



**Brighton & Hove  
City Council**

# **POLICY & RESOURCES COMMITTEE ADDENDUM TWO**

**4.00PM, THURSDAY, 11 FEBRUARY 2016**

**AUDITORIUM - THE BRIGHTELM CENTRE**



## ADDENDUM TWO

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	Extract from the proceedings of the Environment, Transport & Sustainability Committee meeting held on the 19 <sup>th</sup> January 2016 (copy attached).	
	<i>Contact Officer: John Peel</i>	<i>Tel: 01273 291058</i>
	<i>Ward Affected: All Wards</i>	
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	<i>Contact Officer: Caroline DeMarco</i>	<i>Tel: 01273 291063</i>
	<i>Ward Affected: All Wards</i>	
<b>122</b>	<b>(A) SUPPLEMENTARY INFORMATION – AMENDMENT TO THE 1% RENT REDUCTION PROPOSED BY MINISTERS</b>	<b>15 - 18</b>
	Joint report of the Acting Executive Director for Environment, Development & Housing and the Acting Executive Director for Finance & Resources (copy attached).	
	<i>Contact Officer: Sue Chapman</i>	<i>Tel: 01273 293105</i>
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	<i>Contact Officer: Angela Dymott</i>	<i>Tel: 01273 291450</i>
	<i>Ward Affected: Hollingdean &amp; Stanmer</i>	

**ITEM**

**PART TWO**

**PAGE**

**PROCEDURAL MATTERS**

**133 PART TWO MINUTES**

**21 - 24**

To consider the part two minutes of the meeting held on 21 January 2016  
(circulated to Members only).

*Contact Officer: Ross Keatley*

*Tel: 01273 291064*

**Subject:** Extract from the proceedings of the Environment, Transport & Sustainability Committee meeting held on the 19 January 2016 – Fees & Charges 2016/17

**Date of Meeting:** 11 February 2016

**Report of:** Head of Legal & Democratic Services & Monitoring Officer

**Contact Officer:** Name: **John Peel** Tel: **29-1358**  
E-mail: [john.peel@brighton-hove.gov.uk](mailto:john.peel@brighton-hove.gov.uk)

**Wards Affected:** All

**FOR GENERAL RELEASE**

***Action Required of the Committee:***

To receive the recommendation referred from the Environment, Transport & Sustainability Committee for consideration.

**Recommendations:**

That Environment, Transport & Sustainability Committee recommends to Policy & Resources Committee that Low Emission Vehicle and Car Club permits be frozen at current rates

## BRIGHTON &amp; HOVE CITY COUNCIL

## ENVIRONMENT, TRANSPORT &amp; SUSTAINABILITY COMMITTEE

4.00pm 19 JANUARY 2016

## THE RONUK HALL, PORTSLADE TOWN HALL

## MINUTES

**Present:** Councillor Mitchell (Chair) Barradell (Deputy Chair), Janio (Opposition Spokesperson), West (Group Spokesperson), Atkinson, Greenbaum, Miller, Nemeth, Robins and G Theobald

PART ONE**57 FEES AND CHARGES 2016/17**

57.1 The Committee considered a report of the Acting Executive Director, Environment, Development & Housing that set out the proposed 2016/17 fees and charges for the service areas covered by the Environment, Transport and Sustainability Committee in accordance with corporate regulations and policy.

57.2 Councillor West noted that there was a proposed rise in allotment fees that would include a forward on the charges for water fees. Councillor West noted his concern over the potential lack of engagement on this matter with the Allotment Federation. Councillor West stated that he welcomed pest control moving to a commercially viable operation as he believed there had been undercharging in the service for a number of years which was disappointing as it provided a service better than most of its private sector competitors. Councillor West noted that he interested to see that the new administration were seeking to increase parking charges after a number of years rejecting such rises when in opposition. Councillor West moved the following motion to add a recommendation on behalf of the Green Group:

***2.1 b) That the Committee recommends to Policy & Resources Committee that Low Emission Vehicle and Car Club permits be frozen at current rates***

57.3 Councillor Greenbaum formally seconded the motion.

57.4 Councillor Janio stated that he disagreed with the overall 2% rise in parking fees and charges and felt that these could have been maintained at a neutral level whilst achieving sustainable transport aims.

57.5 Councillor Miller stated that he hoped the proposed rise in Zone M parking related to the development and expected demand associated with the i360 would not extend across the seafront at a later point. Councillor Miller noted that parking fees in Rottingdean High Street were proposed to rise by 25% which he found to be a negative step when many businesses were struggling or closing in the area. Councillor Miller repeated the point

made by Councillor Janio that he could not support a 2% overall rise in charges at that a neutral basis would have been preferable and attainable.

- 57.6 The Joint Acting Executive Director, Environment, Development & Housing confirmed that discussions had taken place with the Allotment Federation on the proposed competitively priced increase and discussions on the subsidy of water usage would continue over the next few months.
- 57.7 Councillor Barradell stated that she supported the proposed fees and charges that were cleverly targeted and had responded to resident complaints.
- 57.8 Councillor Atkinson stated his agreement that the fees and charges were very well targeted, well thought through and an attempt to control or decrease demand. Councillor Atkinson stated that he had previously raised the point that London Road car park was underused at weekends and he would like further information on its usage.
- 57.9 Councillor Theobald stated that he believed it possible that the council could seek a cross subsidy from the Public Health budget to control increases in sport fees. Councillor Theobald noted that charges were increasing in animal welfare services but he understood the council were seeking to reduce the Animal Welfare team. Councillor Theobald stated that he could not support rises to business and trader permits and his group had been clear on that for a number of years. Councillor Theobald observed that many people using Preston Park station as a commuter point and noted that should be extended from 11 hours to 12 hours as it may not be sufficient for those travelling to and from London for employment.
- 57.10 The Head of Transport clarified that there had been very strong demand for traders permits which had increased three fold mainly as there was more flexibility to the permits including being able to park in resident permit bays. In terms of Preston Park station, the durations and pricing could be reviewed for the next budget.
- 57.11 Councillor Theobald noted that page 26 of the agenda set out the Fees and Charges budget by Service Area and for Sports Booking this figure was £219,000. Councillor Theobald asked if this dealt with sports booking services and if so, this was very costly to run.
- 57.12 The Joint Acting Executive Director, Environment, Development & Housing clarified that this was a cost related to sports booking and was due in part to seasonal staff and the expense of cash handling which could be costly. This was one of the areas to be part of the discussions due with sports clubs in the city over the coming months.
- 57.13 Councillor Janio stated that he would support the Green Group motion as he believed it was a very good idea.
- 57.14 The Chair then put the motion to the vote which passed.
- 57.15 **RESOLVED** - That Committee:
- a) Approves the proposed fees and charges for 2016/17 as set out within the report and its appendices with the exception of the item referred to at b) below

- b) That the Committee recommends to Policy & Resources Committee that Low Emission Vehicle and Car Club permits be frozen at current rates
- c) Delegates authority to the Acting Director of Environment, Development & Housing to increase any charges for fees as notified and set by central Government during the year.



**Subject:** Extract from the proceedings of the Housing & New Homes Committee meeting held on the 13<sup>th</sup> January 2016 - Housing Revenue Account Budget and Investment Programme 2016/17 and Medium Term Financial Strategy

**Date of Meeting:** 11 February 2016

**Report of:** Monitoring Officer

**Contact Officer:** Name: **Caroline De Marco** Tel: **29-1063**

E-mail: [caroline.demarco@brighton-hove.gov.uk](mailto:caroline.demarco@brighton-hove.gov.uk)

**Wards Affected:** All

**FOR GENERAL RELEASE**

***Action Required of the Policy & Resources Committee:***

To note that the Housing & New Homes Committee did not approve the all of the recommendations listed in the report and therefore the report and the committee's recommendations have been referred to the Policy & Resources Committee for consideration and recommendation to full Council on the 25<sup>th</sup> February 2016:

**Recommendation:**

- (1) That Housing & New Homes Committee recommend that Policy & Resources Committee:
- a. **Does not** approve and recommend to Council the HRA revenue budget for 2016/17 as shown in Appendix 1.
  - b. Approves a rent reduction of 1% in line with draft government legislation as detailed in paragraph 3.7.
  - c. **Does not** approve service charges and fees as detailed in Appendix 2 or delegates authority to the Acting Executive Director of Environment, Development & Housing to make further amendments to communal service charges and laundry charges (to ensure cost recovery) once notification of new contract prices (from April 2016) has been received.
  - d. **Does not** approve the capital programme expenditure and financing budget of £43.047 million for 2016/17 or note the 4 year programme as set out in Appendix 3.

- e. Notes the Medium Term Financial Strategy and 30 year financial projections shown in Appendix 4.
- (2) That an urgent meeting of all area panel representatives, housing officers and interested elected members be held to obtain feedback on capital programme priorities and revenue savings on the 2016/17 budget, and this feedback be passed onto Policy and Resources Committee on 11 February 2016 for consideration.
- (3) That a full consultation and engagement exercise be undertaken with residents which is based on a programme agreed at an initial meeting with tenant only chairs, panel chairs and officers to be held in September 2016.
- (4) That the results and recommendations from the consultation exercise in (3) above be reported to the Committee with recommendations for the 2017/18 HRA revenue and capital budgets.

**BRIGHTON & HOVE CITY COUNCIL****HOUSING & NEW HOMES COMMITTEE  
13 JANUARY 2016****MAIN MEETING ROOM – THE FRIENDS MEETING HOUSE**

**Present:** Councillor Meadows (Chair) Councillors Hill (Deputy Chair), Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Deane, Miller, Penn, Simson & Wealls.

**PART ONE****54 HOUSING REVENUE ACCOUNT BUDGET AND INVESTMENT PROGRAMME  
2016/17 AND MEDIUM TERM FINANCIAL STRATEGY**

- 54.1 The Committee considered the report of the Acting Executive Director of Finance & Resources and the Acting Executive Director Environment, Development and Housing which presented the proposed Housing Revenue Account (HRA) revenue and capital budget for 2016/17 as required by the Local Government and Housing Act 1989. Members were required to consider the revenue budget proposals including savings and service pressures as well as changes to rents, fees and charges and also the capital programme. The report also set out the Medium Term Strategy and 30 year forecast.
- 54.2 The report was presented by the Head of Financial Services (EDH) and the Interim Head of Property & Investment and Head of Housing Strategy, Development & Private Sector Housing.
- 54.3 Councillor Mears referred to page 20, priority 3, bullet point 3 in relation to continued investment in specialist tenancy management & support services. She stressed that housing was dealing with the most vulnerable people, and expressed concern that there was a proposal to reduce housing related support staff. Councillor Mears referred to page 24, paragraph 5.2. This stated that all area panel representatives and chairs had been sent a letter explaining the budget proposals. Councillor Mears stated that she had never received this letter.
- 54.4 Councillor Mears had the following queries/comments in relation to the HRA Forecast Outcome 2015/16 & Revenue Budget 2016/17 in appendix 1.
- Employee figures - How many staff were employed by housing?
  - A breakdown of support services charges budget for 2016/17.
  - Page 28 of the agenda in relation to a review of the funding of the capital programme - An explanation of the increased contribution of £1.100m from revenue surpluses to fund the capital programme was requested.
  - The reduction in agency costs from the end of the back scanning project - How many agency staff were working in housing services?

- Responsive repairs savings - Clarity was required with regard to the figure of £300,000.
- Page 29, (5) - Clarity was required with regard to the Mears Accounting Adjustment.
- Page 30 - More details were required with regard to the number of tenants affected by service charges and where they lived in the city.
- Page 31 - Communal heating costs at Elwyn Jones Court and Broadfields. Why had Elwyn Jones Court seen an increase of 31% over 2 years?
- Major structural works, page 32 – More details are required.
- Future capital project budget of £50k. Was there extra funding as this has been funded in the past?
- Page 33 - Councillor Mears did not support the reduction in the estate and environmental improvement budget.
- Page 35. A breakdown of management and service costs was requested. Councillor Mears said she would like to see the contribution from Seaside Homes.

- 54.5 The Interim Executive Director stated that he had made a note of all Councillor Mears comments. Some of her queries would need written responses.
- 54.6 The Head of Tenancy Services explained that Priority 3, bullet point 3 in relating to continued investment in specialist tenancy management & support services, related to the housing revenue account. There were no plans to reduce the service.
- 54.7 The Interim Executive Director explained that information on whether there were packages of care support for vulnerable tenants in housing stock was not available at the meeting. Officers would look at the data base to obtain this information.
- 54.8 The Head of Housing informed Members that she had been assured that a letter on the budget proposals had been sent out. She would ensure Councillor Mears received the letter.
- 54.9 The Head of Financial Services reported that just under 300 people were employed by Housing Services. She would supply a written reply with regard to the breakdown of support services budgets.
- 54.10 Councillor Mears asked why staff in housing management were being increased. The Interim Executive Director said he would need to produce a comparison. The Chair requested that this be sent to all committee members as soon as possible and that all responses should be sent out as soon as possible to everyone.
- 54.11 The Head of Financial Services explained that the increased contribution of £1.100m from the revenue surpluses was simply making use of the significant underspend in the HRA, by using this cash to fund the capital programme rather than the borrowing originally planned. This would actually save money in the long term due to lower interest repayments.
- 54.12 The Head of Financial Services explained that the £300,000 responsive repairs saving on page 28 is from a lower level of repairs due to less stock than previous years and from the impact of increased capital investment over the past few years.

- 54.13 The Head of Financial Services stated that a written response would be supplied on the numbers of agency staff. With regard to page 29, accounting adjustments, it was explained that officers looked at the numbers of central establishment staff in the Mears establishment and looked at time spent by those staff on capital and revenue and then allocated the Mears staffing costs accordingly. For this year there were less responsive repairs so this meant that £300,000 of staff costs were being transferred from revenue to capital. It was explained that this has happened before and merely an accounting adjustment between accounts. Councillor Mears asked for an explanation to be sent to all members.
- 54.14 The Head of Financial Services reported that with regard to page 30 – numbers of tenants affected – Some service charges would affect some people but not all. The Interim Executive Director said that a written response would be supplied to members on the cumulative effect of service charges.
- 54.15 The Head of Financial Services reported that in respect of Page 31 Communal heating costs at Elwyn Jones Court and Broadfields, a written response would be supplied. The Chair stated that the written response would need to address why the charges were so much higher this year.
- 54.16 The Interim Head of Property & Investment and Head of Housing Strategy, Development & Private Sector Housing referred to the query about major structural works, on page 32. He would provide a further breakdown to councillors.
- 54.17 The Interim Head of Property & Investment and Head of Housing Strategy, Development & Private Sector Housing referred to Page 33 relating to the estate and environmental improvement budget. He pointed out that on page 29 the report showed that there was significant unspent budget held in reserves. A breakdown would be supplied to councillors. The Chair stated that she understood that there had previously been an underspend on the estate development budget. Councillors needed to understand how much was underspent.
- 54.18 Councillor Simson stated that tenants would be horrified if there was an underspend on the estate development budget. There should not be an underspend.
- 54.19 The Head of Financial Services referred to Page 35 relating to a request for a breakdown of management and service costs. A written response would be provided to councillors. The contribution from Seaside Homes was a capital receipt. A full breakdown would be supplied to councillors.
- 54.20 Councillor Gibson stated that Seaside Homes would be providing a capital receipt and this did not appear in the budget figures.
- 54.21 Councillor Atkinson referred to the last bullet point of paragraph 3.1, Priority 1 – (Early intervention for families struggling with accommodation including money advice and tenancy support). He asked how this would work. The Head of Income, Involvement & Improvement explained that there were various methods of support and intervention such as family intervention projects. Officers tried to intervene as soon as possible. Some joint working was funded by the DWP on budgeting support, increasing digital

skills and employment support. Officers were trying to identify families who needed help before their problems became a crisis. Family coaches worked with each household's specific needs.

54.22 Councillor Deane referred to paragraph 5.2 on page 24 relating to community engagement and consultation. She felt that the consultation had been spartan. She asked how all tenants got to hear about the budget. The Head of Income, Involvement & Improvement stated that the consultation was limited by the timing of the committee and area panel meetings coupled with some sensitive staffing implications on which staff had not been consulted. Various tenant groups and meetings had discussed aspects that fed into the budget, for example the asset management strategy. However, focus groups had discussed broad budget headlines rather than the detail.

54.23 Councillor Gibson raised the following questions/comments:

- What consultation had been carried out with tenants to cut the estate development budget?
- Would it be possible in future years reports to include the previous years capital budget for each item? There had been a massive cut in insulation improvements. What was the justification for such a large cut? How was this rationalised in the light of the comment in paragraph 5.4 – (community engagement and consultation) which stated ...”all housing should be of a good standard, and well insulated, to help with fuel costs.”
- Seaside Homes – would it contribute to the 2016/17 budget and would it appear on a revised programme?
- Concern was expressed about the £1m drop in the lift replacement programme. Councillor Gibson had understood it would be a priority for tenants.
- What consultation has been undertaken with children on the play bus saving which is funded via HRA.
- Although he could see the contribution to the General Fund was reducing he suggested that the council should hold a review of support services to ensure we are accounting correctly for only items appropriate to the HRA.

54.24 The Chair stated that very few council tenants' children were reached by the play bus. This money came out of the HRA budget. The Chair of Children, Young People & Skills Committee was working on a scheme which would ensure all children benefited from it.

54.25 The Acting Executive Director stated that a breakdown of support service charges to the general fund could be supplied to committee members.

54.26 The Interim Head of Property & Investment/Head of Housing Strategy, Development & Private Sector Housing referred to the comment on insulation. He reported that officers consulted on major works. An enormous amount was invested in energy reduction. Councillor Gibson replied that the insulation budget was down by more than major works had increased. He would like more information.

54.27 The Chair stressed that cladding would have made homes more energy efficient but this work had not been agreed by the Planning Committee.

54.28 The Interim Head of Property & Investment/Head of Housing Strategy, Development & Private Sector Housing referred to the comment on the lift replacement programme. Those in more urgent need of repair were being replaced. Lifts were a significant

priority. Councillor Mears stated that it would be helpful to have a report back on the lift replacement programme. The Chair endorsed this request.

- 54.29 The Head of Financial Services reported that in relation to Seaside Homes, capital receipts from batches 9 and 10 had been included in the 2015/16 capital programme. A written response would be sent to councillors showing where funding was approved and tracking finances.
- 54.30 The Head of Income, Involvement & Improvement commented that officers had not consulted specifically on the estate development budget.
- 54.31 Councillor Penn referred to page 23. She was concerned that the impact of the Welfare Reform & Work Bill 2015. She asked if there would be a report on the impact on residents. The Interim Head of Property & Investment and Head of Housing Strategy, Development & Private Sector Housing replied that there was ongoing consultation and a workshop would be arranged. The Chair confirmed that she would want a report back to committee.
- 54.32 Councillor Miller echoed Councillor Mears' concerns about the cost of management and service costs. He hoped this could be scrutinised as much as possible. The Interim Executive Director replied that management costs included the cost of support staff in other services.
- 54.33 Councillor Miller asked questions relating to the premises, premises – other, transport, supplies and services, support services from other departments budgets. He also asked why the electricity costs were increasing when generally they were reducing and also why Service Charges on page 27 were £6.886m and only £3.441m on page 35.
- 54.34 The Head of Financial Services replied that she could provide a breakdown on transport, supplies and services and support services from other departments which included services such as finance, IT, Democratic Services and HR. Electricity prices were going up by an average of 22% because the contract has been in place for three years and this reflects the end of that contract where prices have remained static. Service charges on page 27 include Leaseholder service charges whereas those on page 35 referred to only tenants.
- 54.35 Councillor Simson asked whether the payment of Business Rates for Car parks was a new initiative. The Head of Tenancy Services replied that the Revenue & Benefits Team had not sought to recover Business Rates from Housing Services before for car parking from non-council tenants and leaseholders. They would be charging from the next financial year so this was a new service charge.
- 54.36 Councillor Wealls considered the report complicated and inadequate for members to scrutinise and was missing a great deal of detail. He felt that the detail could have been placed in the appendices. The Chair replied that there were a number of new councillors on the committee and it would have been difficult to have a more detailed report. There had never been detail on the previous year's budget. She felt that there was everything the Committee needed to know in the condensed report. The Chair thanked officers for the hard work carried out on the budget report.

- 54.37 At this point in the proceedings the Committee had a fifteen minute break to discuss amendments to the recommendations submitted by the Green Group.
- 54.38 Following the break Councillor Gibson explained that the reason he was putting the amendments was that he considered the budget consultation inadequate. There had been limited consultation and no Area Panel had had a meeting to discuss the budget.
- 54.39 Councillor Gibson proposed the following amendments to the committee. The amendments were seconded by Councillor Mears.
- 2.2 – That the Housing & New Homes Committee agree that an urgent meeting of all area panel reps, housing officers and interested elected members be held to obtain feedback on capital programme priorities and revenue savings on the 2016/17 budget, and this feedback be passed onto Policy and Resources Committee on 11 February 2016 for consideration.
- 2.3 – That a full consultation and engagement exercise be undertaken with residents which is based on a programme agreed at an initial meeting with tenant only chairs, panel chairs and officers be held in September 2016.
- 2.4 – That the results and recommendations from the consultation exercise in 2.3 be reported to the Committee with recommendations for the 2017/18 HRA revenue and capital budgets.
- 54.40 The Chair drew attention to page 24, paragraph 5.2, 5.3 and 5.4. She stressed that there had clearly been resident consultation. There had been a city wide conference about spending priorities and residents had been free to ask questions. There was already a tenant participation structure and she was keen not to involve more expenditure in order to have another structure.
- 54.41 Councillor Gibson felt that the amendments would give tenants the opportunity to be more deeply involved in the budget process.
- 54.42 Councillor Mears stated that the amendments would ensure that there was a proper consultation with tenants. They currently felt disengaged with the budget process.
- 54.43 Councillor Hill expressed concern about the new paragraph 2.2. This would be agreeing an urgent meeting which would report back to Policy & Resources Committee rather than this committee.
- 54.44 Members voted on whether it was accepted that amendments 2.2, 2.3 and 2.4 be added to the recommendations. Following a vote it was agreed by 6 votes to 4 that 2.2, 2.3 and 2.4 should be added to the recommendations.
- 54.45 The Committee then voted on the amended recommendations. Members voted by 4 votes to 6 for recommendation 2.1 (a) The recommendation was therefore not agreed. Members unanimously agreed recommendation 2.1 (b). Members voted by 4 votes to 6 for recommendation 2.1 (c). The recommendation was therefore not agreed. Members voted by 4 votes to 6 for recommendation 2.1 (d). The recommendation was therefore



not agreed. Members unanimously agreed recommendation 2.1(e). Members voted by 6 votes to 4 in favour of recommendations 2.2, 2.3 and 2.4.

54.46 **RESOLVED:-**

- (1) That Housing & New Homes Committee recommend that Policy & Resources Committee:
  - a. **Does not** approve and recommend to Council the HRA revenue budget for 2016/17 as shown in Appendix 1.
  - b. approves a rent reduction of 1% in line with draft government legislation as detailed in paragraph 3.7.
  - c. **Does not** approve service charges and fees as detailed in Appendix 2 or delegates authority to the Acting Executive Director of Environment, Development & Housing to make further amendments to communal service charges and laundry charges (to ensure cost recovery) once notification of new contract prices (from April 2016) has been received.
  - d. **Does not** approve the capital programme expenditure and financing budget of £43.047 million for 2016/17 or note the 4 year programme as set out in Appendix 3.
  - e. notes the Medium Term Financial Strategy and 30 year financial projections shown in Appendix 4.
- (2) That an urgent meeting of all area panel representatives, housing officers and interested elected members be held to obtain feedback on capital programme priorities and revenue savings on the 2016/17 budget, and this feedback be passed onto Policy and Resources Committee on 11 February 2016 for consideration.
- (3) That a full consultation and engagement exercise be undertaken with residents which is based on a programme agreed at an initial meeting with tenant only chairs, panel chairs and officers to be held in September 2016.
- (4) That the results and recommendations from the consultation exercise in (3) above be reported to the Committee with recommendations for the 2017/18 HRA revenue and capital budgets.



<b>Subject:</b>	<b>Supplementary Information – Amendment to the 1% Rent Reduction Proposed by Ministers</b>		
	<b>11 February 2016</b>		
<b>Report of:</b>	<b>Acting Executive Director for Environment, Development &amp; Housing and Acting Executive Director for Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Sue Chapman</b>	<b>Tel:</b> 01273 293105
	<b>E-mail:</b>	<a href="mailto:sue.chapman@brighton-hove.gov.uk">sue.chapman@brighton-hove.gov.uk</a>	
<b>Wards Affected:</b>	All		

**For General Release**

**Note:** The special circumstances for non-compliance with Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 are that the clarification of the announcement made by Ministers was only issued after the publication of the agenda papers. Any amendments to the HRA budget as a result of this information being taken into account will be included in the Supplementary Budget Report to Budget Council.

**122 SUPPLEMENTARY INFORMATION – AMENDMENT TO THE 1% RENT REDUCTION PROPOSED BY MINISTERS IN RELATION TO THE HOUSING REVENUE ACCOUNT BUDGET AND INVESTMENT PROGRAMME 2016/17 AND MEDIUM TERM FINANCIAL STRATEGY**

1. New Information in relation to the proposed 1% reduction in rents as recommended in paragraph 2.2 (c) of the report.
2. The Welfare Reform and Work Bill 2015/16 was introduced in July 2015 and has now been through both the House of Commons and the House of Lords. It is now in its final stages and it is anticipated that it will receive Royal Assent in the Spring ahead of the new financial year. The Bill proposes a 1% rent reduction for the next 4 years (2016/17 to 2019/20) for council tenancies as detailed in paragraph 3.7 of the committee report.
3. However, on 27 January 2016 during the second reading in the House of Lords, Ministers announced an exception to the reduction and then provided further clarification late last week. The Government have now announced that there will be a one year exception for all supported accommodation whilst a review into Supported Accommodation is being carried out. **This means that seniors' accommodation is therefore excluded from the 1% rent reduction for**

**2016/17.** Therefore the Government's expectation is that these rents will increase by no more than CPI +1% as set out in the Government's previous Guidance on Social Rents. Using the September 2015 CPI of -0.1%, this equates to a 0.9% increase.

4. Whereas the 1% rent reduction will become statutory, the Government's previous Guidance on Social Rents is not. There are financial restrictions placed upon local authorities who increase rents above the prescribed CPI+1% (through the loss of Housing Benefit Subsidy which is payable by the HRA) but none for setting rents below this level. But it is general practice to set rents in line with Government guidance in order to maximise the income available to the Housing Revenue Account to meet Business Plan priorities.
5. The HRA Revenue Budget 2016/17 Report recommendation 2.2 (c) assumes that the seniors' sheltered rents would be reduced by 1% in line with the majority of tenancies. The table below shows the implications of either freezing rents at current 2015/16 levels or applying the Government's guidance of an increase of 0.9%. Any additional income (not currently included in the 2016/17 HRA Budget Report) from either a freeze or increase in these rents would be available for reinvestment. There are 854 seniors sheltered tenancies of which approximately 88% (excluding voids) are on full or partial Housing Benefit.

	<b>1% Reduction – current report recommendation</b>	<b>2015/16 Rent (Freeze)</b>	<b>0.9% increase</b>
	£	£	£
Average Actual Weekly Rent -All Tenants*	<b>84.91</b>	84.96	85.01
Average Actual Weekly Rent - Seniors	<b>72.43</b>	73.16	73.82
Increase /(decrease) per week from 2015/16	<b>-0.73</b>	0	0.66
<b>Additional Income for 2016/17</b>	<b>0</b>	<b>32,530</b>	<b>61,750</b>
4 year impact of additional income	<b>0</b>	128,170	243,310

\*Note: Average actual weekly rent for all tenants for 1% reduction has increased from £84.79 to £84.91 due to relets at Target rent since writing the budget report.

## 6. Recommendations

That the Committee:

- 6.1 Takes into account the new information provided;
- 6.2 Amends the recommendation 2.2 (c) in the report and opt for a freeze in levels of rent for seniors sheltered housing tenants.





**AGENDA ITEM 130**

**STANMER PARK PROGRAMME: UPDATE AND NEXT STEPS IN RELATION TO  
FUNDING, HOME FARM REDEVELOPMENT AND MANAGEMENT STRUCTURE**

**OFFICER AMENDMENT**

Proposed Officer Amendment to the recommendations.

To replace the recommendation 2.1 & 2.2 below (~~in strikethrough~~) with the new recommendations below in **bold italics**:

~~2.1 That the Committee authorises the Acting Executive Director Environment Development & Housing, Assistant Director Property & Design and Head of Legal Services to approve terms for the disposal of 13 non-core assets identified from 7 of the main farms in the Agricultural portfolio and a potential development site within Stanmer, set out in Appendix 1A, part two of this report.~~

~~2.2 From the disposal of these 13 noncore assets from the Agricultural portfolio 50% of the capital receipt to be ringfenced for Stanmer and 50% to support the council's capital investment strategy set out in the 4 year Medium Term Financial Strategy~~

***2.1 That Committee agrees in principle to the proposal in the report relating to the disposal of identified non-core agricultural assets to support the funding of the redevelopment of the traditional agricultural buildings in Stanmer.***

***2.2 That Committee instructs officers to bring a report back to Committee for final approval following the outcome of the development appraisal review that details the disposals and the funding proposal referred to in 2.1 above.***





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