is over £250,000 we cannot consider this under the usual buy back scheme. However, it could be considered under the 'Other Opportunities' section of the council's Home Purchase Policy, which requires a report to Housing & New Homes Committee for authorisation to proceed.

4. ANALYSIS & CONSIDERATION OF OPTIONS

Option	Benefits	Risks
Option 1 – Appropriation to HRA (preferred option)	Increased supply of affordable housing Retention of a council asset Pressing housing needs are met Right to Buy (RTB) receipts are spent and therefore not returned to government and not incurring interest of 4% due to returning these receipts The use of Right to Buy receipts will reduce the need for HRA borrowing Further General Fund savings can be realised through an increase in the supply of council owned temporary accommodation Retention of net capital receipt for reinvestment by Families Children and Learning to support the integration of disability	

	services by co-locating the teams in Wellington House.	
Option 2 – Do nothing	Budget available for the purchase of alternative properties under the Home Purchase Policy	Not utilising all opportunities to spend RTB receipts Not meeting full potential to acquire new affordable homes in the city Missing out on opportunity to purchase a larger three bedroom property at a valuation which provides the HRA with value for money. Property surplus to existing service requirements (school caretaker accommodation) No capital receipt for the general fund leaving a funding gap for Families Children and Learning to support the integration of disability services by co-locating the teams in Wellington House
Option 3 – Dispose of property on the open market	Budget available for the purchase of alternative properties under the Home Purchase Policy Retention of net capital receipt for reinvestment by Families Children and Learning to support the integration of disability services by co-locating the teams in Wellington House.	Not utilising all opportunities to spend RTB receipts Not meeting full potential to acquire new affordable homes in the city Missing out on opportunity to purchase a larger three bedroom property at a valuation which provides the HRA with value for money. Time taken to complete Risk of failure

		Cost of agents fees
Option 4 – Dispose of property on a lease to a Registered Housing Association	Possible revenue stream generation. Retention of Council Asset Pressing housing needs are met	Missed out on opportunity to generate a capital receipt. Not utilising all opportunities to spend RTB receipts Not meeting full potential to acquire new affordable homes in the city Missing out on opportunity to purchase a larger three bedroom property at a valuation which provides the HRA with value for money Funding gap for Families Children and Learning to support the integration of disability services by co-locating the teams in Wellington House. The cost of works required to bring the property up to a lettable standard would come out of a rent free period.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 There has not been any community engagement as the matter relates to the appropriation of a residential property. Internal consultations have been held with relevant parties.

6. CONCLUSION

- 6.1 Having considered the options above, officers recommend the transfer of the site to Housing. The proposal realises a number of benefits for the council including the provision of a much needed larger home which will be used as temporary accommodation for a family in housing need.
- 6.2 The capital receipt (£290,000) would be used to support the co-location of Learning Disabilities Services at Wellington House. A combination of borrowing against savings associated with the project and a contribution from the Asset Management Fund would supply the remaining £246,000 required.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications

- 7.1 The 2018/19 HRA capital programme includes a budget of £2.763m for the purchase of properties through the Home Purchase Policy. There is currently sufficient budget remaining for the HRA to purchase 84 Coombe Road at an estimated total cost of £0.290m as recommended in this report. This budget is funded from a combination of Right to Buy (RTB) receipts and HRA borrowing. Therefore purchasing this property will assist the HRA to use RTB receipts within the three year time period.
- 7.2 In accordance with the new rent policy, five rent levels have been modelled for this scheme. Affordable rents capped at LHA rates, LHA rent levels for Temporary Accommodation, 37.5% of Living Wage rents, 27.5% of Living Wage rents and target social rent. A summary table of the viability modelling is shown at 3.4 of the report. The modelling indicates that the purchase and refurbishment of this property is viable for the HRA at both LHA rate and the TA rate.
- 7.3 Approving the appropriation of 84 Coombe Road for use as Temporary Accommodation, will contribute positively to the net subsidy requirement to the overall home purchase programme. The estimated surplus will support other purchases that may require a small subsidy, therefore increasing the delivery of affordable housing through this policy.
- 7.4 The Home Purchase Policy allows for the Executive Director for Neighbourhoods, Communities and Housing to purchase properties up to a £0.250m limit, under delegated powers. As this property costs £0.290m, it is being referred to Housing and New Homes Committee.
- 7.5 If approved, the General Fund will receive a capital receipt of £0.290m from the HRA for the appropriation of this site. This will be ringfenced toward the capital investment associated with the co-location of Learning Disabilities Services at Wellington House. The remaining £0.197m required for the Wellington House business case will be met from a combination of borrowing against savings associated with the project and a contribution from the Asset Management Fund.
- 7.6 The approval of this appropriation will help facilitate the achievement of £0.200m in revenue savings, identified within the 2019/20 FCL ISFP: This proposal is centred around the integration of disability services by co-locating three teams at Wellington House.

Finance Officers Consulted: Monica Brooks / Craig Garoghan / Rob Allen
Date: 02/01/2019

Legal Implications:

- 7.7 Under section 122 of the Local Government Act 1972, a council may appropriate for any purposes for which it is authorised to acquire land by agreement, any land which belongs to the council and is no longer required for the purposes for which it was held immediately before the appropriation. The Council has powers to acquire land for housing purposes under Part II of the Housing Act 1985. As 84 Coombe Road is no longer required for a school caretaker, it can properly be

appropriated for housing purposes. Land acquired under Part II of the 1985 Act will be accounted for in the HRA.

Lawyer consulted: Liz Woodley

Date: 31.12.18

7.8 Equalities Implications:

All current housing supply programmes support the delivery of the city's Housing Strategy and an increase in housing supply will extend opportunities to accommodate households on the Housing Register who are in housing need.

7.9 Sustainability Implications:

Purchased properties are required to meet the Brighton & Hove Standard and seek to be energy efficient, minimise carbon emissions and reduce water usage.

7.10 Any other Significant Implications:

There are none

SUPPORTING DOCUMENTATION

Appendices:

1. Location Plan of 84 Coombe Road
2. Photograph of 84 Coombe Road
3. Rationale for ring-fencing capital receipt

Documents in Members' Rooms

None

Background Documents:

None

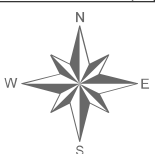


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84 Coombe Road Appendix 1

Scale 1:500



Appendix 2



APPENDIX 3:

Rationale for Ring-fencing the Capital Receipt of 84 Coombe Road to Support the Redevelopment of Wellington House

- 1.1. All services and provision for children and adults with learning disabilities (LD) were brought together within Families, Children & Learning (FCL) Directorate in November 2016 with the aim of merging functions and creating a better service for all ages on a more sustainable financial basis. Adult LD services were previously in the Adults Directorate (now Health and Adult Social Care – HASC).
- 1.2. Central to the success of an integrated Learning Disability Service, and the achievement of associated revenue savings, is the colocation of three teams currently working in separate offices. An extensive review of properties within the organisation's operational portfolio was completed to identify the most suitable location for the integrated service. Following this review, Wellington House was identified as the preferred location. The building comes under Corporate Landlord, is currently underused, and Learning Disabilities Day Options services are already operating from it. It is positioned in a convenient location for service users, with good public transport links.
- 1.3. Detailed consultation and engagement has already taken place with the Learning Disabilities Day Options service to confirm that they will be able to continue to operate in a reduced area, creating space for the integrated Learning Disabilities Service. Extensive analysis has also been completed to ensure that the remaining space meets the occupancy needs of the integrated service.
- 1.4. In order to accommodate the integrated LD service and allow for the existing Day Options service to continue operating in a reduced space, capital investment is required to reconfigure the building. The Workstyles Programme is managing the redevelopment to ensure it delivers a flexible office environment for the integrated service that meets corporate Workstyles principles. Adjustments to the Day Service side of the building, developed in consultation with staff and managers of the service, will ensure the service is able to operate within a reduced space. Designs will also support the Day Service's ambition to achieve an accreditation for having an Autism friendly environment.
- 1.5. In addition to the design proposals, planned maintenance works are scheduled for the building. These are being carried out in parallel to the proposed project and will upgrade the mechanical infrastructure of Wellington House, improving heating and energy efficiency.
- 1.6. In July 2018 the Workstyles programme was reviewed to better align with the administration's strategic priorities. Several new projects, including Wellington House refurbishment, were added to the project dossier. As part of this review it was recommended that the Asset Management Fund continue to be used to

invest in the Corporate Landlord estate, supporting the Workstyles programme through modernising office space and increasing opportunities for flexible working. The revised programme was approved by the Corporate Modernisation Delivery Board. A further report on how the Asset Management Fund is being used to support the Workstyles programme will be presented to Policy, Resource & Growth committee in March 2019.

- 1.7. The required capital investment in Wellington House, and associated appropriation of 84 Coombe Road, will deliver several of the reprioritised Workstyles programme objectives:
 - To ensure that the council is making best use of its assets
 - To contribute to the council's modernisation savings plan and budget strategy
 - To bring consistency to the organisation by delivering Workstyles benefits to services and buildings which have not yet been supported by the programme
 - To ensure that the benefits associated with all phases of Workstyles are properly embedded in the organisation
 - Support and align with the administration's priority of increasing housing across the city
- 1.8. The total cost of capital work required to reconfigure Wellington House is £487,000, which includes a 10% contingency. The capital receipt (£290,000) associated with the appropriation of 84 Coombe Road will part fund these essential works. The remaining £197,000 will be funded through a contribution from the Asset Management Fund.
- 1.9. The colocation of these teams will enable £200,000 in revenue savings, identified as part of the directorate's ISFP:

“Reduction in management capacity across the Children's Disability Service and the Adults Learning Disability Service following re-structure to provide one integrated service from one location. Bringing together adult and children's services provides an opportunity to rationalise management across both services and to streamline provision.”
- 1.10. In addition to enabling FCL savings and creating a new flexible working office in Wellington House, the colocation of Learning Disabilities services will increase capacity in the buildings that they are vacating. This additional capacity will support future Workstyles projects, especially where decant space is required. Furthermore, the vacated office at Montague House has the potential to be leased, representing a potential saving/new income to the organisation. The extent of this potential saving will be reviewed through the wider Workstyles programme, in support of future project business cases.

Subject:	Bristol Estate Phase 2 – First-Tier Tribunal Decision		
Date of Meeting:	16th January 2019		
Report of:	Executive Director, Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Dave Arthur, Leasehold Services Manager	Tel: 293072
	Email:	dave.arthur@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report looks at the decision, and gives thought to similar issues which may arise, relating to the First-Tier Tribunal Property Chamber decision of 18 October 2018 on the liability of leaseholders to pay service charges at five high-rise buildings on the Bristol estate. (See Appendix 1).
- 1.2 The tribunal has published the decision notice online as a public document. This is available on the Courts and Tribunals Judiciary website at the following link:
http://www.residential-property.judiciary.gov.uk/Files/2018/October/CHI_00ML_LIS_2017_57_30_Oct_2018_17_40_09.htm

2. RECOMMENDATIONS:

- 2.1 That the committee notes the decision of the First-Tier Tribunal in relation to these works along with the implications for other, similar works of repair undertaken or to be undertaken in the future by the council where service charges for major works of repair may be disputed in a similar way.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 In November 2017 the council applied to the First-Tier Tribunal for a decision on the liability to pay service charge for major work carried out at five high rise buildings on the Bristol estate. The work included replacement roof coverings, replacement windows and external wall insulation.
- 3.2 The total expenditure incurred by the council was in the order of £650,000 for each building. Under their leases, leaseholders covenant to pay a percentage share of the council's total expenditure on keeping the exterior, structure and common parts in repair. 39 leaseholders were charged £24,000 - £28,000 each, depending on their lease terms.

- 3.3 Some leaseholders withheld payment, disputing that the service charge was payable. The council was unable to satisfy the leaseholders' challenges to the service charge through its own internal service charge disputes procedure.
- 3.4 Housing & New Homes Committee received a number of questions from residents as part of the public involvement section of the committee agenda whilst the case progressed. Officers also briefed members at key stages.
- 3.5 Leaseholders have asked questions about whether mediation was considered in this case. Mediation can undoubtedly be effective in some scenarios, but can be difficult when dealing with high cost structural surveying and leasehold issues involving large numbers of service charge payers. Arbitration is conducted by a suitably qualified person, often a former judge, and the legal costs can be the same as they would be for a tribunal. The two sides need to prepare detailed cases as they would for the First-tier tribunal and present them in similar manner. It is normally used for very high value cases. In this case, the council received no detailed case against its position until the tribunal required it to be presented.
- 3.6 With mediation, any settlement only applies to the people involved and who agree to sign up to it. The tribunal, on the other hand, offered the council and leaseholders closure on the matter as a whole. The tribunal decision is binding on all parties involved. This is especially important in leasehold management as any leaseholder has the right to dispute the service charge whether they have paid or not.
- 3.7 Leaseholders have the right at any time to make a tribunal application. This means the council is in the position where at a later date it can find itself defending a service charge challenge from a single leaseholder not bound by any mediated settlement. A case brought by one leaseholder is almost as costly as a case involving multiple leaseholders. There is also a lot of officer time used in dealing with often multiple groups raising different issues and operating in very different ways.
- 3.8 The council does not wish to go to tribunals, and does everything it can to avoid going to tribunal. The council operates an internal service charge dispute process that has dealt with over 500 disputes over the last 10 years. This has been highly effective with over 90% of disputes successfully resolved at Stage 1 or 2. Of the remainder only four have gone on to tribunal hearings. The council has not been asked to limit the service charge significantly in any of those cases, and in three of them, not at all.
- 3.9 However, a tribunal is the most appropriate forum to resolve a high cost service charge dispute that cannot be agreed between the parties. The council after all is dealing with public money, in this case tenants' rents. It cannot without sufficient reason reduce service charges it believes to be overwhelmingly justified without a reasoned decision from an authority such as the First-tier tribunal.
- 3.10 In the case of the Bristol Estate Phase 2 tribunal, at the time of the application there was £400,000 of unpaid or withheld service charge.

- 3.11 Prior to the hearing, the barrister acting for a group of 20 leaseholders approached the council's barrister to offer a financial settlement. A full and final financial settlement was agreed with this group without any prejudice to the tribunal hearing itself.

First-tier tribunal written decision

- 3.12 The three members of the tribunal – the judge and two structural surveyors – inspected the buildings which were constructed c1957 by Wimpey using 'No-Fines' concrete. They recognised that 'there are well-documented difficulties with 'No-Fines' concrete which in this case led to early deterioration of the elevations' and the council receiving structural surveying advice to seal and clad them with external wall insulation (EWI).
- 3.13 The tribunal's written decision supported the council's work, practice and management decisions in this matter - that the repairs were required and carried out to a reasonable standard. The key points in its decision were:
- The council followed all processes correctly and the service charge costs were reasonably incurred
 - All the costs incurred by the council, including for roofs, windows, balconies and external wall insulation were reasonably incurred
 - The council complied in full with the consultation requirements, along with the terms of the leases and all the statutory requirements
 - The major work was found to be works of 'repair' as the condition of the roof coverings, windows, balconies and non-traditional concrete envelope of the buildings had deteriorated sufficiently to be 'out of repair' – the choice of remedial work being essentially a matter for the landlord
 - The cladding 'did coincidentally involve an element of improvement', but that was 'not in itself something which takes the works beyond a repair'. This is an important finding as some early Brighton leases do not allow the council to recover the cost for 'improvements'.
 - On the standard of work, the tribunal was struck by the extremely exposed location of the site, essentially high-rise buildings on a hill overlooking the sea, with no protection at all from the sea winds. They said, 'a more challenging environment for maintenance can scarcely be imagined'.
 - Given this, the tribunal found that the condition of the balconies 'was in many ways quite good' and that the overall standard of painting in 2014 was reasonable.
 - Importantly, the tribunal decision recognises that minor problems are inevitable in such a large project and that 'the standard is one of reasonableness and not perfection'.

- The windows inspected in the various blocks were essentially in reasonable condition and the tribunal was satisfied that the original window installation work was of a reasonable standard.
 - On the windows, the tribunal recognised that there were difficulties with adjustment and operation of the ‘tilt and turn’ mechanisms and problems were observed with the mechanisms in the flats visited and in the common parts (which were installed separately to this project). However, the tribunal decision says that the problems essentially related to lack of maintenance, not poor installation.
 - The tribunal ruled that no limitation should be made to the costs incurred by the council for the purposes of leaseholders service charges and that the service charge costs were payable in full.
- 3.14 This decision has resolved all disputes on the service charge for the works at these buildings.
- 3.15 At the end of September 2016, the council billed 37 leaseholders on five other high rise buildings on the Bristol estate known as Phase 3 of the external refurbishment works. This is almost identical major work and it now falls to the council to seek to resolve any outstanding disputes and seek collection of outstanding service charges being withheld on these properties.
- 3.16 In September 2018, five high rise buildings at Clarendon Road, Hove were billed service charge at the end of September 2018, for concrete and brickwork repairs, cavity wall insulation, replacement windows and roof coverings. Multiple leaseholders are disputing the service charge for these works citing that the costs were not reasonably incurred and the works not carried out to a reasonable standard. The issues are the same as those taken to the Tribunal as above.
- 3.17 The council has also embarked on projects of external refurbishment including EWI at St John’s Mount, Tyson Place and Saxonbury which are likely to give rise to the same challenges, the same arguments and the same need for dispute resolution and service charge collection.
- 3.18 Further works to high-rise and other buildings in the council’s housing portfolio are ongoing.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 None for this report.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The council seeks to work in partnership with leaseholders through the Leaseholder Action Group. In addition, the council supports an Annual General Meeting for leaseholders. A members working group on Leaseholder Engagement was established in 2017 and a report detailing proposed improvements to Leaseholder Engagement was presented to Housing & New

Homes Committee in June 2018. The council is making a number of improvements to how it engages with leaseholders as detailed in that report.

6. CONCLUSION

- 6.1 The tribunal hearing was a very real test of the council's processes it has been operating on identifying, instructing and delivering major works projects to keep our buildings in repair over the last eight years.
- 6.2 The tribunal's conclusion that the costs incurred were reasonable, that the works had been carried out to a reasonable standard and that all the service charge was payable sets a very clear marker for the council for future works and future service charge disputes. The council can be confident that its working method is sound and the legislative framework is being complied with.
- 6.3 Additionally, in view of the fact that the independent expert appointed for the tribunal case assessed the costs to be within 1% of those incurred by the council, Brighton & Hove can be very confident in its practice on major works projects of this nature both in the past and in the future.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Council as landlord has a duty to collect income from leaseholders for a share of major works costs to their blocks as specified in their lease agreements. If these sums are not paid by leaseholders, then the major works costs will have to be met from tenants' rents and service charges reducing the resources available for the management and maintenance of tenants' homes.

Finance Officer Consulted: Monica Brooks

Date: 03/01/19

Legal Implications:

- 7.2 The Tribunal Judgement is set out in the body of the report. There are no further legal implications arising from the report which is seeking that the Committee note the Tribunal decision.

Lawyer Consulted:

Simon Court

Date: 11/12/18

Equalities Implications:

- 7.3 None for this report.

Sustainability Implications:

- 7.4 None for this report.

Any Other Significant Implications:

7.5 None for this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Written decision of First-tier tribunal 18 October 2018

Documents in Members' Rooms

1. None.

Background Documents

1. None.



**FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference	:	CHI/00ML/LIS/2017/0057
Property	:	Various flats at Chadborn Close, Turton Close and Donald Hall Road, Brighton BN2
Applicant	:	Brighton and Hove City Council (landlord)
Representative	:	Mr Simon Allison of counsel, instructed by Irwin Mitchell plc
Respondents	:	Various lessees
Representation	:	(1) Various lessees represented by Ms Amanda Gourlay of counsel, Direct Professional Access (2) Mr Duncan Campbell (Flat 178 Allamanda, Donald Hall Road, Brighton BN2 5DJ), in person (3) Mr Nicholas Dawe and Ms Laura Timperley (Flat 192 Allamanda, Donald Hall Road, Brighton BN2 5DJ), in person (4) Other non-participating lessees
Type of Application	:	Liability to pay service charges
Tribunal Members	:	Judge M Loveday (Chairman) Mr N Robinson FRICS Mr R Wilkey FRICS
Date and venue of Hearing	:	24-25 September 2018 Mercure Brighton Seafront Hotel, 149 Kings Road, Brighton BN1 2PP
Date of Decision	:	18 October 2018

DECISION

Background

1. This is an application dated 28 November 2017 to determine liability to pay service charges under s.27A of the Landlord and Tenant Act 1985 (“LTA 1985”). The matter relates to major works undertaken by the local authority Applicant to 5 blocks of flats known at Chadborn Close, Turton Close and Donald Hall Road, Brighton BN2. The Application sought a determination in relation to charges allegedly payable by lessees of some 39 flats. There are also applications by certain lessees under LTA 1985 s.20C.
2. Directions were given on 5 December 2017 which provided that “Any Respondent lessee who wishes to participate in the proceedings must return a completed Acknowledgement to the Tribunal by 7 January 2018” and that “Only those lessees who return an Acknowledgement will receive further communications from the Tribunal.” On 13 March 2018, further directions were given, which included provision for the “participating Respondents” to file Statements of Case.
3. The Respondents essentially fall into four categories:
 - a. A group of 20 lessees known collectively as ‘Justice for Tenants Phase 2’ who filed a joint Statement of Case dated 22 June 2018, and who were represented at the hearing by counsel, Ms Amanda Gourlay.
 - b. Mr Duncan Campbell (Flat 178 Allamanda, Donald Hall Road, Brighton BN2 5DJ), who responded to the invitation from the Tribunal to state he was a participant, but who did not file a Statement of Case. Mr Campbell attended the hearing in person.
 - c. Mr Nicholas Dawe and Ms Laura Timperley (Flat 192 Allamanda, Donald Hall Road, Brighton BN2 5DJ), who filed a Statement of Case dated 28 May 2018. Mr Dawe also attended the hearing in person.
 - d. The remaining lessees. None stated that they wished to participate in the application in response to the Directions given

on 5 December 2017. They have not filed Statements of Case and did not attend the hearing.

4. The Tribunal inspected the premises on the morning of 24 September 2018 and the hearing was due to commence at lunchtime the same day. However, counsel for the Applicant and the 'Justice for Tenants' lessees sought time to discuss matters, and counsel eventually indicated that agreement had been reached about the liability of those lessees to contribute towards the cost of the major works. The application relating to the remaining lessees was adjourned to the following day. On the second day, counsel for the Applicant and Mr Campbell indicated that a further agreement had been reached in respect of Flat 178 Allamanda, Donald Hall Road. The Tribunal was handed copies of written agreements which recorded that the service charges had been agreed (although the amount of the sums payable was confidential) and that an order should be made under LTA 1985 s.20C. The hearing therefore proceeded on the second day in relation to Flat 192 Allamanda, Donald Hall Road, Brighton BN2 5DJ (with Mr Dawe appearing in person) and in relation to the remaining 'non-participating' respondents.
5. In its determination below, the Tribunal deals separately with each of the above four groups of respondents.

The premises and inspection

6. The five blocks of flats are known as:
 - (a) Allamanda, Donald Hall Road, Brighton BN2 5DF;
 - (b) Sorrel, Chadborn Close, Brighton BN2 5DH;
 - (c) Jasmine, Donald Hall Road, Brighton BN2 5DE;
 - (d) Hazel, Turton Close, Brighton BN2 5DA, and;
 - (e) Meadowsweet, Donald Hall Road, Brighton BN2 5DE.

The blocks form part of a larger estate of local authority properties constructed on a steeply sloping site facing the sea on the eastern side of Brighton. The five blocks are of similar vintage and construction, but they are interspersed with other - rather different - properties on the estate. For reasons which will become apparent, the Tribunal need only

give details of Allamanda, although it inspected at least parts of each of the other four blocks, and carried out an internal inspection of two flats, including Flat 160 Allamanda (Ms Mala Nathan).

7. Allamanda has a roughly 'T' shaped footprint and comprises a 7-storey block with a flat roof containing some 47 flats. The southern elevation (which forms the cross of the 'T' facing southwards towards the sea) is in three vertical sections, with the two vertical areas rendered in a cream colour to contrast with a darker central section coloured brown. Each 'wing' has six concrete southward facing balconies on 1-6th floors with iron balustrades. The northern extension (which forms the stem of the 'T') has matching balconies on one side on Ground-5th floors. The main entrance and lift core are accessed from the street at Donald Hall Road to the north.
8. The Tribunal inspected the premises about 5 years after the works were substantially completed following particularly heavy rainfall.
 - a. The Roof. The Tribunal did not inspect the roof of Allamanda. However, it inspected the roofs of two other blocks and it was able to observe the roof of Allamanda from one of these. In addition, it was agreed the condition of the roof of Allamanda was generally similar to the other roofs which were inspected. The flat roofs were covered in a layered felt waterproofing system with deep rainwater gullies. Adequate falls and detailing appeared to have been provided. Although the heavy rain over the weekend had left some ponding (especially in the gullies) there was no obvious significant problem with drainage. Parts of the solar finish were affected by lichen growth, but this had not led to any obvious deterioration of the finish itself. The doors to the tank room and other joinery required decoration, and the original Crittall windows at roof level also needed attention.
 - b. Windows. The windows to the common parts and inside the flats were of modern uPVC style, most of which had a 'tilt and turn' mechanism and which were supplied with trickle vents in the top of the frames. The Tribunal inspected numerous window units in

the common parts in various blocks and it appeared that something in the order of a quarter could not be operated (either as a result of missing keys, poor adjustment or damage to the mechanisms). The Tribunal was also shown various defects to window units in two flats, including Flat 160 Allamanda, which was an upper story flat facing southwards. Two windows were missing their safety catches so that the windows could open to their full extent (an obvious falling hazard). Moreover, the glazing in one of the windows was broken. The original timber window cills internally had been cased with a plastic covering, and it appeared that draughts could enter through the gap between the two layers.

- c. Balconies. The Tribunal observed small areas of rust bleeding through the paintwork on the balcony railings, particularly to those balconies facing the sea. This was consistent with the condition of the balconies in other blocks. Although the Tribunal was shown a balcony at Flat 116 Meadowsweet, which lacked a topcoat of paint, there were no obvious signs of similar defects at Allamanda. However, some of the masonry walls to the balconies showed mould staining and lichen growth.
- d. EWI. The Tribunal inspected the details of the lower side of the EWI ("External Wall Insulation") system on the southern elevation of Hazel. The system comprised large 100mm thick rock mineral wool panels, which were attached to the original concrete elevations using adhesive and mechanical fixings. Two coats of render had been applied to the outer surface, so that the overall additional thickness of the EWI came to 130mm. There was some minor marking to the render, including lichen growth, staining and some impact damage/damage caused by removal of external fixings which had largely been repaired.

- 9. It is common ground that the blocks were constructed c.1957 by Wimpey using 'No-Fines' concrete. The well-documented difficulties with 'No-Fines' concrete led to early deterioration of the elevations and

eventually the Applicant was advised to seal and clad them with an EWI system. About two thirds of the cost of the major works related to the EWI project, although they also included Mechanical and Electrical works, replacement of windows and doors and some external decorating/landscaping.

The ‘Justice for Tenants’ respondents and Flat 178 Allamanda

10. The ‘Justice for Tenants’ respondents and the tenants of Flat 178 Allamanda, Donald Hall Road have now “agreed or admitted” the amount payable for their service charges. By virtue of LTA 1985 s.27A(4), the Tribunal has no jurisdiction to determine the application in relation the charges payable by those respondents.
11. An agreement has also been made that the relevant costs incurred by the Applicant in connection with proceedings before the Tribunal are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the ‘Justice for Tenants’ respondents and by Mr Campbell. The Tribunal considers it is appropriate to make those orders under Rule 35 of the Tribunal Procedure (First-tier Tribunal) (England) Rules 2013 (“the Tribunal Procedure Rules”).

The ‘non-participating’ respondents

12. This is the Applicant’s application for a determination of liability to pay. Mr Allison stressed that the Applicant sought a determination of the liability to contribute to the cost of the major works against any respondent who had not reached an agreement about their liability to pay. In relation to the ‘non-participating’ lessees, Mr Allison accepted that the Tribunal had not made any order striking out their cases under Rule 9 of the Tribunal Procedure Rules. The Applicant therefore still had to prove its case against them and satisfy the Tribunal that they are liable to pay. Furthermore, the Tribunal is entitled to raise matters of its own volition in respect of liability, provided the Applicant is given a fair opportunity to deal with any such points: *Regent Management Ltd*

v Jones [2012] UKUT 369(LC) and *Admiralty Park Management Company Ltd v Ojo* [2016] UKUT 421 (LC). Given the significant sums involved, the Tribunal asked the Applicant to prove its case against the ‘non-participating’ respondents in rather more detail than would ordinarily be the case, and where necessary the Tribunal challenged the Applicant and asked it to deal with any obvious potential bars to liability to pay these service charges.

Contractual liability

13. Over the years, the Applicant has adopted various standard forms of lease for statutory Right to Buy sales under the Housing Act 1980. The leases of the ‘non-participating’ respondents are in two forms, described respectively as the ‘Type 0 Lease’ and the ‘Type 1 Lease’. Counsel for the Applicant took the Tribunal through the provisions of both forms of lease in some detail.
14. As to the Type 0 Lease, Sch.4 para 10 provides that the lessee is obliged “To pay the interim charge and the service charge (defined in the Fifth Schedule hereto)”. The “service charge” is calculated by apportioning the landlord’s relevant costs¹ by a fraction based on rateable values: Sch.5 para 2(3). For example, the apportionment for Flat 1 Sorrel, Chadborn Close is 4.255% of the landlord’s relevant costs. The relevant costs which may be included in the service charge are defined by Sch.5 para 2(2) to include “the total expenditure incurred by the Council ... in carrying out their obligations under Clause 3(2) and 3(4) of this Lease and the other costs and expenses reasonably and properly incurred in connection with the Building and referred to in the Sixth Schedule hereto”. The relevant costs expressly include three kinds of expenditure on works:
 - a. Clause 3(2) of the Lease contains an obligation on the part of the landlord to “keep in repair (a) the structure and the exterior of the demised premises (including the windows and window frames but excluding the glass therein) and the Building ...”;

¹¹ The phrase “relevant costs” is derived from LTA 1985 s.18(2).

- b. Sch.6 para 7 includes the costs of complying with LTA 1985 s.18-30 and;
- c. Sch.6 para 15 contains a 'sweeping up' clause which refers to "all other expenses incurred by the Council in and about the repair renewal maintenance and redecoration of the Building..."

As to the contractual machinery for the service charge, Sch.5 para 5 provides that "as soon as practicable after the expiration of each Accounting Period there shall be served upon the Lessee by the Council or their Agents a certificate signed on behalf of the Council or by such Agents containing" various specified information.

- 15. The 'Type 1 Lease' is in similar form, but with the material difference that Sch.4 para 10 includes an additional obligation "(b) to pay any improvement contribution in respect of any improvements carried out to the Building or the demised premises calculated and payable in a similar manner to the service charge".
- 16. The application relates solely to service charges for works undertaken in 2013/15. The total cost of these works varied between each of the five blocks, and the Tribunal was taken to summaries of costs for each of the blocks. For example, the cost of the works to Sorrel, Chadborn Close amounted to £657,651.82. No interim charges were ever demanded on account of the cost of the major works, but the Applicant demanded "balancing" service charges in relation to them on 18 September 2015. For example, the sum demanded for "Overcladding and Refurbishment" at Flat 1 Sorrel was £27,938.09, based on an apportionment of 4.255% of the relevant costs of £657,651.82. Particulars of the costs for each flat appear in the Appendix to this decision. Mr Dave Arthur, the Applicant's Leasehold Services Manager, produced copies of the service charge certificates for the 2014/15 service charge year issued in 2015 and amended certificates issued in 2018.
- 17. Details of the works are set out below. However, in relation to contractual recovery, the Applicant:

- a. Submitted that in the case of the Type 1 Lease, the additional words in Sch.4 para 10(b) were apt to permit the recovery of a contribution towards the relevant cost of improvements;
- b. Accepted there was no equivalent express covenant in Sch.4 para 10(b) of the Type 0 Lease;
- c. Contended that in any event all the major works were works of “repair”, and therefore covered by Clause 3(2) of both forms of Lease. In this respect, Mr Allison referred the Tribunal to *Woodfall* at 13.032 and *Wandsworth LBC v Griffin* [2000] 2 EGLR 105;
- d. Submitted that the contractual machinery in the leases had been complied with, particularly the certification requirement in Sch.5 para 5.

LTA 1985 s.19(1)

18. The ‘non-participating’ respondents have not raised any *prima facie* case that any of the costs of the major works were not reasonably incurred or that the works were not of a reasonable standard. Nevertheless, the Applicant relied on evidence from Mr Darrel Camfield, Mr Marcus Richardson and Mr David Vousten (Brighton & Hove City Council), Mr Allen Shaw (Mears Ltd), Mr Stuart Buckley BSc MRICS (pod LLP) and expert evidence of Mr Tim Brown BSc MRICS (GVA). Mr Allison also referred to *Waalder v Hounslow LBC* [2017] EWCA Civ 45; [2017] 1 WLR 2817. The submissions relating to LTA 1985 s.19(1) are dealt with below in respect of Flat 192 Allamanda.

Other statutory restrictions

19. The major works were subject to the statutory restrictions in s.20 LTA 1985 and the Service Charges (Consultation) (England) Regulations 2013 (“the Consultation Regulations”). The Applicant’s case was that the works were carried out by Mears Ltd under a Qualifying Long-Term Agreement made in 2010 and that the works were therefore subject to the abbreviated scheme of consultation in Sch.3 of the Consultation Regulations. The Applicant relied on copies of Notices of Intention

dated 27 August 2013 and evidence given by Mr Arthur about the consultation with the lessees in respect of the works.

20. Finally, Mr Allison dealt with LTA 1985 ss.20B and 21B. Some of the cost of the major works had been incurred over 18 months before the demands for payment made in September 2015, but the Applicant relied on notices under s.20B(2) dated 10 November 2014 in respect of those costs. Copies of the demands for payment were accompanied by summaries of rights and obligations.

Discussion

21. The Tribunal is satisfied that:

- a. The Applicant has properly operated the service charge machinery, and in particular that the condition for certification in Sch.5 para 5 has been met (whether or not that provision amounts to a condition precedent).
- b. The major works are works of “repair” within the meaning of clause 3(2) of both types of lease. The condition of the roof coverings, windows, balconies and the ‘No-Fines’ concrete envelope of the blocks had deteriorated sufficiently to amount to being out of repair. The choice of remedial works was essentially a matter for the landlord. As to the cladding chosen to remedy the defects to envelope, the Tribunal finds this did coincidentally involve an element of improvement, but that is not in itself something which takes the works beyond a repair: *LB Wandsworth v Griffin* (supra). It is therefore unnecessary to consider whether the costs are recoverable as an “improvement contribution” under Sch.4 para 10(b) to the Type 1 Lease.
- c. The Applicant has complied with LTA 1985 s.20 and Sch.3 of the Consultation Regulations.
- d. The Applicant has complied with LTA 1985 ss.20B and 21B.

22. The Tribunal deals below with the question whether some of the major works were not of a reasonable standard under LTA 1985 s.19(1)(b).

However, for present purposes, and having inspected the completed works, it finds that the relevant costs of the works were reasonably incurred under LTA 1985 s.19(1)(a).

23. Subject to the issue of s.19(1)(b), the Tribunal finds the ‘non-participating’ respondents are liable to pay the service charges claimed in the application. None of the ‘non-participating’ respondents have applied for an order under LTA 1985 s.20C, so no order is made under that provision. Details appear in Appx.1 to this decision.

Flat 192 Allamanda

24. The Applicant seeks a determination that Mr Dawe and Ms Timperley are liable to pay the sum of £27,654.75 for the major works. The Certificate of Expenditure dated 26 July 2018 reaches this figure by applying an apportionment of 4.301% to relevant costs of £642,984.27 for “Overcladding and Refurbishment” of Allamanda. Annexure Z of the Applicant’s Statement of Case includes a breakdown of the figure of £642,984.27 by Mears (the Applicant’s contractors), an extract from which appears at Appx.2 to this decision.

25. At the hearing, Mr Dawe relied on the Statement of Case dated 28 May 2018 and the Applicant relied on its Statements of Case dated 27 March and 3 July 2018. Mr Allison also produced a skeleton argument for the assistance of the Tribunal.

26. Mr Dawe did not seek to raise any argument that the charges were not recoverable under the terms of the lease of Flat 192 Allamanda (which is a “Type 1” Lease). Neither did he argue that the relevant costs were limited by LTA 1985 ss.20, 20B or 21B. The focus of the argument in the Statement of Case was on two points, namely (i) the works to the balconies and (ii) the work to the windows. It was said that the work carried out in 2014 was not of a reasonable standard under LTA 1985 s.19(1)(b). It also raised issues in respect of the communal entrance door, which it was said had never worked properly. Although these are

obvious very genuine concerns, the major works in this application did not include any costs relating to the communal door system - so the communal doors are not directly relevant to the issues which the Tribunal has to determine.

27. The parties were asked about the precise figures involved in the arguments about the balconies and windows. It was agreed that in respect of Allamanda:

- a. The balcony works were the main component of the concrete repairs set out in the Mears Schedule for Allamanda (£2,150), although some elements were included in other parts of the Schedule, namely Access (£78,081), Fees (£16,242.93), Overhead Recovery on Sub-Contractor Costs (£24,538.60) and Mears Overheads and Profit (£29,440.67): see Appx.2. The parties were happy to work on the basis that the total cost of the Allamanda balcony works was in the order of £5,000.
- b. The window works were the main component of the "Windows & Doors" work in the Mears Schedule for Allamanda (£62,551.42), although some of the cost of the window works was included in other headings such as Fees, Overhead Recovery on Sub-Contractor Costs and Mears Overheads and Profit: see Appx.2. Once again, the parties were happy to work on the basis that the total cost of the Allamanda window works was in the order of £65,000.

Taken together, these two issues therefore affect relevant costs of about £70,000. Any limitation under s.19(1)(b) would result in a corresponding reduction in the service charges payable by the lessees of Flat 192 Allamanda. By applying the appropriate apportionment of 4.301% to the figure of £70,000, the two arguments affect the lessees' liability to pay approximately £3,000 of service charges.

Balconies

28. The balcony works principally involved painting the iron railings or balustrades. According to Mr Shaw, the Applicant's contractors prepared the metal and then applied 2 coats of undercoat and a topcoat of paint. The materials used were specified for coastal conditions and came with a 10-year warranty. Nevertheless, within a very short period it was discovered that the paint was blistering with rust. Several balustrades were therefore stripped back again to the metal and the treatment re-applied. These were then inspected 6 months later, when it was found that rust had already come through. The paint manufacturers refused to honour the warranty, but a new solution was found. It had been noted that the primer applied to the masonry of the balcony floors provided good protection to the feet of the balustrades where they entered the concrete. The same masonry primer was therefore applied to the rest of metalwork, and they were repainted. This proved an effective solution, and most of the flats were treated in 2018, although some 14 flats remain where access has proved difficult. No additional costs were involved in the remedial treatment.

29. Mr Brown inspected some balconies. He found the membranes installed at the base of the balconies to be good and functioning and identified limited surface corrosion to the railings. This was "reflective of the performance expectations of a painted ferrous metal component in a coastal environment applied up to five years ago".

30. Mr Dawe relied on his Statement of Case. He referred to a letter from the Applicant dated 24 November 2015 which suggested the balcony works would take place in four stages – preparation/priming, undercoat/stain block, gloss coat and repainting. Mr Dawe suggested the first and second stages were carried out in a shoddy manner, but that no-one returned to carry out the third and fourth stages. By January 2017, the metalwork had not been completed and the masonry paint was falling and covered in green mildew /mould. He complained

to the Applicant and various promises were made to undertake remedial work.

Window Works

31. The windows which formed part of the 2014 major works were supplied and installed by specialist sub-contractors Graham Holmes Astraseal Ltd. The Applicant produced copies of FENSA (Fenestration Self-Assessment Scheme) certificates dated 12 December 2013 certifying the windows as compliant with ss.4 and 7 of the Building Regulations 2000 and a copy of a Certificate of Guarantee for the windows at Allamanda dated 22 December 2013. The Applicant relied on the evidence of several witnesses in relation to the windows.

32. Mr Marcus Richardson stated that in 2014 he was employed as the Applicant's Clerk of Works for the project and that he had regularly attended meetings on site and dealt with snagging issues. Since the works were completed, several issues had been raised by residents in relation to windows and he had attended several flats and liaised with leaseholders about issues which arose. Often the remedial work involved adjustment of the mechanism to ensure the safety catches worked. He attended Flat 192 Allamanda with an engineer from Astraseal to discuss the windows on 28 March 2014 and "all issues regarding the windows were rectified at the meeting". He had not received any further correspondence about the windows at Flat 192 Allamanda since that date. Where other leaseholders had raised concerns about the windows, Mr Richardson would generally call out the customer services team at Astraseal under the window warranties. As far as the window cill extensions are concerned, new under cills were necessary externally because of the thickness of the 130mm EWI insulation, to ensure water run off over the insulation rather than into it. The Tribunal assisted Mr Dawe with putting his case to Mr Richardson. Mr Richardson did not accept a suggestion that some of the window units had been fitted upside down. He was also not aware of allegations that some units had scratched glass and defective vents,

although there would always be some minor scratches to new glass. Some vents were replaced by Astraseal, but he was not aware of any complete units being replaced. Mr Richardson accepted that there were complaints about draughts, and as a result some units had to be adjusted to make them tighter (which made them harder to open). When asked by the Tribunal, Mr Richardson accepted that some of the window units had not been operable on the morning of the inspection, but he considered that they simply required new keys, adjustment and maintenance.

33. Mr Allen Shaw is a Divisional Project Manager for Mears. He gave evidence that by the time of the major works, the existing uPVC units were at least 20 years old. The coastal location exacerbated the problems for windows, since “the high salt content [of the air]... causes corrosion to internal components faster than in other areas (in some instances corroding up to three times faster)”. During the works, Mears replaced windows to some 120 flats (about 360 in total). He accepted there had been “a relatively small number of complaints”. Mr Shaw had attended several flats and liaised with the leaseholders, and the main complaints had been about draughts. However, even uPVC units would not be totally draught-free, particularly when installed in “high rise coastal blocks”. The windows featured Maco gearing and Securi Style hinges which could be raised and adjusted. When cross-examined by Mr Dawe (with the help of the Tribunal) Mr Shaw stated that the new windows were like for like replacements, and although not airtight, they were “suitable”. The windows featured tickle vents which could be draughty, but they were necessary for ventilation. In response to questions from the Tribunal, Mr Shaw stated that better windows were available – at a higher cost. But he still considered the windows “worked”.

34. Mr Brown noted limited spoiling of external cills and some minor misalignment (sagging), but concluded the replacement windows were of a reasonable quality. The windows and doors he had seen on

inspection were fully functioning. But in any event, it was not “untypical” to need to adjust ‘tilt and turn’ windows. Some degree of alteration and adjustment would always be needed when modern windows were installed in a 60-year old building - constructed when building tolerances were far greater.

35. The Statement of Case from the lessees stressed that the windows had been a problem from the very beginning. It took until 2016 for them to be sorted out. The Applicant had replaced many complete window units and many parts (such as glazing units). In the case of Flat 192 Allamanda, the vents had been replaced. Mr Dawe referred to letters of complaint to the Applicant, detailing the problems. A major problem was the retro fitting of extensions to the window cills – which were an unsightly bodge that would cause problems in future. The original specification had suggested replacing the original cills with uPVC ones, but this had not been followed.

Discussion

36. As to the ferrous elements of the balconies, the Tribunal was struck on inspection by the extremely exposed location of the site. Allamanda is a high-rise block on a hill overlooking the sea, with no protection at all from the sea winds. A more challenging environment for maintenance of architectural ironwork can scarcely be imagined. Given this challenging environment, the condition of the balconies on inspection was in many ways quite good – bearing in mind that the inspection took place some five years after the works were substantially completed. The Tribunal is satisfied that the overall standard of painting work in 2014 was reasonable. The Tribunal does of course recognise there were difficulties with the original undercoat which led to blistering and rust – something the Applicant candidly admits. However, these problems affected decorative work costing £5,000 in the context of a major works project costing some £640,000. Minor problems are inevitable in such a large project, and not every defect will engage s.19(1)(b) – the standard is one of reasonableness and not

perfection. Moreover, the Tribunal is entitled to take into account that the Applicant used a proprietary brand of primer with a warranty and that it carried out remedial works at no additional cost to the respondents. It would be inappropriate to limit the Applicant's relevant costs when the lessees have got the painting they were charged for – albeit perhaps rather later than was anticipated. Some complaints were made about mould growth and staining to the masonry of the balconies, and the Tribunal did see some limited evidence of this on inspection. But the Tribunal considers that these were essentially cosmetic items of routine cleaning and maintenance, rather than indicating any problem with the works in the first place. The issue here is whether the works carried out in 2013/15 were of a reasonable standard, not whether proper maintenance was carried out in 2018.

37. The windows are also exposed to the coastal winds, but there was no evidence on inspection that this had caused any particular problem with the Astraseal uPVC units installed some 5 years ago. The glazing and frames inspected in the various blocks were essentially in reasonable condition. There are clearly difficulties with adjustment and operation of the 'tilt and turn' mechanisms and problems were observed both with the mechanisms of the window units in the flats and with the similar mechanisms to the window units in the common parts (which were installed separately to the 2013/15 major works project). However, the mechanical problems observed essentially related to lack of maintenance – not poor installation. The safety stays and adjustment for 'tilt and turn' windows require periodic attention, and any failure to maintain the units would increase the risk that residents might damage the mechanism in an attempt to force the units open or closed. This is confirmed by the evidence of Mr Richardson and Mr Brown. Moreover, the evidence given by the Applicant's witnesses is that problems arising from poor installation of the windows are quite rare. The most serious window defects were seen at 160 Allamanda, but even this was essentially caused by failure to adjust the mechanisms or third-party interference with the safety stays, and not defects with

installation. As far as the vents are concerned, the Tribunal did not see any defective vents, and it seems that any problems with the vents was temporary. The decision to encase the existing internal cills with a uPVC covering (as opposed to replacing them) does not seem inappropriate as a cost-effective solution. The Tribunal was shown some minor examples of draughts coming through gaps in the cills, but (as the Applicant points out), no window units in domestic properties would be expected to be 100% airtight. The relatively minor draughts seen in this high-rise property exposed to the sea winds did not indicate any defective installation work.

38. Apart from the obligation to install windows of a reasonable standard, the leases also put the Applicant under various continuing obligations to repair and maintain parts of the Building. Whether such continuing obligations required the Applicant to maintain and adjust the new windows after the original works were completed is not a matter for this Tribunal. But for present purposes, the Tribunal is satisfied that the original window installation work carried out by Astraseal was of a reasonable standard.

39. It follows that no limitation should be made to the relevant costs of the balcony or window works under LTA 1985 s.19(1)(b). Mr Dawe and Ms Timperley are therefore liable to contribute towards the full amount claimed. The Tribunal determines they are liable to pay service charges for major works in the sum of £27,654.75.

Disposal

40. The Tribunal's determination in respect of each respondent is set out in Appx.2.

Judge MA Loveday (Chairman)

18 October 2018

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Addendum

41. The Tribunal noted during its deliberations that there were inconsistencies between the various schedules of Respondent provided – which in some instances referred to different tenants for the same flat, and in other instances contained different spellings for what appeared to the same Respondent. The Tribunal therefore requested an accurate list of Respondents from the parties. It received comments from the Applicant's solicitors about the names of four potential Respondents and the 'Action for Leaseholders' group (through counsel) provided a further list of the tenants who were part of that group. It is regrettable that in some instances these two further lists again conflicted. The Tribunal has therefore done its best with the information provided to list the correct Respondents in Appendix 1. In the event the Tribunal has incorrectly identified or spelt the names of any party, attention is drawn to the further powers available under Rules 10 and 50 of the Tribunal Procedure Rules.

Judge MA Loveday (Chairman)

24 October 2018

Appeals

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.

Appendix 2: Mears External Refurbishment: Donald Hall Road, Allamanda	
Description	Cost
Preliminaries	£47,636.39
Access	£78,091.00
Roofing	£75,227.44
Concrete Repairs	£99,480.45
Insulated Render	£145,382.00
Mechanical and Electrical	£13,816.00
Windows & Doors	£62,551.44
External decorating and landscaping	£2,150.00
Contingencies	£14,073.75
Fees	£16,242.93
Overhead Recovery on Sub-Contractor Costs	£24,538.60
PH Jones - Flue extensions Etc.	£9,623.43
Works Sub Total	£588,813.43
(5%) 5% Mears Overheads and Profit @5	£29,440.67
Works total	£618,254.10
(4%) BHCC administration & management	£24,730.16
Total	£642,984.27

Subject:	HRA Housing Cap: Extract from the proceedings of the Council Meeting held on the 13 December 2018		
Date of Meeting:	16 January 2019		
Report of:	Executive Lead Officer for Strategy, Governance & Law		
Contact Officer:	Name:	Mark Wall	Tel: 01273 291006
	E-mail:	mark.wall@brighton-hove.gov.uk	
Wards Affected:	All		

FOR GENERAL RELEASE

Action Required of the Housing & New Homes Committee

To receive the notice of motion referred from the Council for consideration.

Recommendations: That the Notice of Motion be referred to the Housing & New Homes Committee meeting on the 16th January, 2019 for consideration.

BRIGHTON & HOVE CITY COUNCIL

COUNCIL

4.30pm 13 DECEMBER 2018

COUNCIL CHAMBER - HOVE TOWN HALL

MINUTES

Present: Councillors Simson (Chair), Phillips (Deputy Chair), Allen, Atkinson, Barford, Barnett, Bell, Bennett, Bewick, Brown, Cattell, Chapman, Daniel, Deane, Druitt, Gibson, Gilbey, Greenbaum, Hamilton, Hill, Horan, Hyde, Janio, Knight, Lewry, Littman, Mac Cafferty, Marsh, Meadows, Mears, Miller, Mitchell, Moonan, Morris, Nemeth, A Norman, K Norman, O'Quinn, Page, Peltzer Dunn, Platts, Sykes, Taylor, C Theobald, G Theobald, Wares, Wealls and Yates.

PART ONE

55. (3) HRA HOUSING CAP

- 55.7 The Notice of Motion as listed in the agenda was proposed by Councillor Mears on behalf of the Conservative Group. She welcomed the Government's decision to remove the cap on the HRA and noted the implications for the council in terms of providing council housing and ensuring that developers met the 40% affordable housing element in new projects. She therefore sought a report to the next meeting of the Housing & New Homes Committee and noted that at the last Council meeting the Chair of the Committee indicated her support to review the position.
- 55.8 Councillor Bell formally seconded the notice of motion and reserved his right to speak.
- 55.9 Councillor Gibson moved an amendment on behalf of the Green Group and stated that it sought to strengthen the motion and noted the need to suspend the Right to Buy option, in order to retain council housing rather than see the continued loss of housing at a faster rate than it was being replaced.
- 55.10 Councillor Druitt formally seconded the amendment and reserved his right to speak.
- 55.11 Councillor Hill stated that the lifting of the HRA Cap was a positive step and noted that a report had been considered at the last Housing & New Homes Committee meeting in November. She also noted that the council was already delivering affordable new homes and in partnership with Hyde Housing Association would be able to provide further homes in the future.
- 55.12 Councillor Druitt stated that there was a need to look at why the housing situation was in the position it was and to seek to address that, hence the proposed amendment. He also noted that during the previous Green Administration there had been some social rent housing built and this needed to be provided in the future.

- 55.13 Councillor Bell stated that he believed a report should come to the Housing & New Homes Committee in January and then should it be appropriate the aims of the Green amendment could be put forward. He felt that the report needed to be considered in the first instance and therefore could not support the amendment at this stage. There was also a concern that with the Joint venture, HRA land could be cherry-picked which was not necessarily a good thing. The aim had to be to provide more homes at a reasonable cost.
- 55.14 Councillor Gibson moved a point of clarification in that the current Joint Venture was based on General Fund land rather than HRA.
- 55.15 Councillor Mears noted the comments and confirmed that the amendment would not be accepted and noted that previous Governments had not attempted to remove the Right to Buy and that the HRA had already paid the General Fund for sites to build on.
- 55.16 The Mayor noted that the amendment had not been accepted and put it to the vote which was carried by 28 votes to 18.
- 55.17 The Mayor then put the following motion as amended to the vote:

“This council resolves:

1. To call upon the Chair of Housing to bring a report to the next meeting of the Housing & New Homes Committee, on 16th January 2019, that details a revised policy in the light of changes to HRA Borrowing Cap and the failure of current policies to achieve replacement of truly affordable social rents lost under the ‘Right to Buy.’ (RTB);
2. Since LGA research reveals councils have only been able to replace 1 in 5 homes sold under the RTB since 2011/12, to ask that the Chief Executive writes to the Secretary of State, requesting the option for councils to suspend RTB sales in areas where there is a shortage of affordable homes;
3. That the Chief Executive writes to the Secretary of State asking that the 30% limit on investment of RTB receipts in affordable housing be lifted; and that councils are able to include the full value of council land in the cost of building, thereby enabling scope for providing new homes at living and social rents.”

- 55.18 The Mayor confirmed that the motion had been carried by 28 votes to 18 with no abstentions.

