

CABINET ADDENDUM TWO

2.00PM, THURSDAY, 14 MAY 2026

COUNCIL CHAMBER, HOVE TOWN HALL

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ADDENDUM

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Brighton & Hove City Council

Cabinet

Agenda Item 192

Subject: Update on the Housing Management for the Brickfields Development

Date of meeting: Thursday 14th May

Report of: Cabinet Member for Communities, Equalities, Public Health and Adult Social Care

Lead Officer: Name: Corporate Director Homes & Adult Social Care

Contact Officer: Name: Anne Richardson-Locke, Heather Barfoot

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Ward(s) affected: Wish;

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000.

For general release

Note: Urgency

By reason of the special circumstances below, and in accordance with section 100B(4)(b) of the 1972 Act, the Chair of the meeting has been consulted and is of the opinion that this item should be considered at the meeting as a matter of urgency.

Note: Reasons for urgency

The special circumstances for non-compliance with Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the supported living service is currently anticipated to start in September 2026, and this relies on landlord and management arrangements being confirmed. Any further delay results in additional costs, unachieved savings and delays to people moving in.

1. Purpose of the report and policy context

1.1 This report seeks Cabinet approval to grant a 125-year lease to a Registered Provider to provide the landlord and housing management function for the Brickfields supported living service.

1.2 The report provides an update to the January cabinet report that asked for delegated authority for the Corporate Director to grant the lease. As one of the conditions for the delegated authority has not been met, a further report to Cabinet is required to make the decision.

1.3 This proposal accords with the Council Plan 2023 – 2027, specifically:

Outcome 2: A fair and inclusive city: Homes for everyone.

This development will contribute to the council's goal of delivering accessible, affordable homes for the residents of Brighton & Hove.

Outcome 3: A healthy city where people thrive: Living and ageing well.

The supported living service will meet a current gap for people with acquired brain injury and physical disability. The lack of available supported living in the city means that too often, people are living inappropriately in residential care or have to move out of the city.

Outcome 4: A responsive council with well-run services.

People living at Brickfields will need effective housing management from a Registered Provider with the right experience to work with the commissioned support provider. This will ensure that people have a well-run supported living service that is responsive to their needs.

2. Recommendations

2.1 Cabinet agrees to enter into a 125 year lease with the selected Registered Provider, Southdown for the best consideration reasonably obtainable in accordance with this report and the Part 2 Report.

2.2 Cabinet delegates authority to the Corporate Director for Homes and Adult Social Care in consultation with the Cabinet Member for Communities, Equalities, Public Health & Adult Social Care to grant a 125-year lease to Southdown, and to enter into any ancillary documentation for the Brickfields building.

3. Context and background information

3.1 In July 2021 Policy & Resources Committee approved of the demolition of the council owned residential care home, Knoll House and to the building of a supported living service on the site. A capital budget of £10.5m was agreed, to be financed through capital borrowing and a Homes England grant.

3.2 The Brickfields Supported Living building was completed at the end of April on time and under budget and is a good example of collaborative working across the council with partnership working between Adult Social Care, Housing, Housing Regeneration, Estates, Occupational Therapy and people with lived experience of physical disabilities and/or acquired brain injuries.

3.3 Brickfields comprises of 27 one-bedroom flats and one two-bedroom flat. It will provide care and support and accommodation for people with acquired

brain injuries and/or physical disabilities. It is fully wheelchair accessible throughout, with shared communal spaces on each floor, a laundry, guest room and office & flat for staff. A specialist care and support provider will provide care and support 24 hours a day.

- 3.4 At the start of the development the decision on whether the council would retain the landlord function or lease it to a Registered Provider had not been made. The option for the council to provide both the landlord and management function in-house was considered but the council has limited experience and capacity to manage a specialised supported living service with the level of responsiveness that is required.
- 3.5 The decision was made to lease the building for 125 years to a Registered Provider that has the expertise to manage Specialised Supported Living. The lease will be a full repairing lease whereby the Registered Provider will undertake all landlord functions, including planned and major works. Homes England confirmed that this was acceptable, with grant liability transferring to the Registered Provider. This option also has the advantage that all of the intensive housing management benefit costs would be recouped (£60k per annum) as councils can recoup the full Housing Benefit subsidy when a Registered Provider claims it.
- 3.6 In January 2026 Cabinet delegated authority to the Corporate Director for Homes and Adult Social Care in consultation with the Director of Property and Finance and Cabinet Member for Communities, Equalities, Public Health & Adult Social Care to enter into a 125-year lease for the Brickfields building together with all necessary ancillary documentation with a Registered Provider subject to the following conditions:
 - (1) The council's developments costs have been met; and
 - (2) The council achieves the best consideration that can reasonably be obtained when generating the capital receipt for the property.
- 3.7 The council's Housing Enabling team has led on engaging with the Registered Provider market and soft market engagement indicated interest in a lease from providers. 15 Registered Providers were contacted in total, including a range of local and national organisations who either have affordable housing stock in or near the city or who provide specialist supported housing countrywide.
- 3.8 This engagement took longer than anticipated and, with the exception of one provider, all others eventually declined to make offers. This was for a range of reasons including that the lease was too long or the scheme too small. The lease length is required to be a minimum length of 125 years in order to allow the transfer the Homes England Grant.
- 3.9 The council has, however, received an offer from Southdown, a local charity and Registered Provider who have a good track record of providing accommodation and housing support to people with physical disabilities under a lease with the council. They also provide care and support as well

as housing to people with a range of social care needs in Brighton & Hove and across Sussex. As part of their conditional offer, Southdown would:

- take on the 125-year lease
- have the liability for the Homes England grant transferred to them
- charge social rents plus the necessary service charges.

3.10 In order to evidence best consideration, an independent Red Book valuation was undertaken on the 30 January 2026. Whilst the offer from Southdown does not fulfil all the criteria set by the council prior to the negotiation exercise, it the most cost-effective solution for fulfilling the outcomes intended from the service that will operate in the building and the best consideration reasonably obtainable.

3.11 The procurement of a care and support provider is already at the final stages as set out in the Annual Procurement Forward Plan agreed at Cabinet on 13 February 2025. The contract is about to be awarded and there will be a three-month mobilisation period due to start in June 2026, with the service starting in September 2026. Any delay to the securing of a Registered Provider results in a delay to the start of the support service and the risks and costs of this are set out below in section 8.

4 Analysis and consideration of alternative options

4.1 **Alternative option 1: The council manages the building.** This option where the council manages the building and acts as the direct landlord of the residential occupiers has also been considered. Cabinet agreed in January that this was not the preferred option. As well as the financial implications and loss of housing benefit subsidy, the council would be liable for all major works and repairs and has limited experience of managing a specialist supported housing service. The council would also be accountable for meeting the Consumer Standards under Social Housing (Regulation) Act 2023, and would have to build new capacity to satisfactorily deliver a specialist supported housing service at a time when teams are under significant pressure with the LPS work and implementing the requirements of the Social Housing (Regulation) Act 2023 across the entire HRA stock.

4.2 With this option, most tenants would acquire secure tenancies for life, with the associated Right to Succession. This could lead to people without care and support needs living in the building after the main tenant had died which would reduce the availability of this much needed accommodation. There would also be no limitations on their need for the care and support provided, so people could continue to live in the building even if their support needs had changed or could no longer be met by the care and support provider, or if they no longer had support needs. A Registered Provider would have grounds to seek possession in these cases under grounds 5F and 18 of the Renters' Rights Act 2025 that allow a landlord to evict a tenant from supported accommodation if the support has ended or is no longer suitable.

- 4.3 **Alternative option 2: Alternative use for the Brickfields building** The option of using the building for an alternative use has been considered but is not recommended for the following reasons: the loss of vital, accessible, supported living accommodation to meet a current gap in provision for people with disabilities and/or acquired brain injuries, some of whom have had to move out of the city or into inappropriate residential care and the loss of the savings associated with the care provision. The local community have been broadly accepting of the proposed use of the building and have experienced significant disruption over several years. A change in direction at this stage risks further disruption for the community.

5 **Community engagement and consultation**

- 5.1 There has been ongoing community engagement during the planning and construction phases of the Brickfields development. There has been broad local support for the service, and the gap that it will fill in meeting the needs of people with acquired brain injuries and/or physical disabilities.

6. **Financial implications**

- 6.1 The full projected capital spend on the Brickfields development project is £6.187m.
- 6.2 The anticipated receipt from the proposed award will not cover the development costs for this project outlined above.
- 6.3 Detailed financial implications are contained within part 2 of the report.

Name of finance officer consulted: Katy Humphries
Date consulted:07/05/26

7. **Legal implications**

- 7.1 The council has the legal power to dispose of the property pursuant to section 123 of the Local Government Act 1972 which allows for the disposal of property subject to obtaining the best consideration reasonably obtainable. This report confirms that a valuation has been carried out to evidence best consideration. In exercising the delegated authority to finalise the terms and enter into the lease and any ancillary documentation, the Corporate Director for Homes and Adult Social Care in consultation with the Cabinet Member for Communities, Equalities, Public Health & Adult Social Care will need to be satisfied that the requirement to obtain the best consideration reasonably obtainable continues to be met. In addition, the exercise of the delegated authority provided by this report will be subject to an analysis of subsidy law and compliance with the Subsidy Control Act 2022.
- 7.2 It is proposed that the Registered Provider will be required to enter into a lease with the council with a requirement to enter into contractual arrangements with the care support provider that has been procured by the council. Further legal agreements may be required to secure use of the

property for the same purposes beyond the expiry of the contract with the care provider and this will be subject to further legal advice.

7.3 Selection of the Registered Provider is a land transaction which falls outside the Procurement Act 2023 as it is an exempted contract.

Name of lawyer consulted: Siobhan Fry and Eleanor Richards

Date consulted: 12th May 2026

8 Risk implications

8.1 For transparency the potential risks from the January cabinet have been updated below with the impacts and mitigations updated.

Risk	Impact / mitigation January 2026 cabinet report	Updated impact /mitigations as of May 2026
The Registered Provider changing the use of the building from supported living	Appropriate covenants will be put in place to ensure that any change to the use of the building can only be carried out with the council's agreement.	No change
Not being able to cover the council's development costs	An independent valuation will be sought and this risk is considered unlikely but would have a significant impact. If the council's costs cannot be covered then Alternative Option 1: council acts as landlord and procures an external managing agent will be explored instead.	Whilst the total development costs have not been met the received offer will achieve the best consideration that can reasonably be obtained when generating the capital receipt for the property as supported by the Red Book valuation.
<p>Delay in arranging a lease with an identified Registered Provider leading to a delay in the anticipated start date of the supported living service.</p> <p>It is already anticipated that there will be a period between the completion of the building construction and anticipated start of the care and support service, so the council will need to arrange and pay for security during this period.</p> <p>Any further delay would increase these costs.</p>	Legal and Estates resource for arranging the lease will be expedited and prioritised to mitigate this risk.	This is even more of a risk now due to the delay in the grant of a lease. Any further delay will result in additional security costs and unachieved savings.

9 Equalities implications

- 9.1 For the supported living service at Brickfields to be delivered well, the Registered Provider will be integral, needing to meet the needs of people with acquired brain injuries and/or physical disabilities. Effective housing management will support people to live in accessible homes and maximise their independence. Southdown is known to have experience delivering good quality housing management support to people with physical disabilities, and also have a broader understanding of social care needs as a care and support provider.

10 Sustainability implications

- 10.1 The Registered Provider is required to demonstrate their organisation's corporate commitment to sustainability and how they will support the council's work to reduce carbon emissions and become a carbon neutral city by 2030.

11 Health and Wellbeing Implications:

- 11.1 A draft Equalities Impact Assessment, to be fully completed after the care and support tender is awarded, highlights the positive impact this service will have for people with acquired brain injuries and/or physical disabilities, and particularly younger people and people with larger bodies.
- 11.2 There is a significant gap in provision of supported living for people with acquired brain injuries and/or physical disabilities in Brighton and Hove, and this service will improve both physical and mental health outcomes for people living there. This is further supported by the design and accessibility of the building.
- 11.3 Selecting Southdown, a Registered Provider that is known to be committed to improving its tenants' health and wellbeing, making links with the local community and has the experience and ability to provide effective housing management support and maintenance, will further support people's health and wellbeing outcomes.

Other Implications

12 Procurement implications

- 12.1 The granting or assignment of a lease is exempt from the Procurement Act 2023 and therefore out of scope for Procurement. The provision of the separate Care and Support Contract is in-scope and is already being tendered as detailed above.

13. Crime & disorder implications

- 13.1 The planned supported living service has been assessed as not having the potential to heighten community tension, reduce cohesion or contribute to

crime and disorder. People with disabilities are more likely to be the victims than the perpetrators of crime and anti-social behaviour.

- 13.2 The Registered Provider has suitable experience to appropriately support people living in the service who may have additional support needs in relation to community safety and will work in partnership with the commissioned support provider to do this effectively and to manage anti-social behaviour exhibited towards tenants.

14. Conclusion

- 14.1 The recommendation to grant a 125-year lease of the Brickfields Supported Living development to Southdown is justified by the need to ensure high-quality, responsive housing management, in line with the council's strategic objectives. This approach addresses a significant local gap in supported living, enables the council to recoup intensive housing management benefit costs, and ensures compliance with Homes England grant requirements and the Social Housing (Regulation) Act 2023.
- 14.2 The alternative options of the council retaining responsibility of the development and acting as the direct landlord or using the building for alternative use are not recommended. By selecting a Registered Provider with specialist experience, the council will secure a well-run, sustainable service that meets the needs of vulnerable residents, maximises funding opportunities, and supports the city's commitment to inclusive, high-quality care and accommodation.

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