





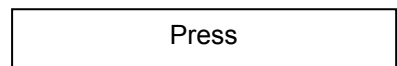
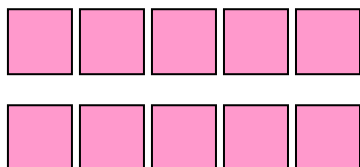
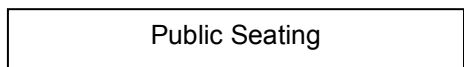
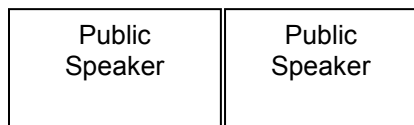
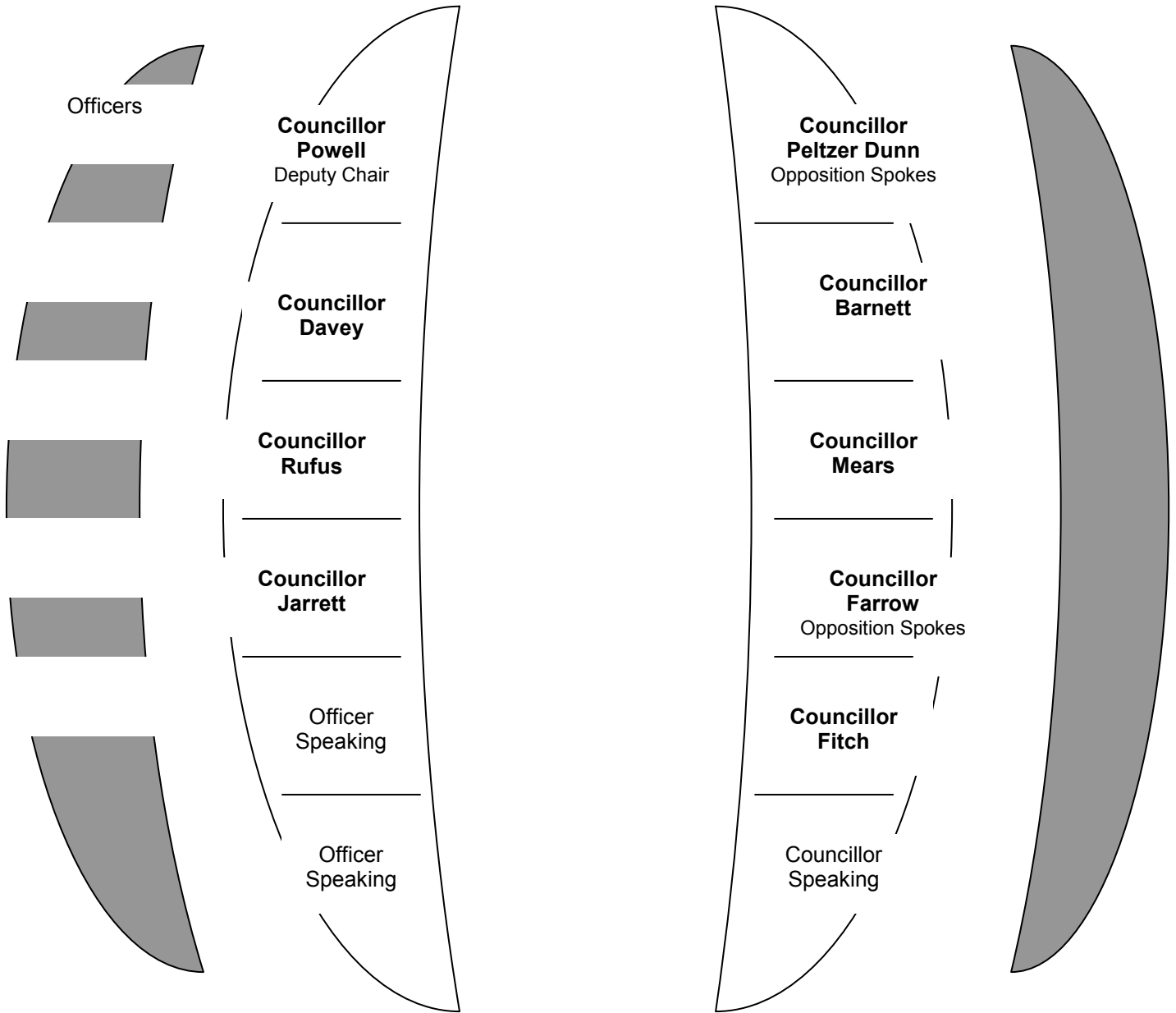
Brighton & Hove
City Council

Housing Committee

Title:	Housing Committee
Date:	6 March 2013
Time:	4.00pm
Venue	Council Chamber, Hove Town Hall
Members:	Councillors: Wakefield (Chair), Powell (Deputy Chair), Peltzer Dunn (Opposition Spokesperson), Farrow (Opposition Spokesperson), Barnett, Davey, Fitch, Jarrett, Mears and Rufus
Contact:	Lisa Johnson Senior Democratic Services Officer 01273 291228 lisa.johnson@brighton-hove.gov.uk

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Democratic Services: Housing Committee



AGENDA

PART ONE

Page

48. 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 not registered on the register of 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.

49. MINUTES

1 - 8

To consider the draft minutes of the Housing Committee meeting held on 16 January 2013 (copy attached).

50. MINUTES OF THE HOUSING MANAGEMENT CONSULTATIVE SUB COMMITTEE

9 - 18

HOUSING COMMITTEE

For Information Only – Draft Minutes of the Housing Management Consultative Sub Committee meeting held on 12 February 2013.

51. CHAIR'S COMMUNICATIONS

52. CALL OVER

53. 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 27 February 2013
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 27 February 2013

54. ISSUES RAISED BY COUNCILLORS

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;
- (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.

55. NEW HOMES FOR NEIGHBOURHOODS - ESTATE REGENERATION PROGRAMME 19 - 42

Report of Strategic Director, Place

Contact Officer: Nick Hibberd

Tel: 29-3756

Ward Affected: All Wards

56. EXTRA CARE HOUSING UPDATE 43 - 78

Report of Strategic Director, Place

Contact Officer: Martin Reid

Tel: 29-3321

Ward Affected: Queen's Park

57. REGISTER OF LANDLORD SCHEME

Verbal Update

HOUSING COMMITTEE

58. SELF BUILD HOUSING SCHEME, POTENTIAL SITES

Verbal Update

59. TENANCY STRATEGY 2013

79 - 132

Report of Strategic Director, Place

Contact Officer: Andy Staniford

Tel: 29-3159

Ward Affected: All Wards

60. RIGHT TO BUY RECEIPTS - DELIVERING REPLACEMENT AFFORDABLE HOMES

133 -
140

Report of Strategic Director, Place

Contact Officer: Martin Reid

Tel: 29-3321

Ward Affected: All Wards

61. HCA EMPTY PROPERTY FUNDING ALLOCATION

141 -
150

Report of Strategic Director, Place

Contact Officer: Martin Reid

Tel:29-3321

Ward Affected: All Wards

Ward Affected: All Wards

62. ITEMS REFERRED FOR COUNCIL

To consider items to be submitted to the 28 March 2013 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

HOUSING COMMITTEE

The City Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public. Provision is also made on the agendas for public questions to committees and details of how questions can be raised can be found on the website and/or on agendas for the meetings.

The closing date for receipt of public questions and deputations for the next meeting is 12 noon on the fifth working day before the meeting.

Agendas and minutes are published on the council's website www.brighton-hove.gov.uk. Agendas are available to view five working days prior to the meeting date.

Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

For further details and general enquiries about this meeting contact Lisa Johnson, (01273 291228, email lisa.johnson@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

Date of Publication - Tuesday, 26 February 2013

BRIGHTON & HOVE CITY COUNCIL

HOUSING COMMITTEE

4.00pm 16 JANUARY 2013

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillor Wakefield (Chair), Councillor Powell (Deputy Chair), Peltzer Dunn (Opposition Spokesperson), Farrow (Opposition Spokesperson), Davey, Fitch, Jarrett, Mears, Deane and Wells

PART ONE

37. PROCEDURAL BUSINESS

37A Declarations of Substitute Members

37.1 Councillor Deane declared that she was attending as a substitute for Councillor Duncan. Councillor Wells declared that he was attending as a substitute for Councillor Barnett.

37B Declarations of Interests

37.2 Councillors Fitch, Peltzer Dunn and Wells each declared a Disclosable Pecuniary Interest in Item 43c, as landlords of residential property within the City.

37C Exclusion of the Press and Public

37.3 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.

37.4 **RESOLVED** - That the press and public not be excluded from the meeting.

38. MINUTES

38.1 The Committee considered the Minutes of the Housing Committee meeting held on 14 November 2012.

- 38.2 Councillor Farrow referred to paragraph 32.4 and asked if there was any information on whether other authorities would be supporting the Home Energy Efficiency Investment – Green Deal. The Chair said that West Sussex County Council were interested and keen to work with Brighton & Hove City Council. Information on other authorities would be provided as and when it was known.
- 38.3 Councillor Farrow referred to paragraph 33.4 and asked whether Councillor Jarrett had spoken to the Director of Adult Social Services about possible funding to enable adaptations to be made to properties. Councillor Jarrett confirmed he had, and that Adult Social Care had agreed to assess each application on a case by case basis and provide funding where possible.
- 38.4 Councillor Mears referred to paragraph 30.4, and said that the Chair had informed her that the homelessness budget had not been cut, but that that was incorrect and the budget had been reduced. The Chair agreed to look into the matter.
- 38.5 Councillor Peltzer Dunn referred to paragraph 32.3 and felt that the wording was contradictory. It was agreed to change the wording to read ‘Officers confirmed that any charge would be shown on the electricity bill, but householders could see savings through reduced use of gas or electricity’
- 38.6 **RESOLVED** – That the Minutes of the Housing Committee held on 14 November 2012 be agreed (subject to the amendment to the wording in paragraph 32.3).

39. MINUTES OF THE HOUSING MANAGEMENT CONSULTATIVE SUB COMMITTEE MEETING HELD ON 18 DECEMBER 2012

- 39.1 Councillor Mears referred to paragraph 36.3 and requested that the cost of running Area Panels be provided, and asked for reassurance that there was sufficient funding to enable the Area Panels to continue. Councillor Wakefield said that there was no intention not to continue with Area Panels and asked for officers to provide the cost of running the Panels and all other tenant groups.
- 39.2 Councillor Mears referred to paragraph 38.3 and asked for clarification on who had agreed the new structure, who had agreed that the Housing Revenue Account (HRA) would fund £280k, how many other staff were involved and whether there would be any additional costs to the HRA. Officers said that a number of staff involved in the new department did not all deal with housing and so funding would come from other budgets, and agreed to provide a written response for the next Housing Management Consultative Sub Committee meeting.
- 39.3 **RESOLVED** – That the Minutes of the Housing Management Consultative Sub Committee held on 18 December 2012 be noted.

40. CHAIR'S COMMUNICATIONS

- 40.1 The Chair provided an update on a number of issues.

Green Deal Energy Efficiency Investment Options

A report on the Green Deal Energy Efficiency Investment Options had been prepared for the Policy & Resources Committee (P&R) meeting due to be held on 24 January 2013. The P&R report would be circulated to Housing Committee members and an officer briefing offered prior to P&R. A formal report will be brought to a future Housing Committee meeting.

DECC Local Authority Competition 2012-13

We have successfully bid for over £500,000 of funding as part of the Department of Energy & Climate Change Local Authority Competition in both the Fuel Poverty and Green Deal Pioneer Places strands. Both projects were to be delivered by 31st March 2013

Fuel Poverty Fund

Brighton & Hove had been awarded funds totalling £287,600 for this project.

A joint bid for the Fuel Poverty Fund was submitted with Eastbourne Borough Council to support vulnerable households living in or at risk of fuel poverty. In Brighton & Hove we were aiming to assist up to 60 householders with major heating and insulation measures. Each householder would be supported by a fuel poverty trained case-worker from the community and voluntary sector.

We would target interventions to support vulnerable groups through existing programmes, events and outreach sessions in areas of higher levels of fuel poverty. Also through links with the private rented sector, Health and CVSF

Green Deal Pioneer Places

The total amount of funding for this project was £221,000.

The aim of this project was to kick start and show the benefits of the Green Deal by creating a network of Green Deal show-homes and opening them as part of the City's Eco Open Houses. The activity would build the local supply chain by developing a strong network of Green Deal approved assessors and installers help market and publicise the Green Deal and issue planning guidance to support take up.

The key objectives of this project were to:

Carry out 100 Green Deal assessments; Create a network of 10 Green Deal show-homes; Develop show home resources, including case studies, available online, displayed at the Eco Open Houses and other events; Develop two draft Planning Advice Notes for external wall insulation & Green Deal in Conservation Areas.

41. CALL OVER

41.1 It was agreed that all items would be reserved for discussion.

42. PUBLIC INVOLVEMENT

42.1 There were no petitions, written questions or deputations.

43. MEMBERS INVOLVEMENT**43 c Letters**

- 43c.1 There were two letters submitted by Councillor Farrow. One letter related to a register of landlords. Councillors Fitch, Peltzer Dunn and Wells declared a Disclosable Pecuniary Interest in the matter and left the room when this letter was discussed.
- 43c.2 Councillor Farrow spoke on his first letter which, following the success of the Hedgehog Housing Co-operative, asked for officers to investigate the feasibility of using similar schemes to develop more homes on marginal land in the city.
- 43c.3 RESOLVED** - The Committee asked officers to provide a report on this matter for a future meeting.
- 43c.4 Councillor Farrow presented his second letter which referred to the London Borough of Newham's scheme to have a register of landlords, and asked officers to investigate on the feasibility of implementing a similar scheme in the city.
- 43c.5 RESOLVED** - The Committee asked officers to provide a verbal response at the next meeting.

43 d Notice of Motion

- 43d.6 Councillor Mitchell presented the Notice of Motion which called on the Housing Committee to request officers to bring forward a report that:
- Evaluates whether the council would benefit from entering into the Right to Buy receipts scheme that would enable the receipts from any additional sales generated to be retained by the council in order to fund the provision of replacement housing stock.
 - Explores whether the retention of Right to Buy receipts under the scheme could enable the council to buy back ex-council homes that come onto the housing market either from estate agents' repossession or at auction.
 - Considers the possibility of the scheme being used in relation to leaseholders where the high cost of major works are causing particular difficulties.
 - Demonstrates whether and if so, how entering into such a scheme could compliment the other initiatives being pursued in relation to the provision of affordable housing."
- 43d.7 Councillor Peltzer Dunn asked if the second bullet point could be expanded to cover all ex-council properties which came onto the market. The Chair agreed.
- 43d.8 RESOLVED** That the Housing Committee requested officers to bring forward a report to cover the issues suggested in the Notice of Motion.

44. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2013-2016

- 44.1 The Committee considered a report of the Director of Finance and Strategic Director, Place which set out the Housing Revenue Account Capital Programme 2013-16.

- 44.2 Councillor Farrow said that he felt that the Programme did not meet the needs of tenants in the city and that he would abstain from recommending it to Policy & Resources Committee. Paragraph 5.17 of the report stated that the budget had been increased with the aim of providing 15-20 home extensions per annum. Councillor Farrow felt that this was too low and was inadequate for the needs of the city. He asked that officers look at simpler ways to undertake conversions/extensions to ensure that more could be built. Councillor Fitch said that he too felt that loft conversions/extensions were important and hoped that the budget for this area of work could be increased further. Officers agreed that loft conversions could be useful, and the number proposed was higher than the number undertaken last year. However, extensions to homes weren't always the most appropriate course of action. Property and Investment worked with families and adaptations team to devise individual design solutions, to ensure extra rooms(s) required did not impact on families receiving benefits. Officers referred to a specific sensitive case with complex adaptations involved, where an older child (adult) with disabilities required an additional room or sensory space to meet their special needs.
- 44.3 Councillor Farrow referred to paragraph 5.18 which related to Fencing and asked that this be a priority. Erecting fencing was important for health and safety, particularly for those with young children, pets etc. Officers said that a draft policy on fencing was going to Area Panels and would then go to the HMCSC. If there was a fence which needed repairing because of health and safety issues, the work would be undertaken from the Repairs Budget. This report recommended doubling the existing planned budget for improving boundary fencing across the city to relieve pressures on the Estate Development Budget.
- 44.4 Councillor Mears referred to paragraph 3.2 (2) Creating a More Sustainable City, and asked if a report on One Planet Living could come to a future meeting of the Housing Committee. Councillor Mears also asked if more information could be provided on the capital receipt from Seaside Homes as that funding needed to be taken into account. The Chair agreed for that information to be made available.
- 44.5 Councillor Mears referred to paragraph 5.21 on building new council homes and was concerned that the scheme, which had been started under the previous administration, had not moved forward.
- 44.6 Councillor Jarrett welcomed the reduction in time for lift repairs, and suggested that where possible a more proactive approach be taken to identify any problems with lifts before they broke down. Officers confirmed that engineers already carried out regular servicing for lifts.
- 44.7 Councillor Peltzer Dunn referred to paragraph 6.8 which said that a draft of this report had been presented to the Housing Committee on 18 December 2012, but said that that was incorrect as the report previously considered had had amendments and therefore it was a different report. Officers confirmed that there had been some small changes to the report.
- 44.8 **RESOLVED –**

(1) That the Housing Committee recommend that Policy & Resources approves the capital programme budget of £26.957 million and financing for 2013/14 as set out in paragraph 4.1 of the report.

45. HOUSING REVENUE ACCOUNT BUDGET 2013/14

- 45.1 The Committee considered a report of the Director of Finance and Strategic Director, Place which set out the Housing Revenue Account Budget for 2013/14.
- 45.2 Councillor Farrow thanked officers for the report, which he agreed with in parts. However, he suggested that there be a radical review on how the Council managed properties, and asked that the housing management structure be looked at to see if any money could be saved which could then be reinvested in homes. He said the Labour and Co-operative party would abstain from recommending the report to Policy and Resources Committee. The Chair invited anyone who had any ideas on how properties were managed to put them forward for discussion.
- 45.3 Councillor Mears referred to paragraph 3.5, and asked who the benchmarking had been against. Officers said it was local authorities with similar profiles to Brighton & Hove; a full list would be provided. Councillor Mears noted that there was no reference in the report to Mr N Hibberd's new post and asked why it was being funded from the Housing Revenue Account and not from the Corporate Account. Councillor Mears referred to paragraph 3.16, which showed the proposed increases to fees and service charges and noted that there was a reference to 12 properties requiring video entry and asked why that item had not been included in the Housing Revenue Account Budget 2013/14 report which went to the HMCSC meeting in December. Officers said that that report had been provided earlier than planned to ensure the HMCSC saw the report, and at that time the information on video entry was not available. Councillor Mears referred to Appendix 1 to the report and noted that the disabled adaptations programme had an investment requirement of £0.4m. Officers stated that that amount was only the overspend.
- 45.4 Councillor Peltzer Dunn noted that the report was slightly different from the one which had gone to the HMCSC meeting in December 2012, and therefore it was procedurally incorrect to say that the report had been considered by that sub committee. The Chair said she wanted to ensure that members of the HMCSC knew what was being proposed, and because of the timing of the meetings it was not possible for a 'final' report to be available for the December meeting.
- 45.5 **RESOLVED:**
That Housing Committee recommends that Policy & Resources Committee:
- (i) Approves and recommends to Council the budget for 2013/14 as shown in Appendix to the report.
 - (ii) Approves individual rent increases and decreases in line with rent restructuring principles as determined by the Government and detailed in paragraphs 3.13 to 3.15 in the report.
 - (iii) Approves the changes to fees and charges as detailed in Table 2, paragraphs 3.16 to 3.18 in the report and to delegate authority to the Strategic Director, Place to increase communal heating electricity charges following the corporate procurement of new contract prices.

46. UPDATE ON HOMELESSNESS AND ROUGH SLEEPING

- 46.1 The Committee considered the report which provided an update on Homelessness and Rough Sleeping. In addition to the report, Ms N Homeward, Director Homelessness Brighton Housing Trust and Ms B Davison, Director CRI (Rough Sleeper Team) attended the meeting to provide a verbal overview of their work.
- 46.2 Ms Davison said that there had been an increase in 'short term' rough sleepers over the last two years, but there had been a decrease in the 'long term' rough sleepers. The increase appeared to be due to economic factors and CRI worked quickly with those people to ensure they didn't become entrenched in street life. They had worked hard with the long term rough sleepers, ensuring they had accommodation and received the support they needed. Up to 70% of the short term rough sleepers had no local connection, which was problematic as hostels were being closed and resources squeezed. Where possible these people were encouraged to go to an area where they had a connection and hostels were contacted to see if they could accommodate them. Brighton was a more attractive place to sleep rough; people were more welcoming and there wasn't the same level of crime found in some cities.
- 46.3 Ms Homeward spoke to the Committee about the work with rough sleepers, and said that the Trust had two shelters which were opened during severe weather conditions. The two shelters could accommodate 45 people. The shelters would open if the overnight temperature dropped to 0 degrees, or less, for two nights running. Those staying would be given food and a place to sleep. The shelters closed in the morning and guests were then invited to attend the Day Centres.
- 46.4 All councillors thanked officers and the guests for the report and verbal updates.
- 46.5 Councillor Davey noted that 70% of rough sleepers had no connection with the city, and asked how long they tended to stay. He was advised that they generally moved on within 3 to 4 weeks, and so there was a fairly high turnover.
- 46.6 Councillor Farrow asked whether many of the rough sleepers were ex servicemen. He was advised that a number were and informed that there was a Sussex wide project to help them. It was known that many of those people had distinct needs such as alcoholism or were suffering from PTSD and so particular support was offered. Councillor Farrow said he was involved with a group who supported ex service personnel and invited officers to liaise with that group, and suggested that it might be useful to hold a workshop to look at the issues of homelessness. Councillor Deane said that she had spoken to senior members of the Services and they were very concerned that colleagues were sleeping rough, and said that regiments were very willing to help where they could and suggested that officers liaise with the Services who may be able to offer support and funding.
- 46.7 Councillor Deane asked officers if there were regular patrols to identify those who were sleeping rough, and whether there was a contact number members of the public could use if they were concerned for someone. The Committee were advised that anyone found rough sleeping were advised where they could go to find shelter, and there was a direct line to relevant services which the police, hospitals etc had. In addition the

number for front line services was available to the public and were placed in locations such as bus stops.

46.8 Councillor Mears asked for reassurance that there wouldn't be any cut in the budget for homelessness. The Chair confirmed that the administration took the issue of homelessness very seriously and would do all it could to support those affected.

46.9 Councillor Powell said that it was important to look at all the issues of homelessness, including what could be done to prevent people ending up in that situation, and asked how the council could help further. The Chair said that Councillor Farrow's suggestion of holding a workshop to consider all ideas was a good one and asked officers to arrange it.

46.10 **RESOLVED** – That the report be noted.

47. ITEMS REFERRED FOR COUNCIL

47.1 **RESOLVED** That no items be referred to Council

The meeting concluded at 6.45pm

Signed

Chair

Dated this

day of

BRIGHTON & HOVE CITY COUNCIL
HOUSING MANAGEMENT CONSULTATIVE SUB-COMMITTEE

3.00pm 12 FEBRUARY 2013

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillor Jarrett (Chair); Peltzer Dunn (Opposition Spokesperson), Farrow (Opposition Spokesperson), Kennedy, Mears, Pidgeon and Robins.

Tenant Representatives David Murtagh (Brighton East Area Housing Management Panel), Jean Davis (Central Area Housing Management Panel), David Avery (West Area Housing Management Panel), Roy Crowhurst (West Hove & Portslade Area Housing Management Panel), Keith Cohen (Hi Rise Action Group), Tony Worsfold (Leaseholder Action Group), Barry Kent (Tenant Disability Network), Charles Penrose (Sheltered Housing Action Group) and Robert Spacie (North & East Area Housing Management Panel)

Apologies: Councillor Wakefield, Rita King and Trish Barnard.

PART ONE

39. PROCEDURAL BUSINESS

39A.1 Appointment of Chair for the Meeting

39.1 Councillor Wakefield (Chair) sent her apologies due to illness. As there is no Deputy Chair for the Sub-Committee, nominations for Chair were requested.

39.2 **RESOLVED** – That Councillor Jarrett be elected to preside over the meeting.

39A.2 Declarations of Substitute Members

39.3 Councillor Mears declared that she was attending as a substitute for Councillor Wells. Councillor Kennedy declared that she was attending as a substitute for Councillor Duncan, and that she would be replacing Councillor Duncan as a permanent member of the Sub-Committee. Dave Avery declared that he was attending as a substitute for Tina Urquhart.

39B Declarations of Interests

39.4 There were none.

39C Exclusion of the Press and Public

39.5 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.

39.6 **RESOLVED** - That the press and public be not excluded from the meeting.

40. MINUTES

40.1 Keith Cohen asked for the following corrections to be made to the minutes following discussions with Valerie Paynter who had substituted for him at the last meeting:

40.2 Paragraph 28 A – Declarations of Substitute Members should record that Valerie Paynter was substituting for Keith Cohen. Paragraph 36.12 should read “tenants would think that their tenants’ reps had previously agreed to it (despite lack of opportunity to appropriately do so). “

40.3 Mr Cohen stated that an entire conversation was omitted in which Valerie Paynter requested that the Resident Involvement Strategy consultation going to Area Panels was also going to HRAG. It was argued that this is because there are no representatives voted onto Area Panels from HRAG and no Area Panel members are voted onto HRAG. Ms Paynter had stated that it had been agreed by the Chair that this should be done.

40.4 Mr Cohen stated that the voting at paragraph 36.18 was incorrectly recorded. Ms Paynter considered that it should read that “the HRAG rep voted against (i) but there was a unanimous vote for (ii).

40.5 Members agreed that Valerie Paynter was the only person to vote against resolution (i) at paragraph 36.19. It was therefore agreed to change the wording of paragraph 36.18 to read “An indicative vote was taken from tenant reps, and the majority agreed with both recommendations.” Meanwhile, the Chair reminded members that the minutes were not a verbatim record of the meeting.

40.6 Councillor Mears referred to paragraph 38.3 (Housing Revenue Account Budget 2013/14). She stated that £286,000 had been put forward to fund Nick Hibberd’s new post of Head of City Regeneration. Councillor Mears stressed that there was now a committee system. She was concerned that no report had been submitted to explain that money was being taken out of the revenue budget.

40.7 Councillor Mears stated that although Members received an email from the Strategic Director Place setting out what had happened this had opened up more questions. Members had been informed that 30% of the cost had come from the HRA and 70% from the general fund. Councillor Mears was unhappy with the response and felt that there was no clarity around this spend. She was concerned that tenants’ money was being used for staffing. Councillor Mears noted that part three of the Strategic Director’s letter referred to money being allocated from HRA for housing regeneration. Councillor Mears considered that there needed to be a detailed report submitted to the Sub-

Committee setting out how decisions had been taken and clarifying the situation before and after budget council.

- 40.8 **RESOLVED** That the Minutes of the Housing Management Consultative Sub Committee held on 18 December 2012 be agreed and signed as a correct record subject to the amendment mentioned in paragraph 40.5 and subject to Paragraph 28 A – Declarations of Substitute Members recording that Valerie Paynter had substituted for Keith Cohen.

41. CHAIR'S COMMUNICATIONS

Dams at Bevendean

- 40.1 Councillor Farrow informed the Chair that he had submitted a letter for inclusion on the agenda asking officers to give an update on the condition of the dams at Bevendean and the amount of water behind them. Councillor Farrow had been told that the letter could not be placed on the agenda. Councillor Farrow expressed concern that a matter of interest to the residents was not included on the agenda. He had taken it up with senior officers including the Chief Executive.
- 40.2 The Chair stated that he understood that Councillor Farrow would receive a written response. There had been some discussion as to whether the letter should be submitted to the Sub-Committee as the dams were not the responsibility of housing.
- 40.3 The Senior Lawyer stated that in order for a letter to be included on an agenda, it should be relevant to the terms of reference of the Committee or Sub-Committee. The HMCSC had narrow terms of reference and the view taken by officers was that the letter was not relevant to the terms of reference.
- 40.4 Councillor Farrow stated that he did not believe that the constitutional point should preclude him from taking up a matter that was of concern to tenants. He asked for a response to be sent to all members of the Sub-Committee.
- 40.5 The Chair replied that the matter was being taken seriously but there was an issue as to which meeting should consider the issue. He was not prepared to say that he had been given the wrong advice by the Senior Lawyer.
- 40.6 Councillor Peltzer Dunn accepted that the Senior Lawyer's advice had been absolutely correct; however, the effect of what might happen to the dams was a matter of concern for the community.
- 40.7 Councillor Mears endorsed the view of the Senior Lawyer but considered that a report should be brought to the Sub-Committee as landlord and freeholder of properties in order to reassure tenants that everything was being done to avoid flooding.
- 40.8 Councillor Farrow requested officers to take action as a matter of urgency and report back to Moulsecoomb and Bevendean councillors so they could report back to tenants.
- 40.9 The Chair stated that Councillor Farrow would receive a written response.
- 40.10 The Chair had no other communications to report.

42. CALL-OVER

42.1 It was agreed that all items be reserved for debate and determination.

43. PUBLIC INVOLVEMENT

43.1 There were no petitions, written questions or depositions received from members of the public.

44. ISSUES RAISED BY MEMBERS**(a) Petitions**

44.1 The Committee noted that there were no petitions raised by members.

(b) Written Questions

44.2 The Committee noted that there were no written questions raised by members.

(c) Letters

44.3 The Committee considered a letter from Charles Penrose on behalf of the Sheltered Action Housing Group which requested an increase in the sheltered budget. This would enable on-site scheme managers to cope with the additional demand on the service due to the complex needs of new tenants.

44.4 Charles Penrose informed the Sub-Committee that tenants with complex needs were becoming prisoners in their flats, and were missing out on attending tenants' meetings.

44.5 The Chair stated that he recognised that there was a problem of tenants with increased needs. He thought there was a need to assess the scale of the problem.

44.6 Councillor Mears considered that the points made in the letter raised concerns as it would appear that there was a need for extra care. She stressed that there had been 1.6 million savings in Adult Care & Health and a decision had been taken to take out 2 units of sheltered housing stock. She asked if Adult Care & Health were paying housing for extra social care. She also asked for details of numbers of people going into sheltered housing. Councillor Mears considered that there was a need for a report to the Sub-Committee to explain the changes to sheltered housing.

44.7 Councillor Farrow stated that he had concerns as to whether normal sheltered housing was the right place for extra care. He supported Councillor Mear's view that a report was required on the subject. He hoped people were being placed appropriately in housing. He requested a report before the next meeting.

44.8 Charles Penrose welcomed the above comments and agreed that a report should be written to explain what was happening in sheltered housing. A report would be welcomed by members of the Sheltered Housing Action Group.

- 44.9 Roy Crowhurst considered that that sheltered housing was changing. It appeared that a number of people were coming through Adult Care & Health. Mr Crowhurst mentioned a case where a man had come from a house he had shared with other people with learning disabilities. The man was now isolated and found it difficult to get involved with other sheltered housing tenants. Mr Crowhurst stressed that sheltered housing was not an ideal place for people with complex needs. Mr Crowhurst thought that 50 year olds should not be placed in blocks with people in their 70's and 80's.
- 44.10 Mr Crowhurst stated that some local authorities had older peoples' housing and supported housing. In Brighton & Hove there was sheltered housing for all, which Mr Crowhurst felt did not work.
- 44.11 Jean Davis stated that she lived in Leach Court. She agreed that people with extra care needs were being placed into the flats at Leach Court. Some of these people were in their forties and fifties.
- 44.12 Robert Spacie expressed concern that officers were making decisions about sheltered housing without a full report.
- 44.13 The Chair confirmed at this point that a full report would be submitted to the next meeting.
- 44.14 Charles Penrose mentioned that the government had a fund for care of the elderly. Roy Crowhurst suggested that part of any funding could be used to develop extra care housing.
- 44.15 Councillor Mears asked if officers had already applied for funding of £300 Million. She asked if the reason for younger people with learning disabilities moving to sheltered housing was related to the closure of learning disability homes. Councillor Mears wanted to see details of the impact of Adult Social Care not meeting their savings target last year and the contribution of Adult Care & Health to the housing budget. She stressed that housing should not be a cushion for Adult Care & Health. There needed to be a wide reaching report.
- 44.16 Robert Spacie stressed that the Sheltered Housing Action Group should be consulted on what was going into the report.
- 44.17 The Head of Housing stated that the Chair had already asked him to write a report. The £300 million bidding deadline was before Christmas. The bid went in on time and the Homes and Communities Agency were impressed by the quality of the bid. There would be 40 extra care units using HRA land. The issue was whether Brighton & Hove would be awarded a grant.
- 44.18 The Head of Housing explained that all allocations to sheltered housing occurred through the Choice Based Lettings process. There were a number of allocations which were being reviewed to ensure that they were appropriate. The report would look at who had been allocated a place and how the decision had been made. The Head of Housing stressed that if the report was to be submitted first to the Area Panels it would not be able to come back to the next meeting of the Housing Management Consultative Sub-Committee. He suggested that the report was initially submitted to the Sub-

Committee for debate. The report could then be submitted to the Area Panels for comment.

- 44.19 Councillor Mears asked how many Adult Care places were allocated into housing directly rather than coming through the letting process. She asked for reassurance that there had not been any allocations from Adult Care that had not come through the housing process.
- 44.20 Barry Kent stated that he had heard a one bedroom flat had been kept for a young person in Adult Care and Health. He stressed that young people could feel isolated if housed with elderly people.
- 44.21 Charles Penrose informed the Sub-Committee that he was trying to arrange for someone in Adult Social Care to address the Sheltered Housing Action Group on 13 March 2013 in Leach Court.
- 44.22 The Head of Temporary Accommodation & Allocation informed members that there was no age limit. The Housing Committee had agreed to remove the age limit some years ago. The Housing Management Consultative Committee and the Sheltered Housing Action Group had both been consulted.
- 44.23 The Chair stated that there had been no policy of placing additional people in sheltered housing. Extra people might arrive in sheltered accommodation for a number of reasons. There was a need to look at these reasons in the report.
- 44.24 Councillor Mears stated that in the past there had been two lists. One for housing and one for adult social care. There needed to be one clear route of allocations through housing. She would like to see figures in a report.
- 44.25 The Head of Housing informed the Sub-Committee that there would be a written report on Extra Care. He would not be in a position to capture all the issues raised in a report but suggested that there should also be a presentation to the HMCSC in order to work through questions.
- 44.26 **RESOLVED** – That the letter be noted.

(d) Notices of motion

- 44.27 The Committee noted that there were no notices of motion raised by members.

45. LETTINGS - PRESENTATION

- 45.1 The Sub-Committee considered a presentation from Lorraine Hamilton Re-Housing Manager concerning the Re-housing Team (formally Lettings). The presentation set out the structure of the team and who they worked with. It discussed the Choice Based Lettings Policy and why it was important to let empty properties quickly.
- 45.2 The presentation explained the re-housing process, how adaptations were dealt with by the team and how local letting plans were making better use of housing stock or other

local need. Members were informed of performance data and empty property rent loss for all re-lets. Finally members were informed of exciting initiatives.

- 45.3 Councillor Peltzer Dunn referred to the slide explaining the re-housing process and asked the following questions. He asked if the end of tenancy visit was a visit taken before the end of the tenancy. Once the tenancy ended, how long was it advertised and how long did prospective tenants have to respond. Once the shortlist was completed how long did officers take to contact the people shortlisted.
- 45.4 The Re-Housing Manager explained that the end of tenancy visit took place just prior to the end of a tenancy. Officers advertised the property four weeks before the tenancy end date. Tenants had one day short of a week to bid for a property. Tenants were contacted approximately within three days of a shortlist being compiled, although it sometimes could take longer. Tenants were contacted immediately there was a target date. A decision was given within 24 hours of the deadline. It took four weeks maximum to advertise a property. Officers worked on 7 day calendar weeks.
- 45.5 Councillor Mears expressed concern about the cost of restructuring the section. She asked for details of restructuring costs, why it had been sanctioned and why there had been no tenant input. Councillor Mears was concerned that the process had gone forward without a report being submitted to committee.
- 45.6 The Head of Housing informed Councillor Mears that she would be given a written response. Councillor Mears asked for the response to be submitted to the Sub-Committee. She stated that tenants would prefer their rents to be spent on their properties and not re-structuring.
- 45.7 Charles Penrose stated that he had no recollection of the restructuring going through Area Panels.
- 45.8 The Chair stated that this information would be included in the response.
- 45.9 Keith Cohen asked for clarification regarding the over 50's in relation to the sheltered local lettings plan. The Head of Tenancy Services explained that the Sheltered Local Letting Plan only applied to sheltered housing and not to over 50's blocks.
- 45.10 Questions were raised as to whether tenants with particular needs could move to lower floors in blocks. It was agreed that Keith Cohen would check the policy with the Head of Tenancy Services.
- 45.11 **RESOLVED** – That the presentation be noted.

46. UPDATE ON RIGHT TO BUY AND LEASEHOLD MANAGEMENT - PRESENTATION

- 46.1 The Sub-Committee considered a presentation from Dave Arthur, Leasehold Manager, that provided an update on the Right to Buy, and leasehold management. The presentation explained recent changes to Right to Buy and imminent government department marketing activity. It explained the situation with regard to major works and implications for leaseholders, working with leaseholders when major works are proposed or carried out and payment options.

- 46.2 Councillor Peltzer Dunn asked if works carried out by the council were subject to competitive tender for quotes. The Leasehold Manager explained that the council no longer asked for quotes as there was a long term contract with Mears Ltd in place. Consultation had been carried out with tenants before the partnership was agreed.
- 46.3 Councillor Peltzer Dunn asked if the standard lease specifically allowed for the council not to have to arrange for competitive quotes. The Head of Property of Investment explained that the council used Mears Ltd as the primary contractor; however they must demonstrate value for money. Mears Ltd asked for quotes. The compliance team reviewed tenders to ensure proper procedures had taken place.
- 46.4 Councillor Peltzer Dunn expressed concern that leaseholders might not be getting value for money under the Mears contract. The Head of Housing informed members that there were still at least two types of lease in operation as a result of Brighton & Hove having once been separate local authorities. All the leases allowed the council to make a charge for improvements, except for the early Brighton one. All works were open to challenge. There was an internal disputes process with built in appeals. The Leasehold Valuation Tribunal could ultimately decide whether the council had been fair to leaseholders.
- 46.5 Councillor Mears stated that value for money was written within the contract. She hoped this would be adhered to. Councillor Mears noted that the presentation did not say what had happened to Right to Buy receipts. Councillor Mears made the point that the council had gone through the stock transfer process which had not gone ahead. There was need for a massive catch up to ensure there were decent homes. This was a major issue for leaseholders.
- 46.6 Councillor Mears reminded members that there used to be a 10 year contract for lifts. This was now a 7 year contract. She asked whether consultation had taken place with regard to lifts and whether there was an extra cost in reducing the contract to 7 years.
- 46.7 The Leasehold Manager stated that the consultation process with regard to lifts was similar to the Mears contract consultation. Leaseholders were given estimated costs for annual maintenance and were given a provisional timescale. Further consultation took place when works were proposed.
- 46.8 The Head of Property & Investment informed the Sub-Committee that he had an updated programme he could share. The lift contract started in January 2011. The total contract would be completed in about 8 years. There would be no extra cost involved in completing in 8 years instead of 10. He accepted there would be an extra annual cost but this would be offset by beneficial capital receipts.
- 46.9 Councillor Mears stated that these matters should have been reported to committee and she requested detailed figures. The Head of Property & Investment replied that this information would be available by the end of next week. Councillor Mears asked for this information to be sent to members of the Sub-Committee.
- 46.10 The Chair stated that he anticipated an increase take up of the Right to Buy scheme. He asked if officers were anticipating loss of units as a result of the process. The Leasehold Manager replied that the numbers of people applying for Right to Buy had not

reached the level they were in the 2 years prior to the economic collapse. Officers were forecasting an approximate 150 applications this year. 35-40% tended to complete.

- 46.11 Barry Kent asked how Right to Buy affected new properties. Could someone buy them after a year or two? The Leasehold Manager explained that new tenants had the Right to Buy but the council could not sell new houses, under the Cost Floor arrangements, at a price that was less than the cost of building the house. This arrangement lasted for 15 years.
- 46.12 The Chair stated that when someone expressed an interest in Right to Buy, the responsibilities they were taking on were made clear to them, in terms of maintenance charges. The Leasehold Manager stated that a small number of tenants purchased on Right to Buy. A large number were sold on the private market. With regard to Right to Buy, the council offered interviews to explain major works that were required.
- 46.13 Roy Crowhurst referred to the Right to Buy Roadshow event and made the point that no-one could obtain a mortgage at the moment. The Chair suggested that this matter should be referred to the Department for Communities and Local Government.
- 46.14 Robert Spacie asked about numbers of repossessions under Right to Buy. He also asked whether the council had been chasing money owed to it by leaseholders. The Leasehold Manager explained that there may have been a number of repossessions by mortgage companies for non payment of mortgages, but not by the council. The Council had a robust procedure for recovering non payment of service charges from leaseholders. Approximately £750,000 of arrears had been passed to the council's solicitors over the past 10 years, with a 90-95% collection rate achieved. The Council had always managed to secure the money without having to go to the recourse of taking back the property. The Council were doing everything possible, through the payment options it offered, to avoid so far as possible having to take forfeiture action.
- 46.15 **RESOLVED** – That the presentation be noted.

The meeting concluded at 5.40pm

Signed

Chair

Dated this

day of

HOUSING COMMITTEE MEETING

Agenda Item

Brighton & Hove City Council

Subject:	New Homes for Neighbourhoods – Estate Regeneration Programme		
Date of Meeting:	6 March 2012		
Report of:	Head of City Regeneration		
Contact Officer:	Name:	Nick Hibberd	Tel: 293020
	Email:	nick.hibberd@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 At its meeting on 26 September 2012 the Housing Committee agreed the funding and delivery strategy for the development of new and improved affordable housing on council owned Housing Revenue Account (HRA) land.
- 1.2 The Committee agreed to the procurement of a delivery partner to take forward the final feasibility, design and development of new council homes on vacant garage sites in consultation with stakeholders, using a range of housing options based on Low Cost Home Ownership, Affordable Rents and Target Rents.
- 1.3 The Committee also agreed the procurement of initial feasibility and design on identified case studies for housing opportunities on HRA land where appropriate, including stakeholder engagement and consultation.
- 1.4 This report updates the Committee on progress made and outlines the proposed framework for an Estate Regeneration Programme of three phases and how it will be delivered.

2. RECOMMENDATIONS:

- 2.1 That the Housing Committee note the next steps and processes in the proposed Estate Regeneration Programme.
- 2.2 That the Housing Committee note progress with the garage site procurement (Phase 1 of the Estate Regeneration Programme) and give delegated authority to the Strategic Director of Place in consultation with the Director of Finance and Resources to award the contract following completion of procurement of a delivery partner for the development of new housing at the sites specified in paragraphs 3.12 and 3.13 below and any substitute or additional garage sites.
- 2.3 That the Housing Committee recommend that the Policy and Resources Committee agree:

- (1) that the four vacant and unlettable prefabricated bungalow units in the rear gardens of 243-245 Preston Road, Brighton (as shown on the annexed plan at Appendix 1) be demolished as required to enable redevelopment of that garden site with new housing, subject to planning consent, under Phase 2 of the Estate Regeneration Programme as outlined in paragraphs 3.21 and 3.22 below;
 - (2) that the vacant former Housing Office at Manor Place, Brighton (as shown on the annexed plan at Appendix 2) be demolished in order to be redeveloped, subject to planning consent, under Phase 2 of the Estate Regeneration Programme as outlined in paragraph 3.23 below;
 - (3) to delegate authority to the Housing Committee to approve any further demolition of buildings on HRA land in relation to the Estate Regeneration Programme as required.
- 2.4 That the Housing Committee agree that a range of funding, rent and home ownership options should be provided in new housing to be developed on HRA land under the Estate Regeneration Programme in order to ensure that development is viable and to increase the number of new homes the Estate Regeneration Programme can deliver, as set out in paragraphs 3.31 to 3.42.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The report to Housing Committee in September 2012 provided an overview of the policy context of developing new housing on HRA land. This includes:
- **Housing Strategy 2009-14**
 - 3,759 affordable homes by 2030
 - Commitment to make best use of HRA assets, improve housing supply and ensure new developments contribute to improving the tenure mix of an area
 - Rising homelessness, small social and large private rented sectors, and rising needs
 - **Housing Investment Programme**
 - Investment for 500 homes with Registered Providers and Homes and Communities Agency (HCA)
 - 400 of these are affordable homes currently in development
 - **City Plan**
 - Target of 11,300 new homes in the city by 2030
 - Target of 500 new homes through longer term HRA estates masterplan/renewal to 2030
 - Need for 12,550 affordable homes to be provided 2012-2017
 - New sliding scale of affordable housing requirements for developments, from 20% on sites of 5-9 units to 40% on sites of 15+ units
 - **Housing Summit June 2012**
 - New funding landscape and introduction of Affordable Rents for new social housing development
 - Need for new approach and financial modelling.

Balchin Court

- 3.2 The first new council homes to be built in the city for several years are at Balchin Court, where development has been led by the Housing Development Team. These 15 new homes on the site of the former Ainsworth House sheltered scheme include three 4 bedroom houses, eight 2 bed flats and four 1 bed flats. Two properties are designed for households with wheelchair users.

Extra Care Housing

- 3.3 Extra care housing for older people is a corporate priority and some HRA sites identified may be suitable to be developed for this purpose where funding is available. This is subject to a separate project jointly undertaken by Housing and Adult Social Care. The proposed extra care scheme for development on HRA land at Brooke Mead is reported in a separate item on this agenda.

New City Regeneration Unit and Estate Regeneration Team

- 3.4 The internal restructure of the Place Directorate which took place in December 2012 included the bringing together of existing council teams with a regeneration focus, the creation of a new Head of City Regeneration and a small Estate Regeneration team, in a new City Regeneration Unit. The City Regeneration Unit also includes the Major Projects & Regeneration, Economic Development and Sustainability teams to ensure joined up working to support delivery of the council's regeneration, economic and sustainability objectives as well as the development of new affordable housing.
- 3.5 Estate regeneration will form one strand in the wider City Regeneration Programme which will coordinate the projects managed by the City Regeneration Unit, also including major capital projects, City Deal and One Planet Living. A Programme Management approach will ensure that the governance and accountability for these projects is clear, and that outcomes and objectives are linked to the key priorities for the unit and wider council.
- 3.6 The Estate Regeneration team within the City Regeneration Unit will provide a focus on regeneration opportunities on council land, including taking forward the projects to develop housing on vacant garage sites and wider estate regeneration opportunities which were detailed in the Housing Committee report in September 2012. The new team, which became operational in January 2013, will lead the procurement of partners and expertise in order to deliver these projects and maximise regeneration opportunities on HRA land.
- 3.7 The Estate Regeneration team will work closely with the Housing Property and Investment team who will lead the development of a HRA Asset Management Strategy and 30 year HRA Business Plan linked to a new Estate Regeneration Programme and Brighton and Hove One Planet Living sustainable housing plans. The building of new homes will complement the existing progress with major refurbishment and retrofitting of council housing stock.


Estate Regeneration Programme

- 3.8 The Estate Regeneration Programme will provide new sustainable and affordable homes in the city and improve some of our most disadvantaged estates. The programme aims to maximise opportunities to build new homes on HRA and other council land, and undertake larger scale redevelopments of existing estates in need of improvement. The programme will continue and expand on the work started by Housing Commissioning (now Housing) which has seen the first new council homes built in the city for many years.
- 3.9 A programme of three phases has been started, involving sites identified from the analysis of HRA stock and opportunities in the HRA estate master plan (produced in 2010 by CBRE Consultants), high level case studies prepared for some identified housing opportunities on HRA land (procured from GVA Consultants), business case appraisals for garage sites (procured from The Guinness Partnership) and new opportunities. Housing Property and Investment and the Estate Regeneration Team are working closely together to identify suitable estates and buildings for investment or redevelopment as part of our strategy to make best use of HRA assets and new opportunities. A new HRA business planning model incorporating a range of data on HRA stock is being developed with Finance as an in-house tool, which will help assess risks and benefits of a variety of investment scenarios for HRA stock, including regeneration options. The business planning tool will enable long term investment planning to make best use of the newly self-financing HRA.

Estate Regeneration Programme

Phase	Details	Project Initiation	Project Completion
1	Former garage sites	Underway	2015
2	Infill and vacant land/ buildings	March 2013	2017
3	Wider estate regeneration opportunities	May 2013	2020

- 3.10 The approach for each phase differs according to the project scale and impacts; for example the viability and consultation stage of phase 3 will be far more in-depth and take longer than that for the garage sites and infill projects as it is likely to affect more people, land and homes (potentially involving decanting occupied properties and buy back from leaseholders). Despite these differences each phase will follow the process in the table below:

Stage	Project task	
1	Project Initiation	 Financial modelling
2	Procurement	
3	Initial consultation and interim design	
4	Consultation	
5	Design and pre-planning	
6	Planning	
7	Mobilisation	
8	Construction	
9	Handover	

- 3.11 Each phase is subject to a project initiation process which will involve assessment of scheme viability (business case), detailed project planning and risk analysis. All final development will be subject to achieving financial viability, the availability of funding, the outcome of consultation and engagement with the local community and planning consent. Throughout the programme there will be a commitment to building energy efficient, sustainable homes and communities.

Phase 1 Estate Regeneration Programme - Garage Sites

- 3.12 We have briefed and consulted local councillors, appointed a technical adviser to support preparation of tender documents and evaluation and completed the preliminary stage to procure a delivery partner for development of eight former HRA garage sites across the city. As detailed in the September report, these have already been cleared, secured and made ready for development. Initial feasibility and design work identified a potential 29 units across these eight sites, at the following locations:

- Between Foredown Road and Easthill Drive, Portslade
- Flint Close (South side), Portslade
- Hinton Close, Hollingdean, Brighton
- Natal Road, off Lewes Road, Brighton
- Harmsworth Crescent, Hangleton, Hove
- Rotherfield Crescent, Hollingbury, Brighton
- Plumpton Road, Brighton
- 4-7 Kensington Street and 15-20 Kensington Street, Brighton

- 3.13 It is possible that following detailed design, viability and community consultation some of these sites will not be able to be progressed for housing development (for example due to issues such as access, planning and community views). The following HRA site has therefore been added to the procurement in order to secure more units and make the package more attractive to potential bidders:

- Garage site at Flint Close (North side), Portslade.

- 3.14 The garage site on the north side of Flint Close is immediately opposite the cleared and very similar south site and is in poor condition. Only four of the 14 garages are currently tenanted and there is no waiting list. There are four vacant, lettable garages at other council housing garage sites within easy walking distance to which the current garage tenants could be transferred if development of this site progresses.
- 3.15 Officers are also seeking to identify any other viable garage sites which could substitute for any of the above sites if necessary. Suggestions from members, the Building New Council Homes (BuNCH) resident group and other local residents will be welcomed. There may also be additional future packages of garage site development under this phase where viable suitable sites are identified and communities support development.
- 3.16 Briefings with ward councillors took place in February 2013 to take them through the initial designs and identify views and potential issues. We are now starting a tender process with members of the HCA's Southern Cluster Delivery Partner Panel. Procurement through this Panel is OJEU compliant and therefore allows us to procure a delivery partner much more quickly than if the council acted on its own. In addition to being a relatively fast and simple option, Panel members have agreed maximum tendered rates for development management services and construction works and minimum insurance cover.
- 3.17 Resident consultation and engagement will focus primarily on the local communities neighbouring each site, ward councillors and other local stakeholders, in line with the 'localism' and 'neighbourhood' approach of the council's delivery strategy detailed in the September 2012 report. The former garage sites are generally small and some of them are surrounded almost exclusively by housing which was sold years ago under the Right to Buy. The contract with the delivery partner will require them to carry out resident engagement, working with the council.

Phase 2 Estate Regeneration Programme - Infill sites and vacant land and buildings

- 3.18 Phase 2 is progressing development opportunities on infill sites and vacant land and buildings. The Committee has already agreed in September 2012 to the procurement of initial viability and design on identified case studies for housing opportunities on HRA land where appropriate, including stakeholder engagement and consultation. Some very high level case studies have already been conducted. This phase is now being initiated by the new Estate Regeneration team and ward councillors will be consulted about possible sites.
- 3.19 Again, resident consultation and engagement will focus primarily on the local communities neighbouring each site and other local stakeholders, with development options being tailored to the specific circumstances of each site, the preferences of the local community and the support of ward councillors. Larger sites may offer opportunities for mixed development of housing, work and community spaces and for using the innovative ways of involving local communities in transforming their neighbourhoods and their sustainability which are described in paragraph 3.29 below.

3.20 The following are three examples of possible opportunities, subject to financial viability and funding, consultation and planning consent.

- **Rear gardens at 243 and 245 Preston Road, Brighton**

3.21 On Housing Committee's recommendation, the Policy and Resources Committee agreed in July 2012 that the buildings and land at 243-245 Preston Road be appropriated to the HRA. Housing Committee noted at its meeting on 20 June 2012 that it may be possible to develop some new council housing in the rear gardens, behind the main buildings which are being refurbished. The four prefabricated bungalow units in those gardens – which have been empty since 2009 – were formerly used as temporary accommodation, are in very poor condition and unlettable. Although originally identified for leasing to Brighton & Hove Seaside Community Homes, none of them have been leased in order to facilitate redevelopment of the garden land, as suggested at that Housing Committee meeting.

3.22 The units are currently being used as a site office and staff welfare facility by the contractors refurbishing the main buildings, but all four bungalow units could be demolished and the site be cleared in summer 2014. The Committee is asked now to recommend that Policy & Resources Committee approve that the bungalows be demolished in order to expedite further progress in exploring this potential development opportunity as part of Phase 2 of the Estate Regeneration Programme.

- **Former Manor Place Housing Office**

3.23 The Manor Place Housing Office was vacated when housing staff relocated to the new Whitehawk hub in spring 2012 and is no longer required as office space. This prefabricated building would also need to be demolished to make way for new development on the site.

- **Former Whitehawk Library**

3.24 There may be opportunities to develop new housing on some General Fund vacant sites and we are currently working with Property & Design on the vacant former Whitehawk Library declared surplus to requirement that has Cabinet approval to market and dispose of. Development options for this site are being considered with corporate partners and may be included within Phase 2.

3.25 Officers will be looking to identify other vacant sites to include in Phase 2 and welcome suggestions from members, BuNCH and residents.

Self Build housing

3.26 In identifying vacant sites with development potential we will consider whether there are any opportunities which could be offered for self build rather than council housing, as suggested at the Housing Committee meeting on 16 January 2013.

Phase 3 Estate Regeneration Programme – Wider Estate Regeneration

3.27 Wider estate regeneration in Phase 3 will involve working with local communities to develop proposals for the regeneration of estates in greatest

need of investment and where there are development opportunities. It will be about more than providing decent homes and improvements. We will work with communities to develop a vision for their area, which may include new homes, commercial buildings and other facilities for residents, to address local housing needs, help people into training and employment and improve public health and residents' wellbeing. We will work with colleagues across the council to make sure that our estate regeneration activities join up with other initiatives and major projects and that we maximise the opportunities available for residents. It will also require close work with Housing and their partner contractors for any retrofit and refurbishment aspects of individual schemes.

- 3.28 The Housing Committee agreed in September 2012 to the procurement of initial feasibility and design on identified case studies for housing opportunities on HRA land where appropriate, including stakeholder engagement and consultation. Some very high level case studies relevant to Phase 3 have already been conducted. Subject to capacity and resources, the Estate Regeneration team aim to start project initiation for Phase 3 and progress initial feasibility assessment as quickly as possible. We will consult ward councillors at an early stage.
- 3.29 Opportunities to redesign estates to help build sustainable communities where people want to live will enable us to engage and involve local residents in innovative and exciting ways to shape a new environment as well as providing energy efficient, sustainably built new homes. For example, the 'Charrette' system involves intensive planning sessions where residents, designers and others work together to share ideas and create a vision for development. It allows everyone who participates to be part of the design team. 'Planning for real' techniques use a wide variety of ways for communities to have 'hands on' involvement in shaping their neighbourhoods and get more involved in local decision making.
- 3.30 We will welcome suggestions from residents and councillors of other sites to include in Phase 3 and will use the estates master plan and our new in-house business planning and asset management model to help assess suitability for redevelopment. Working with the Housing Property and Investment team we will identify where existing HRA investment programmes and projects have the potential to be developed into larger scale redevelopment opportunities.

Financial modelling, rents and funding options

- 3.31 Section 4 of the Housing Investment: 2012 – 2020 report to Housing Committee last September broadly set out the three categories of funding, with possible permutations as follows:
- HRA self financing option
 - Registered Provider (RP), Co-operative & Charitable Vehicle Provider
 - Private Sector Funded options.
- 3.32 The report recommended that all future funding options are kept under consideration until clarity emerges on the scale of the development programme. In light of this, following the initial financial modelling for the garage sites, the

council's brief asks bidders to explore private funding and innovative funding options with institutional investors, to be compared with the self financing option.

- 3.33 For all options, the use of Affordable Rents for some properties will be key to enabling the council to deliver a larger new build programme. Affordable Rent is now the primary model for developing new social rented housing (see Glossary at Appendix 3). The HCA's Affordable Housing Programme 2011-2015 for developing new social housing with subsidy comprises mainly homes for which housing providers may charge social tenants Affordable Rents of up to 80% of local market rates in order to achieve viable development. The government is expected to announce shortly the system for funding new social housing to replace it in 2015.
- 3.34 It is also possible for the council to build new schemes without HCA funding through other funding options. The initial viability studies on the eight garage sites estimated that the HRA could develop the 29 proposed units on garage sites with a HRA subsidy of around £88,000 per property if they are let at Target Rents. If Affordable Rents of around 70-80% of market rents (including service charges) were to be charged, the studies indicated subsidy required from the HRA could drop by over four fifths to less than £16,000 per home (assuming no external grant funding).
- 3.35 The table below indicates the average level of subsidy required per property for developing the 29 homes (assuming that the net rental income is used to repay the capital and interest repayments for the new build) depending on the type of rent charged: Target, Affordable or Market. Target Rents are set to a government formula and are substantially below local Market Rents. The Affordable Rent is based on 80% of the local average private sector rent capped at Local Housing Allowance housing benefit levels (see also Glossary at Appendix 3).

Rent levels and HRA subsidy

	Target Rent	Affordable Rent	Market Rent
Weekly rent for a 2 bed property	£96.48 per week ¹ (38% market rent)	£184.62 per week ² (73% market rent)	£252.25 per week ³
HRA or other subsidy required	£88,017 ⁴ per unit	£15,862 ⁴ per unit	None

- 3.36 This means that the council could build five and a half homes for Affordable Rent to every one home at Target Rent. For example, assuming the current revenue surpluses in the medium financial strategy for 2014/15 of £2m (currently identified for debt set aside), we would achieve 125 new homes per annum with Affordable Rents compared to 23 homes a year with Target Rents.
- 3.37 The actual subsidy will vary from scheme to scheme depending on the actual build costs, borrowing costs, rental income and other ongoing costs. For example, the total cost for the Balchin Court development is forecast at £1.973

¹ Rent set for Balchin Court in 2012/13 including service charges

² Local Housing Allowance limit in 2012/13 for a household needing 2 bedroom accommodation

³ BHCC Quarterly Housing Costs Update Report (2012 Q2) based on sample monitoring of the homes advertised in the weekly Latest Homes magazine

⁴ As calculated in business case viability studies for the eight garage sites

million, which the HRA is fully funding apart from a small HCA grant of £0.222 million. The 15 properties are to be let at Target Rents (i.e. usual social housing rent levels without reduction under rent restructuring phasing arrangements). The net rental income streams will fund approximately £1.004 million of the build costs through borrowing, which means there is a HRA subsidy of £0.747 million, circa £50,000 per unit.

- 3.38 If new homes in the former garage sites were used for Low Cost Shared Ownership, with 50% equity sales and 2% rents, the subsidy required from the HRA was calculated at less than £20,000 per dwelling and, in addition, lower levels of loan finance would be needed than for the Affordable Rent option. Low Cost Home Ownership schemes such as Homebuy are commonly used to cross subsidise new social housing development. These enable first time buyers to enter the housing market by, for example, buying a 25% or 50% share of a property and paying rent on the remainder.
- 3.39 It is clear that mixed tenure options with new funding models and higher rents are required to maximise output from HRA assets. The initial viability studies on the garage sites suggested a mixed programme of tenures to ensure a balanced and deliverable programme. Mixed tenure development complies with the Housing Strategy and the draft City Plan requirement that Affordable housing provision should incorporate a mix of tenures. New development will also follow City Plan policy on proportion of affordable housing within developments and unit size mix. To support discussions with members and resident representatives, including Tenant Scrutiny, further work will be undertaken to review local Affordable Rent levels based on housing costs as a proportion of income for a range of needs including those in receipt of benefit, pension and working households.
- 3.40 In line with the council's Tenancy Strategy, also on this agenda for approval, we would expect Affordable Rents to be set at the lower of either 80% market rent level or the Local Housing Allowance (LHA) limit to ensure they remain affordable to those on benefits and for council tenancies for new Affordable Rent homes to continue to be lifetime tenancies. The introduction of Affordable Rents for new council homes would have no impact on existing tenants unless they choose to move to an Affordable Rent home.
- 3.41 There is some evidence of tenant support for higher rents for new homes. At the City Assembly of council tenants and leaseholders in November 2012, the most popular means of making efficiencies to reinvest in existing and new homes that residents identified included increasing rents for new homes. We will also discuss funding, rent and tenure options with the Building New Council Homes (BuNCH) group when we brief them on the Estate Regeneration Programme (see also section 4 below).
- 3.42 The impact of higher rents on tenants would be offset by lower energy costs from new homes built to high sustainability standards. Affordable Rents could still be covered within eligible households' benefits. Mixed tenure schemes would also facilitate more sustainable communities, with rented and Low Cost Home Ownership housing 'speckled' within developments where practicable. We will therefore continue to model various scenarios for each potential site, based on a mix of housing types, rents and funding options.

Procurement options

3.43 Due to the value of contracts to build new homes, the council will need to follow EU compliant procedures to procure a development partner(s) for further sites under the council's contract standing orders. Procurement options include:

- Procuring a collaborative strategic construction partnership specifically for the Estate Regeneration Programme
- Using an OJEU compliant panel such as the HCA Delivery Partner Panel (the HCA is currently re-procuring and a new Panel will be in place for April 2013)
- Procuring a new framework to use for housing development projects as and when they are ready
- Procuring delivery partners for individual projects.

All procurement options involve significant timescales and will be weighed up in light of the likely scale of the Estate Regeneration Programme from funding available, the options' speed of delivery, value for money and optimum outcome for the council, including wider benefits to the city.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

4.1 The consultation with council tenants and leaseholders on the HRA budget for 2013/14 found substantial resident support for house building with HRA funds, increasing rents for new homes and effective management of council housing assets, including sale of buildings and sites. In autumn 2012 tenants and leaseholders attending Area Housing Management Panels voted 56% in favour of making efficiencies to reinvest in existing and new homes over maintaining things as they are (5%), and 40% wanted both options to be in balance. Tenants and leaseholders were subsequently asked at the November 2012 City Assembly to identify and then vote on how they would prefer those efficiencies to be made. The most popular option included increasing rents for new homes and the second most favoured option was to review HRA assets e.g. housing offices, garages or land to see if any can be sold.

4.2 Local residents neighbouring the former garage sites which were cleared in spring 2012 were informed the council was arranging feasibility studies to look at the options for the future use of the sites and that they would have the opportunity to be involved in any proposals. We will write to those local residents to update them on the procurement of a delivery partner and the timetable for consultation. Ward councillors have been kept up to date and briefed on the viability studies in their wards. We will continue to keep them informed and involve them in community engagement.

4.3 Community involvement and effective consultation is key to site development, design and viability and the successful delivery of our Estate Regeneration Programme. We will publicise the programme under the name 'New Homes for Neighbourhoods', emphasising the 'localism' and 'neighbourhood' approach that Housing Committee agreed for the delivery strategy. We will use a bottom up community engagement approach, providing opportunities for local residents to

discuss plans in a safe and open environment employing innovative techniques detailed in paragraph 3.29 above. We will aim to give a voice to residents who have not got involved before and support the Everyone Counts action plan of other measures to extend resident involvement in council housing.

- 4.4 Regular updates will be given to Housing Committee, Housing Management Consultative Sub-Committee, the BuNCH group and Area Panels. Council tenants and leaseholders will also be kept informed through *Homing In* and will be encouraged to come forward with suggestions of sites and redevelopment opportunities on council housing land. Information will also be put on the council's website. Queries and suggestions can be directed to Estate.regeneration@brighton-hove.gov.uk. It will be made very clear that no development will take place without proper consultation with local residents.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The Housing Investment 2012-2020: Strategy & Implementation Plan report approved by Housing Committee on 26 September 2012 outlined proposals for future redevelopment and new build opportunities on HRA land. This included developing the final feasibility, design and build of 29 new housing units on demolished vacant garage sites. The current capital programme includes funding for initial feasibility, design, planning to develop these schemes, with £1.000 million for building costs (during 2012/13) and a further £4.315 million in the provisional 2014/15 programme. Once full schemes are developed, a report will be presented to Committee for scheme approval.
- 5.2 The Housing Investment 2012-2020 report also included approval for funding (of £0.350 m for 2012/13 and £0.650 m for 2013/14) for the procurement of initial feasibility and design, on identified case studies for housing opportunities on HRA land where appropriate, including stakeholder engagement and consultation. Any proposed deliverable schemes from these case studies identified within 2013/14 will be reported to Policy & Resources for project, budget and funding approval.
- 5.3 The HRA currently has headroom for additional borrowing of around £31m below the borrowing cap of £158.2m set by central government, subject to affordability. In addition to the scope for HRA borrowing up to the cap to fund new development, there is provision of £1m in the 2013/14 HRA budget and £2m in each of the years 2014/15 and 2015/16 to pay off existing debt which could, if necessary, be used to subsidise new schemes. The 30 year HRA Business Plan is being developed and new investment opportunities will be modelled within the plan to identify the optimum solutions.

Finance Officer Consulted: Sue Chapman

Date: 11 February 2013

Legal Implications:

- 5.4 This report provides details of the HRA Estate Regeneration Programme and generally any legal implications are set out within the body of the report. With

specific reference to the Preston Road properties, it should be noted that the report regarding the appropriation of land to the HRA, considered by Housing Committee on 20 June 2012 and by Policy & Resources on 12 July 2012, stated that “Any inclusion of some of the residential units and gardens in a subsequent Batch disposal to Seaside will be actioned in accordance with existing arrangements regarding such leases and any proposal for development of the remainder of the site to be appropriated will be the subject of a further report in due course” For the avoidance of doubt this is the further report referred to.

- 5.5 It should be noted that it is proposed that all future demolition of HRA properties within the Programme will be delegated to Housing Committee.

Lawyer Consulted: Bob Bruce, Deputy Head of Law Date: 7 February 2013

Equalities Implications:

- 5.6 An increase in housing supply will increase the opportunity to provide new, well designed homes to local households registered in need. New development provides an opportunity to better meet the needs of particularly vulnerable households including those, such as existing elderly residents, who may be under occupying their current home.
- 5.7 Across the housing portfolio, 10% of all new housing will include accommodation designed for households with a disability, increasing the visibility and inclusion of such households. The brief for development of the former garage sites requires 5% of the new units to be wheelchair adapted.

Sustainability Implications:

- 5.8 High sustainability standards are important for new homes built by the council and we want to achieve homes that are energy efficient and minimise carbon emissions. New homes should also include features to help support people to live sustainable lifestyles and encourage the development of more sustainable communities.
- 5.9 The council will ensure our partners follow local sustainability planning guidance and policies, and that new homes are built to at least Code for Sustainable Homes Level 4 and higher where viable. We will also look to include Solar Photo Voltaic systems and other renewable energy sources where possible on relevant homes and for new homes to meet Lifetime Homes space standards (see Glossary at Appendix 3).
- 5.10 It is anticipated that some new homes will be built to Passivhaus principles so they are super insulated with a high level of air tightness, requiring up to 75% less energy for space heating than standard practice for UK new build. This reduces energy use and therefore results in lower energy bills for residents and lower carbon emissions. Passivhaus homes provide high standards of comfort and building health and the construction method can provide opportunities for young and semi-skilled people to be involved in building process.

5.11 The new homes will support One Planet Living and when contracts are tendered bidders will be asked put forward innovative ways of meeting the 10 One Planet Living principles. This could be achieved by for example:

- Providing secure cycle storage
- Incorporating food growing areas into schemes
- Including recycling facilities in kitchen units
- Providing composting facilities in gardens and communal areas
- Incorporating water saving and re-use measures
- Providing green walls and roofs on some developments to encourage wildlife
- Incorporating community facilities where needed and possible.

5.12 Some of these measures will not need to significantly increase scheme costs and will help new residents to live more sustainable lives. Partners will also be asked to demonstrate these principles through the construction process by for example minimising distances that materials travel (e.g. local materials and supply chain), using re-cycled materials, using local labour and ensuring that food and refreshments provided on site are locally sourced or Fair Trade.

Crime & Disorder Implications:

5.13 The Estate Regeneration Programme will offer the opportunity to provide new, well-designed homes and link to wider regeneration opportunities, including work to deliver the council's economic and sustainability objectives. Good urban housing has been shown to influence the rate of crime and disorder and quality of life.

Risk and Opportunity Management Implications:

5.14 There are a number of risks and benefits associated with the estate regeneration programme and a risk log will be maintained to monitor these and ensure contingency plans are in place. Key risks include:

- Social – that schemes do not have long term sustainability e.g. fall into disrepair or anti-social behaviour
- Financial – that schemes are not financially viable or unable to gain sufficient finance to fund them
- Planning – that planning permission is not given or there is a protracted planning process for individual schemes
- Stakeholder – that local communities do not support individual schemes
- Sustainability – that it is difficult to balance sustainability goals with financial viability.

Public Health Implications:

5.15 There are strong links between improving housing, providing new affordable homes and reducing health inequalities. Energy efficient homes which are easier and cheaper to heat will help support the health of households.

Corporate / Citywide Implications:

- 5.16 As reported in the Housing Revenue Account Capital Programme 2013-2016 considered by the Housing Committee on 16 January 2013, the development of new housing has a strong economic multiplier impact on the local economy, estimated at over £3 of economic output for every £1 of public investment, creating jobs and supply chain opportunities.
- 5.17 Partners will be asked to work with the Local Employment Scheme to ensure that work, apprenticeship and training opportunities are provided for local people. We will also look at how larger schemes can provide employment opportunities for people living on estates included in the Estate Regeneration Programme.

SUPPORTING DOCUMENTATION

Appendices:

1. Plan of four bungalow units in the rear gardens of 243-245 Preston Road, Brighton for which permission to demolish is being sought
2. Plan of former Housing Office in Manor Place, Brighton for which permission to demolish is being sought
3. Glossary

Documents in Members' Rooms

None

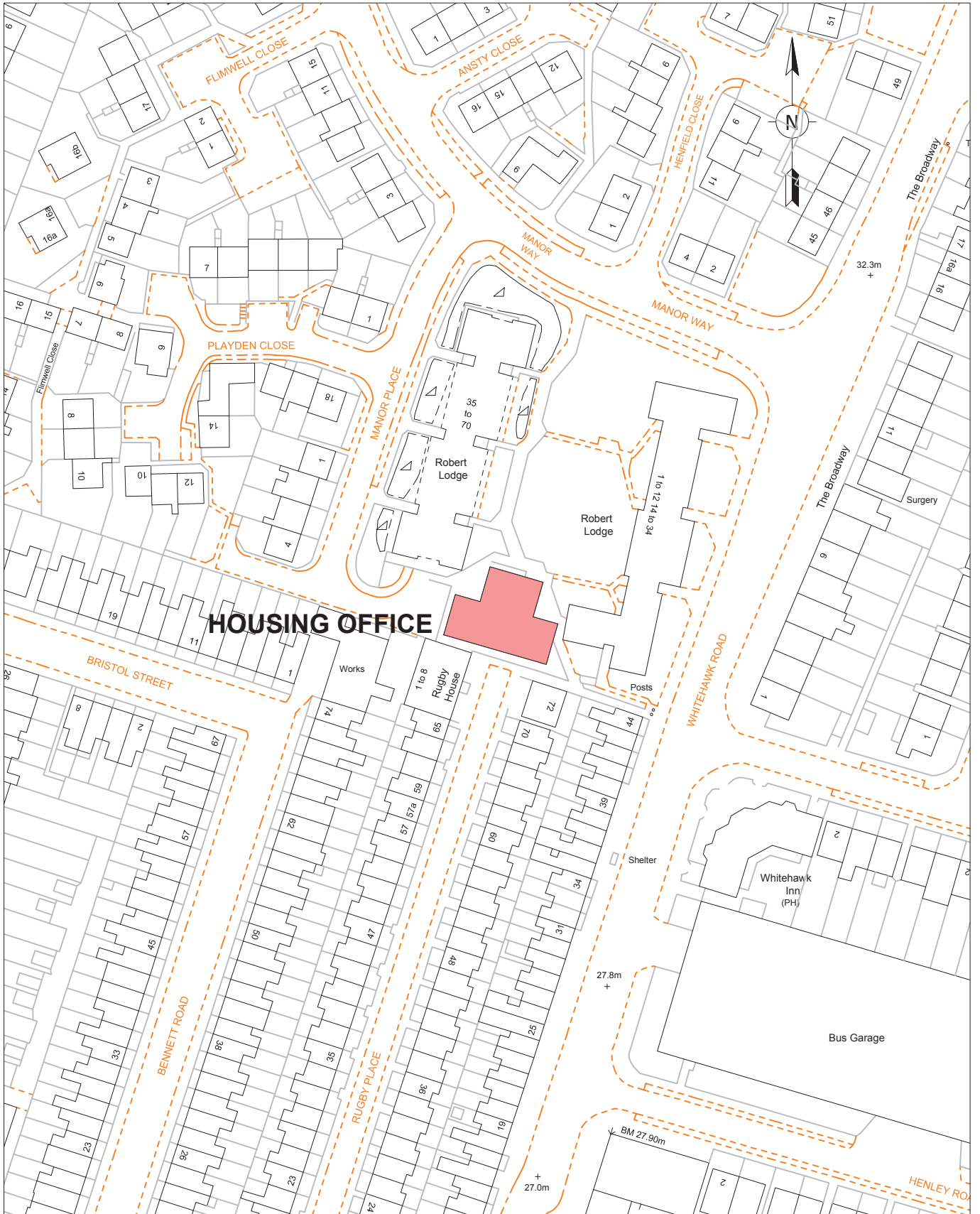
Background Documents

Housing Investment 2012-2020: Strategy & Implementation Plan report to Housing Committee 26 September 2012



New Homes for Neighbourhoods – Estate Regeneration Programme

Appendix 1: Bungalow units at 243-245 Preston Road, Brighton



New Homes for Neighbourhoods – Estate Regeneration Programme

Appendix 2: Former Housing Office at Manor Place, Brighton

Glossary

Affordable housing – housing for rent or sale, including shared ownership, at below market levels. Affordable housing includes:

- social rented housing for which guideline Target Rents are set through the national rent regime
- Affordable Rent housing and
- Intermediate housing

provided to eligible households whose needs are not met by the market.

Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision¹.

Affordable Rent – rents (including service charges, where applicable) up to a maximum of 80% of local Market Rent. Most new social housing now being developed by Registered Providers with government funding under the Affordable Homes Programme will be let at Affordable Rents. Affordable Rent homes are allocated in the same way as properties let at usual social housing rents, i.e. through Homemove.

The council's draft Tenancy Strategy expects rents for Affordable Rent housing in the city to be capped at the lower of either 80% market rent level or the Local Housing Allowance housing benefit limit, to ensure Affordable Rent homes remain truly affordable to local tenants of registered providers of social housing.

Affordable Home Ownership – Low Cost Home Ownership schemes to help people take their first steps onto the housing ladder who cannot purchase on the open market due to lack of affordability and problems obtaining a mortgage. For example, Homebuy enables first time buyers to enter the housing market by buying a 25% to 75% share of a property and paying rent on the remainder.

Affordable Housing Programme – the Homes and Communities Agency's Affordable Homes Programme 2011-15 is a programme of investment for Registered Providers to increase the supply of new affordable homes in England. This programme reflects a move away from central government block grant funding for new development and its replacement with private finance funding and the Affordable Rent model. The extra rent enables the housing provider to borrow more money to pay for building the home.

Most homes in the programme will be at Affordable Rents, with some for affordable home ownership, supported housing and in some circumstances, social rent. An announcement is awaited on what will replace this programme in 2015.

Code for Sustainable Homes – a national sustainability standard developed by the Government for the design and construction of new homes as part of building assessment tools called BREEAM (Building Research Establishment environmental

¹ National Planning Policy Framework March 2012 DCLG

assessment method). The Code rates the whole home as a complete package, measuring its sustainability against:

- energy/CO2
- pollution
- water
- health and well-being
- materials
- management
- surface water run-off
- ecology and
- waste.

It scores each dwelling within a scale from Level 1 (the lowest) to Level 6 (the highest, achieving Zero Carbon status). Even the lowest level is above standards required by Building Regulations.

Code for Sustainable Homes Level 4 – Code Level 4 homes have, for example, to be 44% more energy efficient than required by the 2006 Buildings Regulations and 25% more energy efficient than under the 2010 Buildings Regulations.

Estate Regeneration Programme – a medium term programme to provide new sustainable and affordable homes in the city and improve some of our most disadvantaged council estates. The council's programme aims to maximise opportunities to build new homes on Housing Revenue Account (HRA) and other council land, both using infill sites of vacant land and buildings and undertaking larger scale redevelopment of existing estates in need of improvement. Its name - New Homes for Neighbourhoods - emphasises its focus on producing new homes and involving local residents in improving their neighbourhoods.

Homes and Communities Agency (HCA) – the government agency that allocates funding to deliver new Affordable social housing in England. Since April 2012 the HCA also regulates registered providers under the Regulatory Framework for social housing in England.

Intermediate housing – homes for sale and rent provided at a cost above social rent but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not Affordable Rent housing.

Lifetime Homes standard – a set of 16 design criteria for building accessible, flexible and easily adaptable homes to meet the broadest range of housing need and enable simple and cost-saving future adaptations if and when required:

1. wider parking spaces for easier access to vehicles
2. a convenient level or sloping footpath from car space to home
3. level or gently sloping access to homes rather than steps
4. a level threshold at the entrance door
5. wider, shallower, 'easy going' stairs
6. doorways and hallways wide enough for a wheelchair
7. basic wheelchair access and turning room throughout the property
8. entrance level living room accessible to all
9. potential for an entrance level bedspace
10. entrance level wc and drainage to fit an accessible shower if required

11. bathroom and cloakroom walls strong enough to take grab rails etc if required
12. provision to allow a through floor or stair lift if required
13. potential route for ceiling tracking hoist between bedroom and bathroom
14. bathroom layout giving easy access to facilities
15. windows and handles at a convenient height for all and low level cill in living room so a seated person can see out
16. sockets, switches and controls for day to day use at a comfortable height for all users.

Low Cost Home Ownership – there are a number of schemes designed to help residents buy an affordable home, including shared ownership, First Buy equity loans and New Buy. These schemes are to help first time buyers, key workers and social tenants who would otherwise be unable to buy a home. They are generally open to households earning less than £60,000 a year.

Market Rent – generally, local private rented sector rents. The RICS definition of Market Rent is used for calculating Affordable Rents as a proportion of Market Rent: ‘Market rent is the estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm’s-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion. Whenever market rent is provided the ‘appropriate lease terms’ which it reflects should also be stated.’²

Passivhaus standard – Passivhaus homes are super insulated with a high level of air tightness, requiring up to 75% less energy for space heating than standard practice for UK new build. Passivhaus homes provide high standards of comfort and building health and the construction method can provide opportunities for young and semi-skilled people to be involved in building process.

Registered Provider (RP) – a provider of social housing registered with and regulated by the Homes and Communities Agency. Registered providers include housing associations (known as private RPs) and councils with retained housing stock.

Subsidy – funding required over and above the income from the newly developed properties.

Target Rent – guideline rents set to a government formula for social rented housing owned by local authorities and private registered providers, which are substantially below local market rents. Current council tenants’ rents are being increased towards Target Rents through phased increases under ‘rent convergence’. We will start to charge full Target Rents for new council tenancies subject to approval of the HRA revenue budget

² Royal Institute of Chartered Surveyors (RICS) guidance on valuation for Affordable Rent

Subject:	Extra Care Housing Update		
Date of Meeting:	6 March 2013		
Report of:	Strategic Director Place / Director Adult Social Services		
Contact Officer:	Name:	Martin Reid	Tel: 29-3321
	Email:	martin.reid@brighton-hove.gov.uk	
Ward(s) affected:	Queens Park		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

1.1 This report updates Committee on progress to secure increased supply of extra care housing in the City in relation to our recent bid to the Homes & Communities Agency (HCA) for funding under the Care and Support Specialist Housing Fund. This funding is made available by the Department of Health to support the development of specialist housing for older people and adults with disabilities. Over 5 years from 2013/14, £160m funding will be made available by the Department of Health to be delivered through the HCA. The prospectus is clear that:

‘Priority will be given to schemes which have already achieved, or are well advanced in the process of achieving planning consent and in particular those which can start on site in the first year of the Fund (2013/14)’.

1.2 Although the City has a relatively young population, growth over the next 20 years is likely to be strongest in those people aged 60. In particular, there is an anticipated 30% increase of people aged 85 and over living in the City.

1.3 In light of this demographic change, delivery of more extra care housing in the City remains a Corporate Plan, Housing Strategy, Older Peoples Strategy and City Plan priority. Extra care housing, not only for older people but for vulnerable adults who need to live in a supported environment, enables people to maintain their independence whilst delivering economies of scale that drive down unit costs. As a high user of expensive residential care, it is also a Budget priority to identify and promote cost effective alternatives including the development of more extra care housing.

2. RECOMMENDATIONS:

2.1 That Committee note the proposed Brooke Mead Extra Care scheme which will be funded through affordable rents, a contribution from Adult Social Care revenue budgets, shared ownership and subsidy funding incorporated within the recent bid to the Homes & Communities Agency (HCA).

2.2 That Committee note proposals to proceed with a Planning application for the approval of extra care housing on the Brooke Mead Extra Care scheme, the

current timetable for the proposed development and the pursuit of other funding options as detailed in the report.

- 2.3 That the Committee recommend that the Policy and Resources Committee agree that the vacant Housing Revenue Account ('HRA') block of Brooke Mead, Albion Street, Brighton [as shown on the annexed plan] be demolished in order to be redeveloped, subject to Planning consent.

3. HOUSING NEED/STRATEGY:

- 3.1 Brighton and Hove has a growing population facing a significant increase in the number of older people, in particular those over eighty with a support need. The City is currently a high user of residential care and is committed to providing alternative accommodation options, in particular developing extra care housing for adults and older people as a Corporate and Budget priority.
- 3.2 The Council has a strong track record in securing investment for new extra care housing in the City, working in partnership with Department of Health, Housing Corporation and Registered Providers in delivery of New Larchwood, Patching Lodge and Vernon Gardens extra care schemes.
- 3.3 Following the development of the City's first extra care scheme at New Larchwood in Coldean, both Housing Committee and Adult Social Care Committee agreed to adopt the extra care strategy on 3 November 2005 and 12 December 2005 respectively as a basis for the further development of extra care to meet the long term care needs of older people in the City.
- 3.4 In 2009 a joint report was taken by Adult Social Care and Housing which recommended that Extra Care Housing was allocated through Choice Based Lettings. This was agreed and by both Housing and ASC Committees and has been the adopted policy ever since.
- 3.5 This is reflected and will be developed under the following Council Corporate Plan priorities aligned to Tackling Inequality:

Vulnerable adults supported to live healthy, independent lives

- 3.6 Provide more extra care housing and supported accommodation to meet the growing demand of those people with complex needs to remain in the community.

Decent, affordable, healthy housing

- 3.7 Work with the Homes & Communities Agency, neighbouring authorities, housing associations and other organisations to provide new and improved affordable and energy efficient homes including the regeneration of Council owned housing estates and the development of other housing land.
- 3.8 The Brighton & Hove Local Housing Investment Plan supports the City's Housing Strategy: 'healthy homes, healthy lives, healthy city' which recognises housing as a key Determinant of Health and forms an integral part of the City's Sustainable Community Strategy.

- 3.9 Through our Housing Strategy we are committed to:
- Improving housing supply, including the provision of extra care housing
 - Making best use of the housing stock
 - Increasing the supply of affordable rented housing
 - Identifying opportunities to improve and develop deprived neighbourhoods
- 3.10 This extra care investment priority has been identified with our partners via the Housing Summit, Strategic Housing Partnership and through our regular meetings with Homes and Communities Agency as well as Registered Providers via our Affordable Housing Delivery Partnership.

Affordable Housing Development Programme 2011-15

- 3.11 We are reviewing the current Affordable Housing Development Programme and discussing with providers the options for the modelling around the 60% portion which was planned for the open market as this may provide a solution if the units meet the specification for extra care. We are discussing with providers what the cost of this would be, e.g. to enable those units to be rented at Local Housing Allowance rates and identifying any capital shortfall that may impact on viability.

City Plan

- 3.12 Our proposed City Plan has identified a significant shortfall in affordable homes by 2030, including extra care housing. New affordable homes, including extra care, are expected to deliver the following benefits to:
- Households: support needs are met; stability for households; improved health outcomes
 - Communities: attract & maintain employment opportunities; quality neighbourhoods
 - The City: benefits the economy; supports One Planet Living; supports a strong labour force; helps meet our statutory duties

Housing Needs and Older People

- 3.13 The extra care strategy agreed by the City Council in 2005 was based on the premise that extra care housing should be developed to meet the long term care needs of older people. By providing the necessary levels of personal care in decent and affordable housing, extra care provides a dignified and cost-effective alternative to both residential care and high cost home care packages.
- 3.14 Population projections¹ for Brighton & Hove show that an additional 2,000 people aged 85 or over will be living in the City by 2030 (30% increase). While there may be improvements in people's health and well-being during this time, overall it is reasonable to expect that such an increase will lead to additional demand for long term care services.
- 3.15 Specifically, it is estimated that by 2030:
- more than 2,000 people aged 85 or over will have some form of dementia (an increase of 27% over current numbers;

¹ ONS population projections DH POPPI website

- 26% of people aged 85 or over will be on low incomes (in receipt of pension credit);
 - there will be over 11,000 people aged 75 or over living alone.
- 3.16 For people in these 'risk' categories, there is likely to be a significant impact on their ability to remain living independently in their own homes.
- 3.17 Without the development of additional extra care facilities, this impact will require a significant increase in the provision of residential care and home care, with a corresponding increase in the community care budget. By 2030, it is estimated that there will be an additional 390 people in residential care supported by the City Council, a potential 25% increase on current spend levels.
- 3.18 The 30% increase in the number of people aged 85 or over also suggests an upward pressure on the provision of intensive home care services and there could be an additional 343 older people requiring this service by the year 2030. Overall, therefore, there appears to be a need to provide additional long term care resources for over 700 people by 2030.
- 3.19 Meeting this need through the provision of extra care housing provides an alternative to the current dilemma where there is sometimes an invidious choice between 'best value' and 'independence and dignity'. Enabling someone to remain living independently at home may become unaffordable; placing someone in a care home may result in institutionalisation and the consequent loss of independence and dignity.
- 3.20 Extra care provides a 'halfway house' where independence and dignity can be protected by enabling people to live in what is in effect their own home in a supported environment. At the same time, it achieves financial efficiency: at Patching Lodge the current weekly unit cost of £201 per resident compares favourably with high cost home care packages, and residential care rates of between £341 and £460 per week.
- 3.21 As well as providing a modern and dignified form of long term care that better responds to the changing life experiences and expectations of the next generation of older people, the development of extra care resources across the City offers significant benefits for housing:
- the ability to free up family housing;
 - the provision of higher density housing, using relatively small urban sites;
 - the ability for some people to retain their housing equity;
 - the creation of schemes heavily advocated by their users.
- 3.22 Brighton & Hove places comparatively large numbers of people in care homes. However the City is committed to moving away from care settings which do not meet the expectations and requirements of older people and which places a significant financial burden on the authority, NHS and the third sector. The increased numbers of people with dementia places additional pressure on City. We are therefore developing extra care housing for adults/older people and are committed to provide additional options in the City other than residential care. As a consequence the Council budget strategy includes the need to focus on developing more extra care housing to meet demand.

4. BROOKE MEAD DEVELOPMENT

- 4.1 Brooke Mead as an extra care option initially arose from a review of Housing Revenue Account (HRA) assets. Brooke Mead is a HRA asset and was originally a sheltered housing scheme of 9 non self contained units mostly bedsits with warden accommodation and shared facilities. The scheme became unattractive and hard to let due to aging and poorly served accommodation i.e. no lift etc. For the past 20 years the building was used as temporary accommodation for people we have a duty to accommodate under the homelessness legislation but was decanted and identified for redevelopment on the discovery of asbestos in the roof. The building is currently empty.
- 4.2 Brooke Mead would provide an extra care housing scheme for older people and those living with dementia. It will serve as a quality extra care scheme in the heart of the City centre in an area with substantial numbers of older people, many from low income households in poor neighbourhoods. Many of the older people appear to be living on the periphery of this central location and are often excluded and marginalised from the wider community. Proposed investment of an extra care housing scheme in this location will make a major contribution to the quality of life for those who hitherto have been unable to access affordable supported high quality accommodation and provide an alternative form of housing for those who can no longer live at home and who previously would have to move to a care home. An extra care scheme offers older people a dignified environment which enhances their quality of life.
- 4.3 The proposal is to develop an extra care housing scheme of 45 self contained flats in a 5 storey development. The scheme is based on 39, 1 bed units for rent and 6, 2 bed units for low cost home ownership, with all flats developed to life time home standards. Generous space standard have been allowed for, enabling sufficient room for entertaining, relaxing and enjoying personal pursuits, with minimum net internal space standards of 52 m² for 1 bed and 75 m² for 2 beds depending on orientation. 10% of all developments have been identified for fully adapted wheel chair use. Capital costs for the entire building are appraised at BREEAM standard 'Good'. Each apartment is designed for independent living with a separate kitchen / living area to the bedroom and a shower room designed to be fully accessible. The rooms will be well lit, with a terrace / balcony for each resident. Terraces could be used for flower pots or easily accessible window boxes. The development has been imaginatively designed with communal space at its heart. It is envisaged that the development of community based resources at Brooke Mead will be modelled on the City's successful work at Patching Lodge where through the work of the LifeLines project, a thriving community hub has been established.
- 4.4 Individual flats are developed around the central court yard with double aspect views to and from the flats, one view looking out to the street scene, the other looking down into the communal space below. The design which is safe for people who may become lost creates a sense of community, removing a feeling of isolation prevalent of residential settings. The development has been designed as a hub for the community particularly for those with dementia complementing existing community provision. The wrap around designs has

particular relevance to those experiencing dementia are well as creating a sense of space and openness.

- 4.5 The community and communal space can be utilised at all times particularly early evenings where much of the surrounding existing community activity closes down. The central garden space made with glass curtain walling enables night and day light to penetrate at all times lending itself to a comfortable, modern exciting space in which community activity can coalesce. Office, staff and facility space is included in the design as well as outside space with the use of balconies and a walled roof garden.
- 4.6 The Scheme design developed by Fielden Clegg & Bradley Studios is appended to this report.
- 4.7 Deliverability, as well as value for money, innovation and quality are key criteria. In light of this we propose to proceed with a Planning application for the approval of extra care housing on the Brooke Mead Extra Care scheme.
- 4.8 The table below sets out the indicative timescales for the various stages of the planning application. This timetable assumes a three month process with a start date from 11 February 2013 and the submitting of the planning application by the end of April. The process assumes regular client contact and progress meetings (one every two weeks).

Project start	w/c 11 th February 2013
Commission surveys	w/c 11 th February 2013
Pre-application and design process	w/c 11 th February 2013 to 15 th April 2013
Consultation	Early March 2013
Review of scheme following consultation	Early April 2013
Collation of planning application documents	From 15 th April 2013
Submission	w/c 23 rd April 2013
Determination	13 weeks from validation

5. PROPOSED FUNDING OPTION – SUBSIDY FROM HCA

- 5.1 Lambert Smith Hampton consultants were appointed to develop the extra care housing bid for submission to the HCA. The proposed scheme currently includes a mix of 39 Affordable Rented and 6 shared ownership homes. In line with HCA bid requirements, homes for Affordable Rent are to be made available at a rent level of up to 80% of gross market including service charges. However our current modelling limits the rent to the Local Housing Allowance on the basis that this equates to c 65% of market rent.

- 5.2 Therefore, this model assumes the HRA land as subsidy (which is consistent with recent practice for redevelopments in the City), that rents would be set at affordable rent levels up to the Local Housing Allowance levels and the six 2 bed homes would be low cost shared ownership. In addition to rental income, the development includes ongoing revenue contribution for the scheme from the general fund (Adult Social Care) of £0.102 million per annum. On this basis the development requires a net capital subsidy/grant of £2.686 million from the HCA towards the total scheme capital cost of £8.925 million.
- 5.3 Shared ownership is an Affordable Home Ownership product that is designed to help people who are in housing need. There are two products one for those who cannot otherwise afford to purchase without assistance. Through shared ownership the purchaser buys a share of the property on a leasehold basis and pays low rent on the unsold share with the option to increase ownership over time. The other is to enable older people to buy a home with support on a shared ownership basis usually using the equity released from the sale of their existing home.
- 5.4 This model assumes that the development will remain within the HRA which would need to make capital payments of up to £8.925 million during the build programme with reimbursement of the HCA grant payments, currently proposed to be made in agreed instalments, through the development programme and capital receipts from the shared ownership at the end of the project. This is likely to result in short term cashflow deficits which will be managed within the HRA capital programme and by possibly utilising the debt set aside. However, this will also result in a longer term borrowing in the region of £5.159 million fully financed by the net rental income streams from the new units.
- 5.5 The HRA currently has headroom for additional borrowing of around £31m, subject to affordability. This scheme would therefore reduce the future borrowing capacity to £26m for other regeneration projects and new developments. There is provision of £1m in the 2013/14 HRA budget and £2m in each of the years 2014/15 and 2015/16 to pay off existing debt which could, if necessary, be used to subsidise new schemes or in this case be used to support short term funding requirements due to development cashflows.
- 5.6 Indicative revenue savings to the General Fund, Adult Social Care budget arising from the delivery of this project are in the region of £0.300 million per annum. This is based on the average current cost of care provided at existing extra care schemes compared to current Residential Care costs and is after taking into account the £0.102 million per annum, contribution required to make the project viable. It is difficult to accurately quantify the level of savings as these will be dependant on the individual clients that are accommodated in the scheme.
- 5.7 The outcome of the HCA bid will be known in May which will determine which, if any of the other options need to be considered further. At this stage a report will be submitted to Policy & Resources Committee seeking approval for the recommended capital scheme.

6. ALTERNATIVE FUNDING OPTIONS

- 6.1 There are alternative options of delivery available, which can be considered alongside the preferred HCA option outlined in section 5 above. These include:
- I. Retain within the HRA without HCA funding
 - II. Transfer to the General Fund
 - III. Transfer to an Registered Provider
 - IV. Private sector funded options
- 6.2 As highlighted in the Housing Summit the housing funding landscape has changed. Development surpluses generated from homes built for sale and used to cross subsidise, via planning obligations, the provision of affordable housing are squeezed. This reflects a major shrinkage in the mortgage market as bank lending has reduced and buyers are generally required to invest more significant amounts of their own equity.
- 6.3 To instigate the supply of more affordable housing, including extra care housing, means the council exploring alternative / innovative funding options. Over the last year the council has been working with a number of agencies, including dedicated support from the HCA, to develop the opportunities.
- 6.4 At this stage it is recommended that all funding options are kept under consideration with future consideration and reports back to Committee reflecting potential arrangements for improving availability of funding including financial implications and risk assessments.
- i) HRA Self Financing Option without HCA funding
- 6.5 Initial modelling has been undertaken using the same outline cost and income assumptions as for the HCA bid but modelled within the HRA financial scheme model. The base position is that the HRA manages and retains all homes except for those leased for shared ownership. This modelling using affordable rents and an ongoing contribution of £0.102 million per annum for 30 years from the General Fund results in a HRA subsidy of £2.686 million which would need to be funded from either general HRA reserves or revenue surpluses within the HRA funding additional borrowing. This scheme would then deliver the same general fund savings as the preferred option.
- 6.6 In order for the HRA to develop this scheme it is likely that the HRA would need to borrow up to c£7.8 million, subject to utilising any available reserves (such as debt set aside of which £3 million would be available by 2014/15). This would reduce the HRA headroom for additional borrowing to around £23 - £26 million.
- ii) Transfer to the General Fund
- 6.7 There is also the option to transfer the land to the general fund and redevelop using prudential borrowing with or without HCA grant/subsidy funding. This option would reduce the level of savings available to the general fund as in addition to the £0.102 million annual contribution required in option 1), the general fund would lose the economies of scale of administering this scheme compared to the housing service and would also need to fund the additional borrowing costs on £2.686 million if the HCA funding was not awarded. This development is new housing for a specific client group and will support housing

priorities and also Adult social care priorities through extra care needs and therefore the sharing of the subsidy as outlined in option i) would be more appropriate.

iii) Transfer to a Registered Provider (RP) Funding Option

- 6.8 Government Social Housing Grant is no longer available and Registered Providers are expected to combine available funding with any balance sheet surpluses to provide affordable housing for rent at no less than 80% of the market level capped at LHA rates. In addition to Social Housing Grant and Registered Provider funding, previous extra care schemes in the City also received significant support from Department of Health funding which is also no longer available.
- 6.9 As outlined above we are already reviewing the current Affordable Housing Development Programme and discussing with providers the options for the modelling around the 60% portion which was planned for the open market as this may provide a solution if the units meet the specification for extra care.
- 6.10 The option of a Registered Provider partner supporting bidding on the Council's behalf for HCA Care & Support funding was explored but no RP willing to bid / fund was forthcoming within the tight bid timescale. We propose to continue to keep RP options open and subject to review.
- 6.11 In general terms, RPs in the City have indicated that they would be willing to work in close partnership with the Council where appropriate and supported. Whilst some may be willing and capable of acting solely in a development capacity, the funding option likely to be attractive is where they take ownership of the new homes financed and/or built by them.
- 6.12 Depending on specific site development viability, this may produce a capital receipt for the Council on a sale or leasehold arrangement. RPs in particular are likely to be better structured, experienced and staffed to manage development risk than the local authority. It may also be possible to expand the funding capacity of the development programme and thus the volume of new homes supplied. Such an arrangement, however, may involve ownership, rents, service charges, management and maintenance being held and primarily determined by the Provider. That said some Providers may be open to negotiating the principle and detail of this including Council led nomination to new tenancies. Financial implications would need to be developed alongside any firm proposals brought forward in the future.

iv) Private Sector Funded Options

- 6.13 A range of private sector funding options are emerging and the council is already utilising private bank funding from Santander in the establishment of Brighton & Hove Seaside & Community Homes (BHSCH).

- 6.14 Perhaps the most significant change has been the interest of Institutional investors, including pension companies and finance houses in providing development finance in return for guaranteed (i.e. the council underwrites) and inflation indexed (i.e. Retail Price Index) loans at market interest rates. The market interest rate will reflect that banks and institutional investors are seeking to invest relatively large sums in safe places against the backdrop of stock market and business uncertainty and council guaranteed borrowing is regarded by them as low risk.
- 6.15 Some emerging models, subject to full financial appraisal, do not require council underwriting income, rather are based on assurance of a long term nominations guarantee.
- 6.16 Additionally some major development companies are seeking to create tailored packages of finance and development delivery with local authorities. These may include price negotiated permutations related to housing ownership, leaseback deals, management, maintenance, rent levels and nomination rights.
- 6.17 Private sector funded options usually have higher transactions costs and are therefore more viable for larger scale developments. In addition they usually still require some form of council guarantee or subsidy. Financial implications would need to be developed alongside any firm proposals brought forward in the future.

7. COMMUNITY ENGAGEMENT AND CONSULTATION

7.1 Consultation with the local community will be an important part of developing the proposal for the Brooke Mead Extra Care scheme. The site is located within a residential area and the proposals have an element of community use and facilities which it is hoped will be used by the wider community in the area and not just the future residents of Brooke Mead. It will also be necessary to satisfy the local authority's requirements to undertake public consultation.

7.2 Brighton and Hove City Council's adopted Statement of Community Involvement (SCI) details the various forms of engagement that are expected of both developers and the Council when considering proposals for planning applications. For a scheme such as this and based on the information set out in the Council's (SCI) it is envisaged that the following consultation will be undertaken:

- A leaflet drop to local residents and other stakeholders informing them of the proposals and inviting them to a public exhibition;
- Preparation of a leaflet about the scheme and register of attendees for exhibition;
- An exhibition outlining the proposals with members of the professional team on hand to answer questions (assume and late afternoon to evening 3-8pm) and an opportunity for the public to leave their comments on the scheme;
- Meetings with any key identified groups (e.g. Local residents associations and amenity groups).

7.3 An exhibition on the early proposals for the Brooke Mead site is considered to be the most effective way to involve the community and explain the proposals and the need for Extra Care facilities in Brighton and Hove. Following the consultation, the comments and feedback received from both meetings with residents and amenity

groups, and the exhibition will be collated and a statement of consultation included with the submission of the planning application to demonstrate compliance with the SCI and summaries the consultation process and results.

7.4 In parallel to the external consultation with relevant groups and the community the proposals will also be subject to discussions with other departments within Brighton and Hove City Council, where officers will be able to give feedback and comment on the proposals.

7.5 Ward Member consultation is due to take place following 6 March Housing Committee meeting. Our consultants (LSH) will present the scheme to Members, power point presentation detailing the designs. A letter drop to the surrounding residents and community groups will also be undertaken. Consultation drop in sessions are due to take place week commencing 11th March. Large boards showing designs plus an inexpensive model that residents can touch/see. We can also have a presentations session being shown on a loop as a backdrop or specific timed presentations.

8. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

8.1 The financial implications of the preferred option are set out in section 5 which assumes that this scheme will remain within the HRA. The HCA bid provides grant funding to enable the capital scheme to be fully funded without any HRA subsidy.

8.2 This scheme would deliver £0.300 million contribution towards the general fund Adult Social Care savings target as included in the council's Budget Strategy.

8.3 The bid for grant funding will be subject to negotiation with the HCA and any future successful bid will be reported to Policy & Resources Committee for capital scheme approval.

8.4 Section 6 of the report sets out alternative options that have been initially considered and rejected in favour of the preferred option for the reasons highlighted in the report, mainly due to the additional grant funding from the HCA. Following the outcome of the HCA bid, the alternative options maybe reconsidered. Financial implications for those options will be assessed as required and reported to future Committees.

Finance Officer Consulted: Michelle Herrington/ Sue Chapman Date: 21/03/13

Legal Implications:

8.5 The Strategic Director of Place has delegated powers to manage properties within the HRA. The council's constitution provides that the power to manage includes the power to make the necessary planning applications. The proposal to seek planning consent for the development outlined in this report therefore does

not need Committee approval. Should the preferred approach for the Brooke Mead site, that is remaining within the HRA, not come to pass, the legal implications for the alternative options will need to be assessed and reported to a future meeting. It is not considered that the recommendations in the report adversely affect any individual's human rights.

Lawyer Consulted: Liz Woodley

Date: 22/02/13

Equalities Implications:

- 8.6 Extra care housing supports Tackling Inequality, priority one of the Corporate Plan.

The statistical evidence demonstrates that a significant increase of older people, particularly those experiencing dementia, will be living in the City in coming years. This increase is set against a backdrop of a limited number of suitable homes able to meet demand. The development of housing catering to a segment of people in the City who hitherto have experienced a lack of suitable accommodation with the availability of care packages that support increasing health and social care needs provides access to a much needed and new avenue of independent living, within good quality accommodation which also offers care and support for older people within the City.

An increase in the supply of extra care housing will increase housing choice for older people with housing, health and social care needs and enable the City to better manage demand for specialist housing with support. In addition, the Brooke Meade proposal has been designed to ensure that 10% of the dwellings will be fully wheelchair adapted.

Sustainability Implications:

- 8.7 Newly built homes will be built to Affordable Housing Brief standards in terms of size, Code for Sustainable Homes, amenity space, Lifetime Homes Standard. Development to the BREEAM standard level 'Good' ensures that new homes are designed sustainably to minimise carbon emissions and use sustainable materials in their construction. New homes will support One Planet Living principles.

Crime & Disorder Implications:

- 8.8 Good architectural and urban design can contribute to safer homes and neighbourhoods. The proposed development includes Secure by Design principles and IT enabled technology supporting older people particularly those experiencing dementia.

Risk and Opportunity Management Implications:

- 8.9 HCA funding is not guaranteed. The HCA prospectus is clear that priority will be given to schemes which have already achieved, or are well advanced in the process of achieving planning consent and in particular those which can start on site in the first year of the Fund (2013/14). The HCA fund may be over-subscribed. The HCA will also go through a scheme appraisal and review

process that may impact on the Development Appraisal submitted in support of the bid. Should HCA funding not be achieved or less subsidy be available than envisaged the development appraisal and scheme modelling will be subject to review.

Improving the supply of extra care housing is a Corporate and Adult Social Care Budget priority. Failure to deliver additional extra care housing will have an adverse budget impact.

Further development risks and opportunities will continue to be assessed and amended throughout the life of the project and adjusted in line with internal and external factors which emerge including those arising from consultation.

Public Health Implications:

- 8.10 Secure affordable extra care housing is key to supporting households to maintain a healthy life and sustain their independence.

Corporate / Citywide Implications:

- 8.11 Extra care housing aligns to the following Corporate Plan commitments under Priority One: Tackling Inequality:
- Develop 50 new extra care housing and supported accommodation units each year for the next three years to help people with complex needs to remain in the community
 - Work with partners including the Homes & Communities Agency, neighbouring authorities and housing associations to provide 250 new and improved affordable and energy efficient homes.

In addition, the City will benefit from additional specialist housing provision and assist in meeting the targets for new housing as identified in the Housing Strategy and the City Plan.

9. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 9.1 The report outlines the opportunity to support the requirement for new supply of extra care housing that has arisen with the Brooke Mead site aligned to the opportunity to bid for HCA funding under the Care and Support Specialist Housing Fund.
- 9.2 Alternative options for the supply of additional extra care housing in the City will be subject to future reports to Committee.

10. REASONS FOR REPORT RECOMMENDATIONS

- 10.1 Reasons for report recommendations are included in the body of the report.

SUPPORTING DOCUMENTATION

Appendices:

1. Brooke Mead Plan & Scheme Design.

2.

Documents in Members' Rooms

1. None

2.

Background Documents

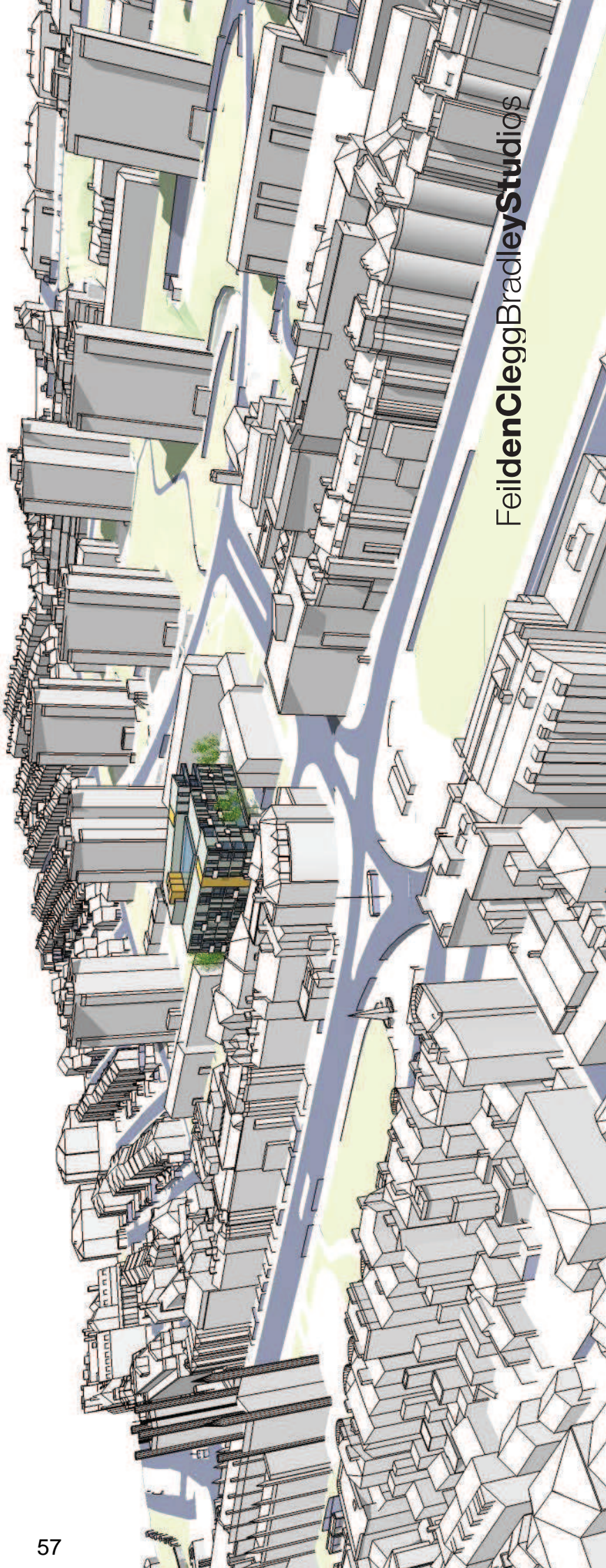
1. None

2.

Design Submittal | 18 th January 2013

Brooke Mead Extra Care Housing

Feasibility Study



FeildenCleggBradleyStudios

Brooke Mead Extra Care Housing

Site Analysis

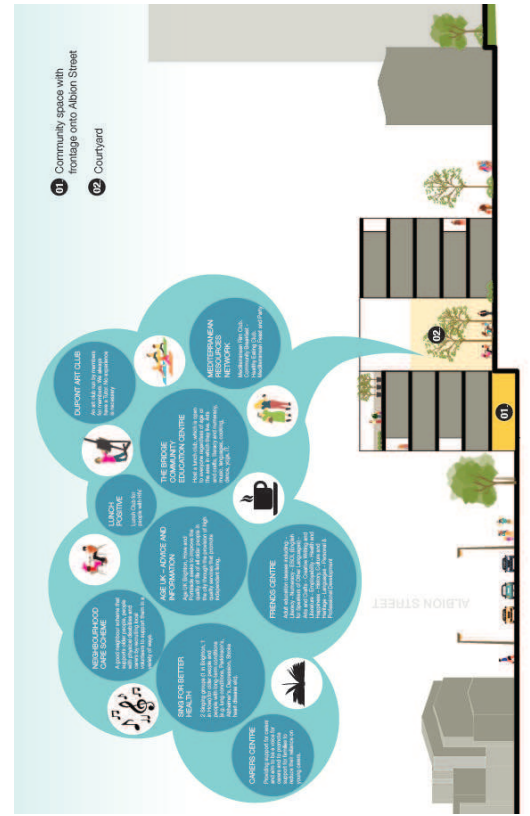
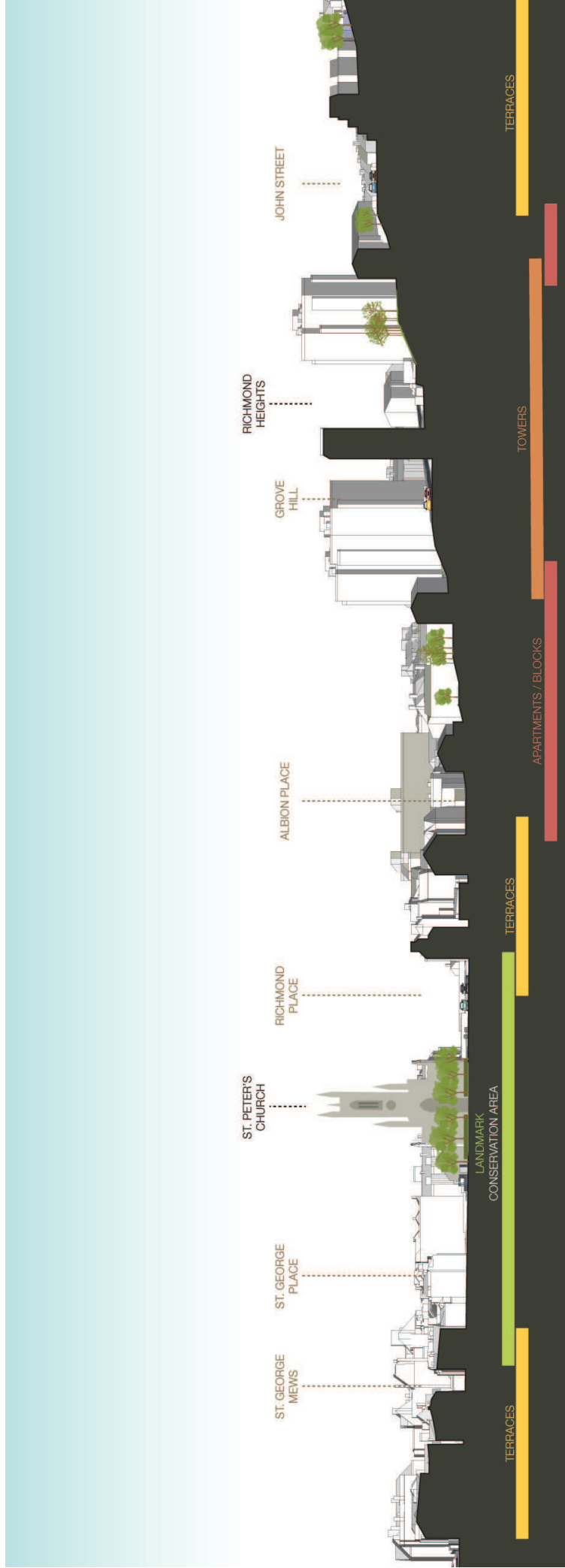
Scheme Summary

Area Schedule

Description of Proposed Scheme

The Brooke Mead Extra Care Housing proposal is an exemplar scheme for 45 residential units, communal space and space for community use.

Brooke Mead Extra Care I Housing at the heart of the city



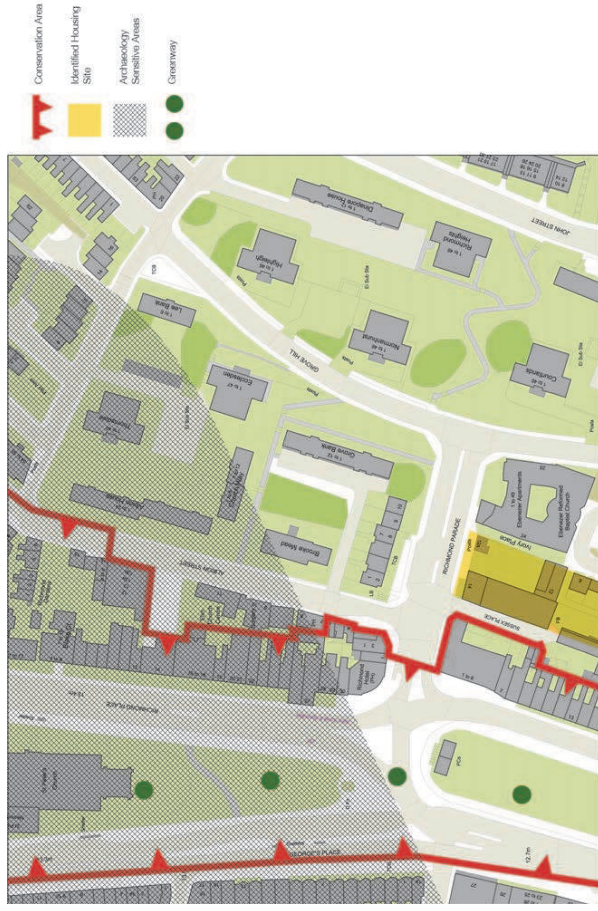
Location

The residential and community scheme is located at the heart of Brighton.

The brownfield site is just one road away from the Steine, the historic central green space to the city with a network of public transport links and local amenities in buildings on Albion Street and the adjoining Richmond Parade.

The proximity to the life of the city enables residents to be involved with city centre community groups and activities and continue to contribute to and enjoy the vibrancy of city life around them.

Brooke Mead Housing | Site Context and analysis
Site in context



Conservation and archeology



Building heights in context



Entrances and community

Site

The site is also located in part of a local residential quarter of the city which could provide continuity for residents who have lived in the area at other times in their life.

The site slopes up steeply from Albion Street to the housing on Albion Hill behind.

The difference in level up the site appears to be approximately 2.7m.

The site is currently occupied by a residential building of approximately 450 m2 which is not in use. To the rear of the site there is a sloping garden with a mix of apparently mature trees, shrubby growth.

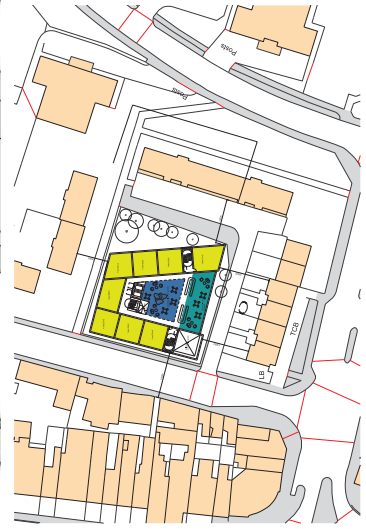
Brooke Mead | Extra Care Proposal
Summary sheet of Scheme



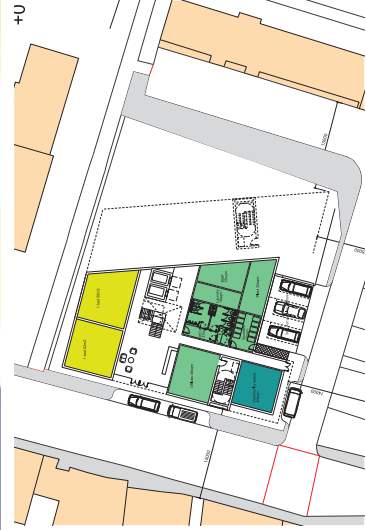
East-West section



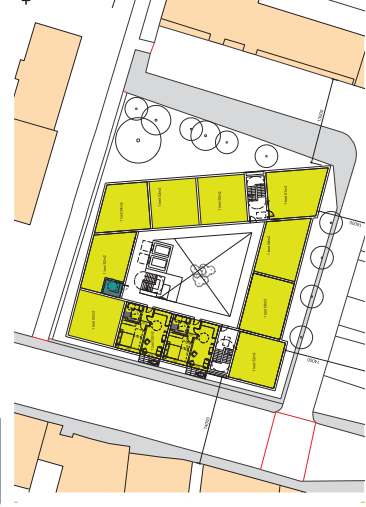
3D view from above ground level



Typical plan in context



Ground floor onto Albion Street



First floor

Area

- 5 storey
- 45 units
- 25 x 1 bed units
- 8 x 2 bed units

KEY DESIGN FEATURES

- Typical 1 bed unit 52 m²
- Typical 2 bed units 75 m²
- Lopped circulation
- Central shared communal space or 'garden room'
- Central space for community use

Brooke Mead | Extra Care Proposal Area Schedule

Number, size and tenure mix of the properties

The proposal will provide a mix of 1 bed and 2 bed apartments, approximately 75 % are 1 bedroom apartments and the remaining 25 % are 2 bedroom apartments. In accordance with Brighton and Hove City Council guidance 10 % of the units are fully wheelchair accessible. All the units have been designed to Lifetime home standards.

AREA SCHEDULE, 5 STOREY SCHEME

REVISED COURTYARD OPTION (1) - 15/01/13 REV C

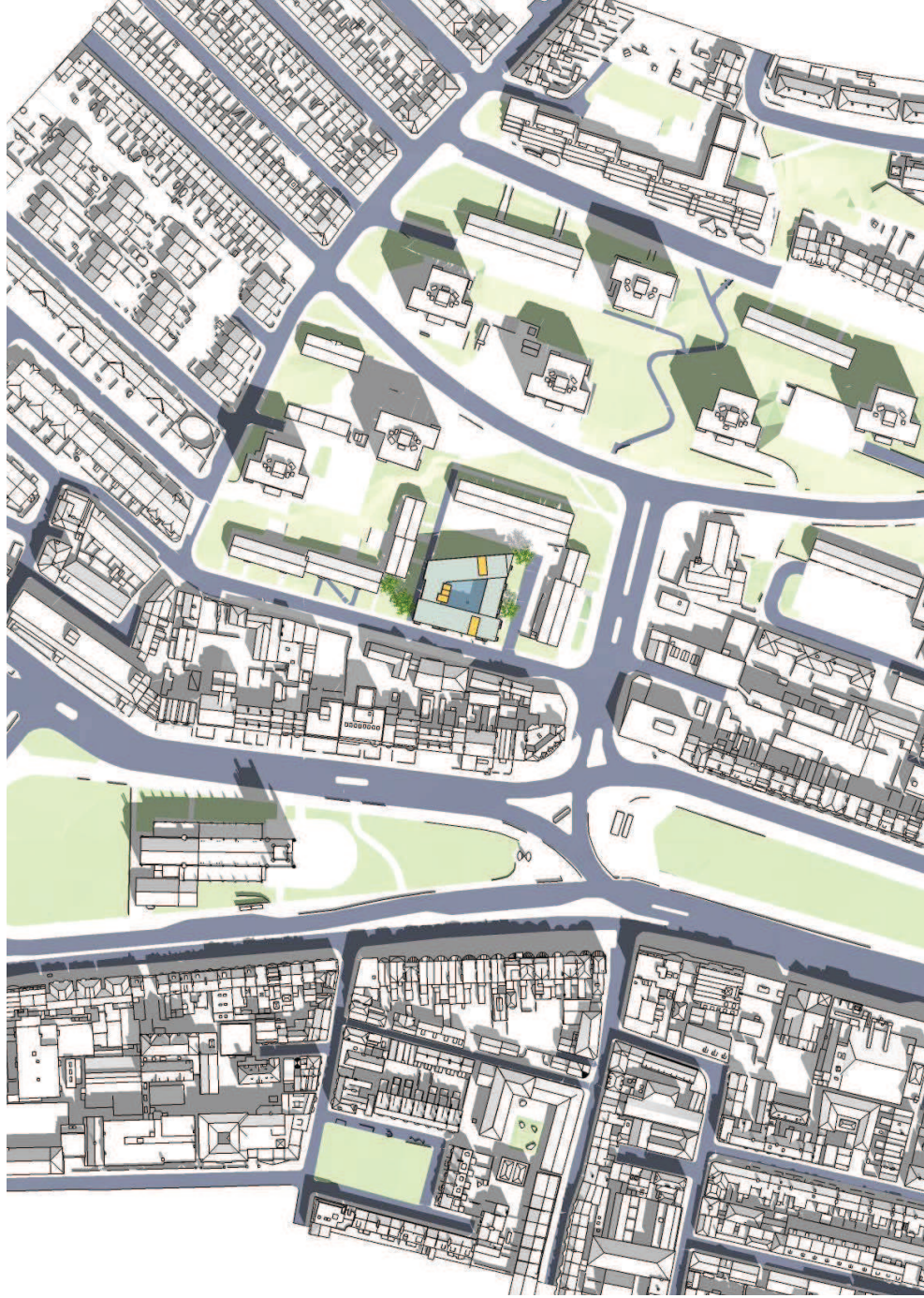
Floor	Office	Bback of house	Community	Communal	no. 1 bed flats	NIA 1 bed flats	no. 2 bed flats	NIA 2 bed flats	GIA	GEA
G	46	129	40		2	108				
1st			116	118	8	434			534	573
2nd					11	595			864	915
3rd					11	595			797	848
4th					7	362	3	235	797	848
5th							3	235	332	376
TOTALS	46	129	156	118	39	2094	6	470	4121	4408

NIA = Includes internal flat partitions, measured face to face of flat party walls and external walls

GIA - Includes all internal spaces, including circulation, measured to internal face of external walls, excludes voids and lifts

GEA = Total internal area, including external walls, excluding atria and lifts

Brooke Mead | Extra Care Proposal Building Mass and Organisation



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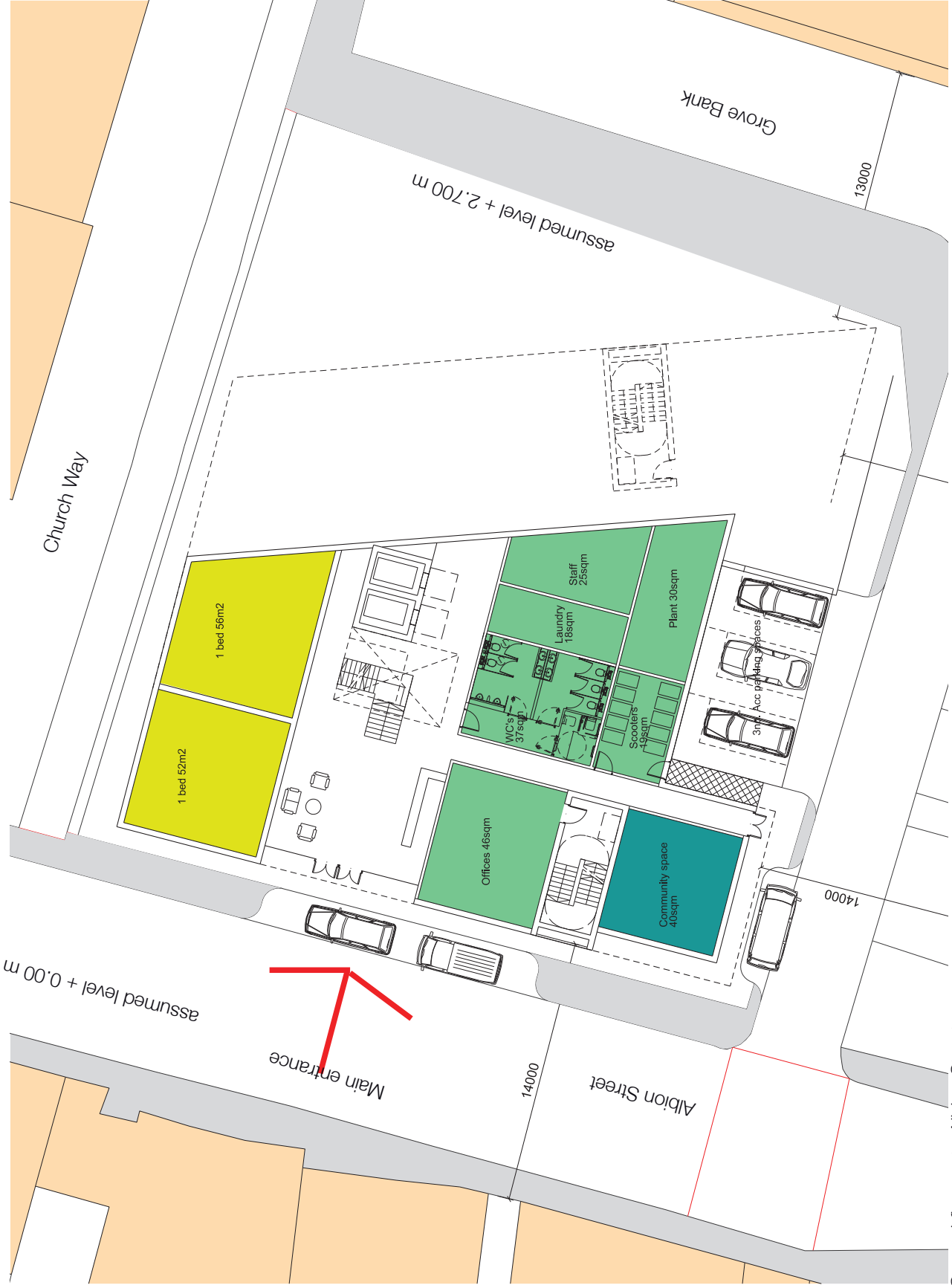
Typical floor plan in context

Building form and organisation

The building form is a stepped courtyard building of 5 storeys. The enclosed courtyard is at the heart of the scheme, and provides a space for the residents and the community to use and share.

The courtyard lets light into the centre of the building, and provides a view out at ground floor, to the South, with a South-easterly aspect. The building line is re-instated along Albion Street giving the street a width of 13-14 m, wider than Victorian terraced streets.

Brooke Mead | Extra Care Proposal
Ground floor on Albion Street



Ground Floor - entrance

The main entrance, for residents, visitors and the community is on Albion Street.

The entrance level contains the offices for those managing the building, services space for those who work there, the laundry and 2 x 1 bed units.

It also contains the lower level of community use which looks out over the street and is visible from the main approach to the site. The community use continues at ground floor, and there are visual connections between the two spaces across the double-height space.

The lifts and stairs to the residential accommodation at higher levels is immediately accessible from the front door.

There are 3 stair cores in the building. The central staircase and lifts look across and into the enclosed central garden room and provide generous circulation space to the front door of every flat.

Ground floor onto Albion Street

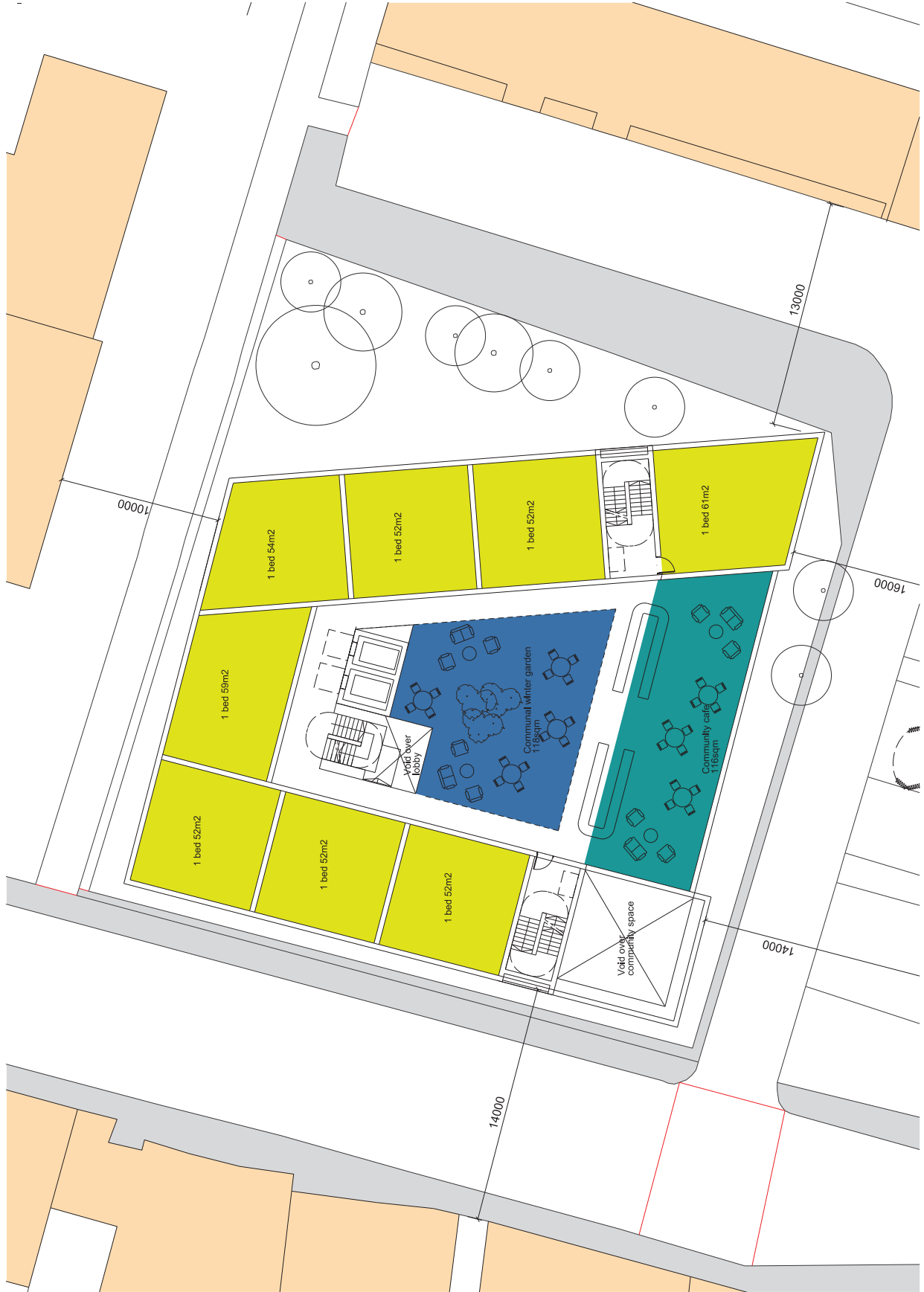
Brooke Mead | Extra Care Proposal
First floor on Albion Street

First Floor - shared spaces

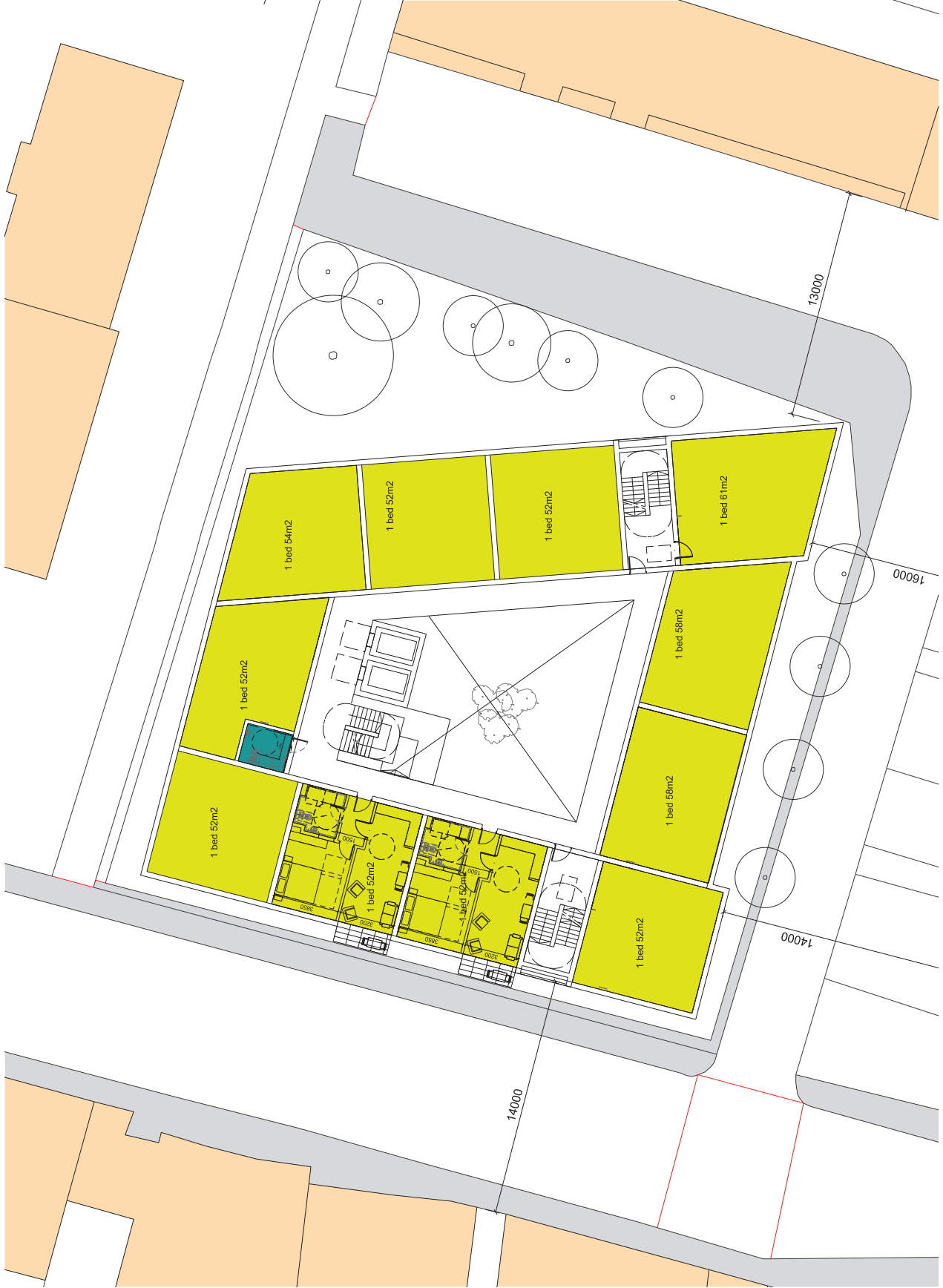
The local community are invited to come into the heart of the building and use the space to the South of the building which looks into the enclosed courtyard or garden room. This space has a Southerly outlook.

In the centre of the plan is the communal space. This is imagined to be a garden room, with fragrant internal planting to provide a canopy, a lounge space for shared activities and a place to invite visitors.

Between the spaces for community use and communal activities there is space to provide 'pop-up' catering facilities for particular occasions or at the request of the residents.



First Floor plan - shared space with 1 bed flats around it.



Typical Floor Plan Layout

The flats wrap around the central garden room. Adjoining the vertical circulation is a generous circulation space for people to stop and chat, or rest.

All the flats enjoy good views into the central shared communal space, but also outlook across the street, into the garden. Each flat has a terrace or balcony.

Each entrance is easily visible and recognisable, through the use of light, and colour in the internal decorations. Despite being an internal door, the front door to every flat will be detailed as if to an external front door.

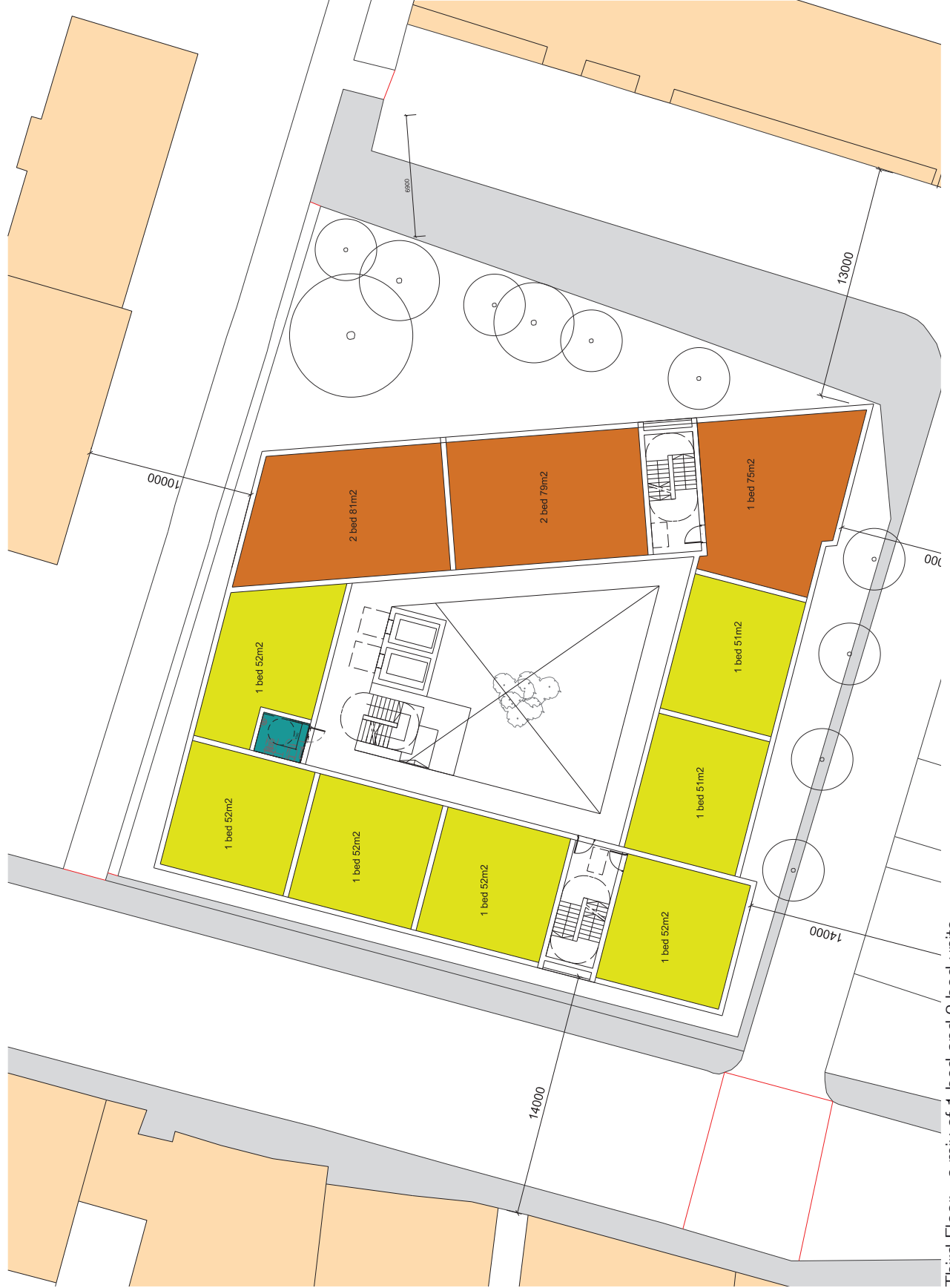
There will be views from the kitchen out into the circulation. There will be the opportunity to personalise the area immediately adjoining the front door. An integrated seat, light to make it easy to put the key in the lock, and a small window so residents can see who has arrived.

Outlook between the circulation and the internal life of the flats is important to encourage interaction and neighbourliness, as might be generated in a street of terraced houses.

The circulation loops around the central, top lit space so there is no end to it, for those suffering from dementia. The central space acts as a key point of orientation.

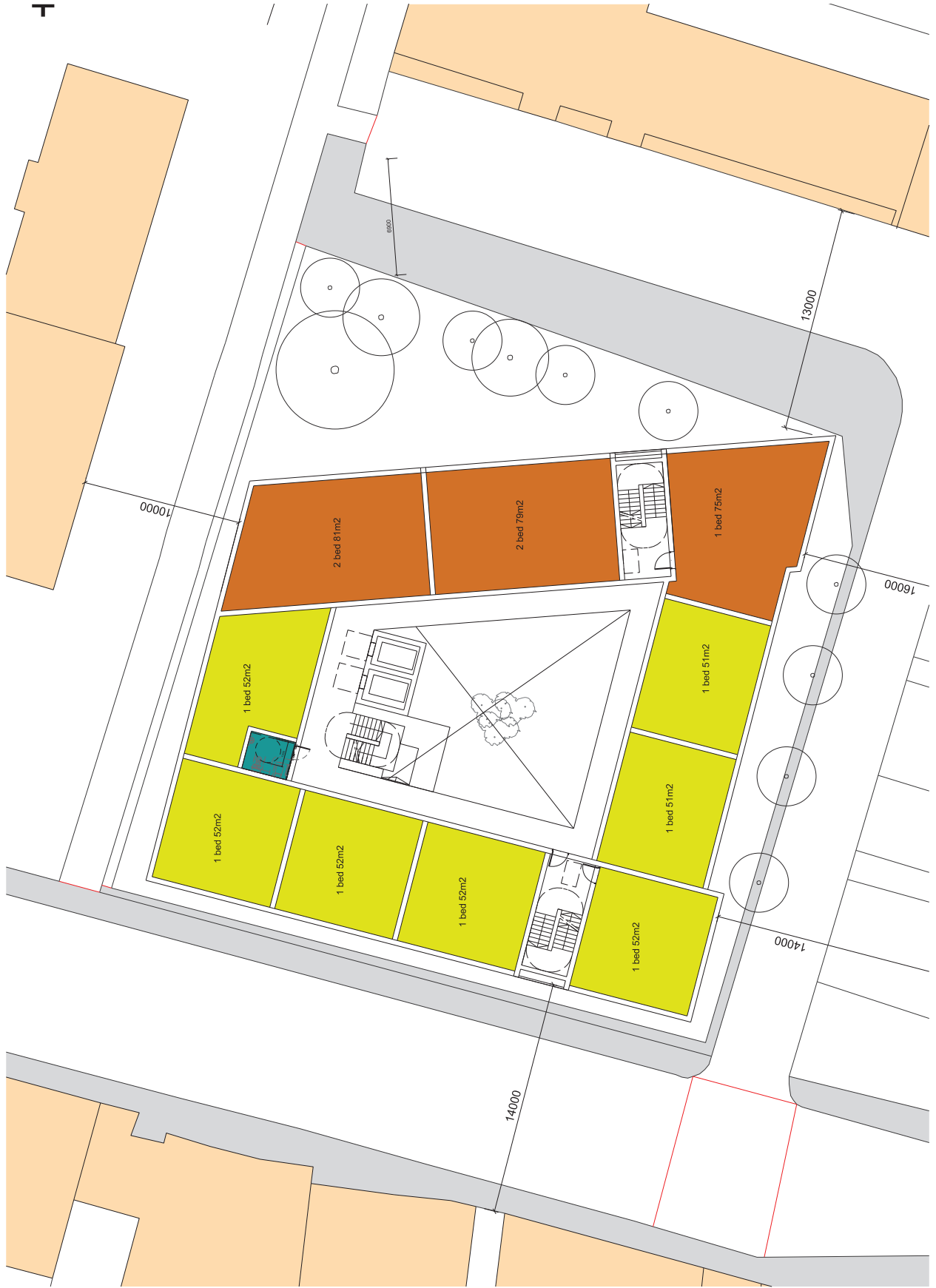
Second Floor Plan - loop of circulation

Brooke Mead | Extra Care Proposal
Third Floor on Albion Street

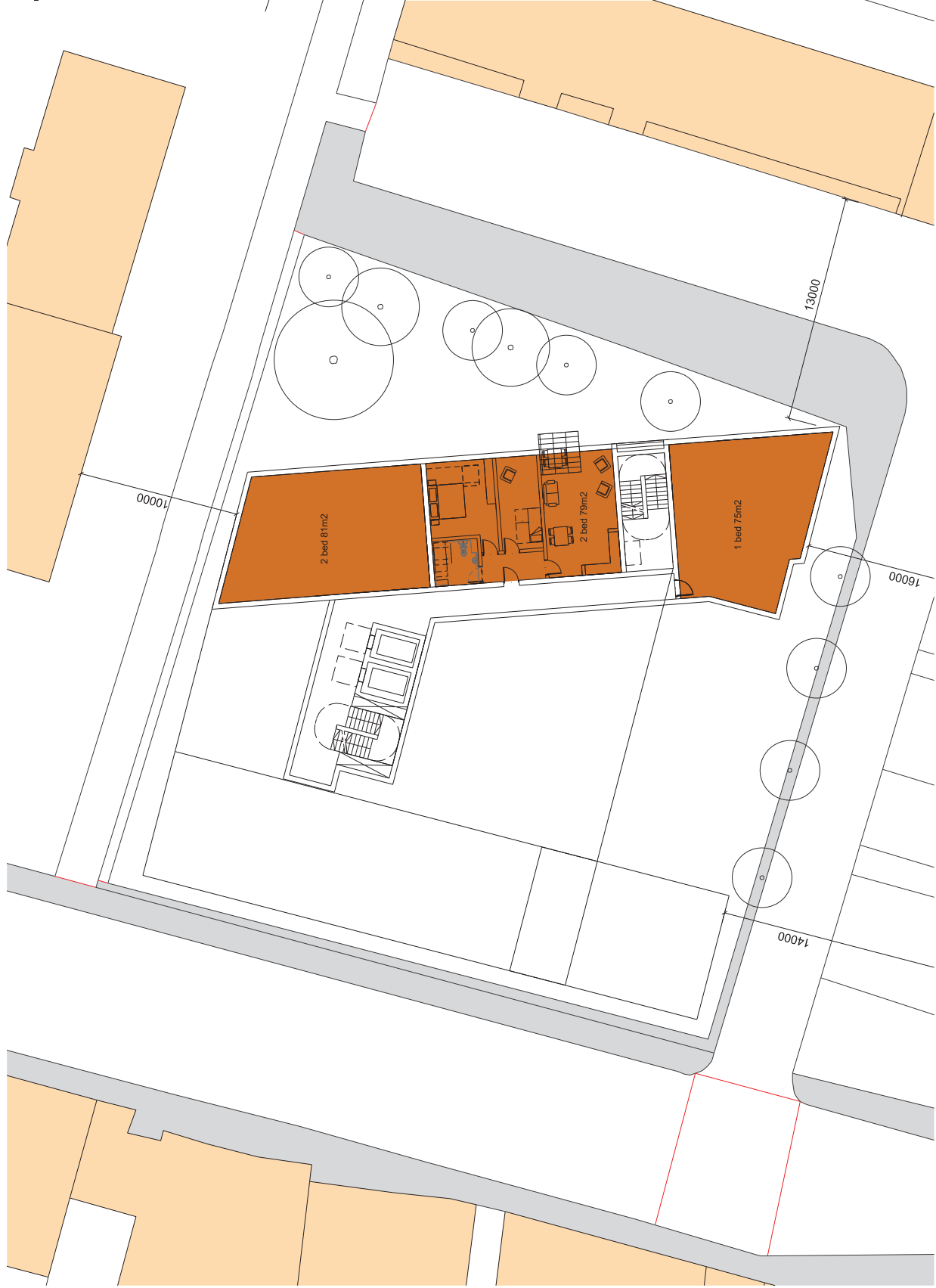


Third Floor - a mix of 1 bed and 2 bed units

Brooke Mead | Extra Care Proposal
Fourth Floor on Albion Street



Fourth Floor - 2 bed units



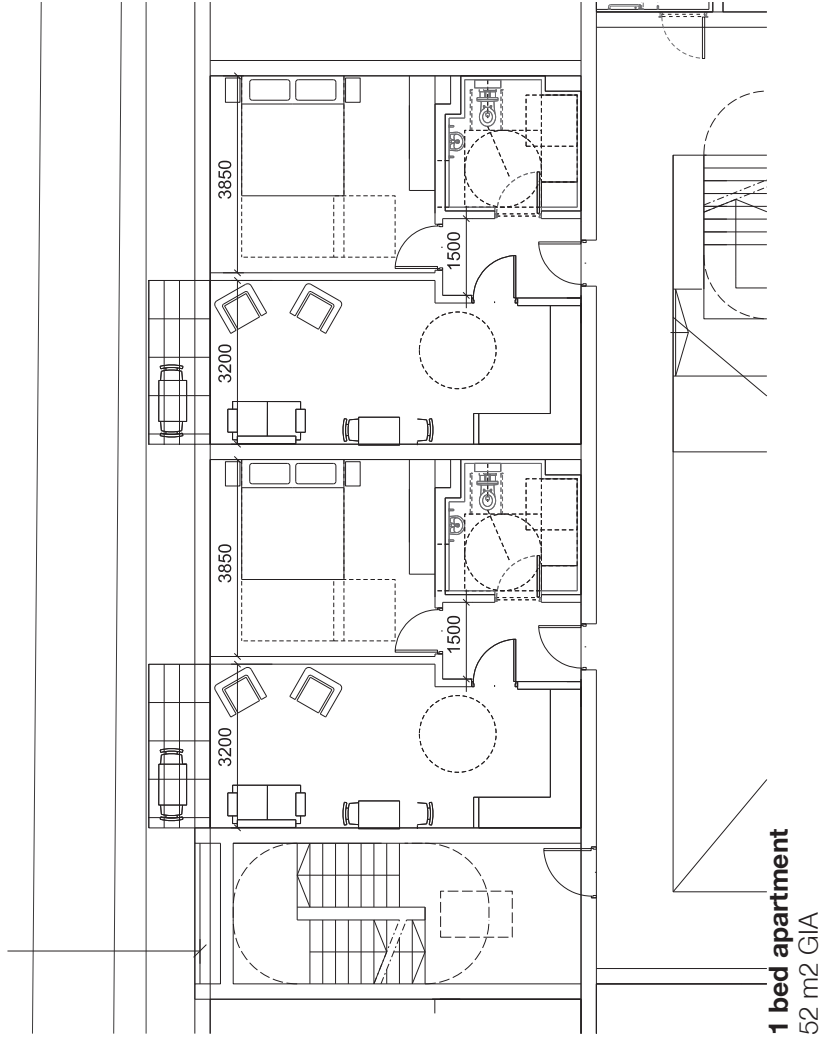
Higher level floor Plans

The 2 bedroom apartments are grouped together at higher level.

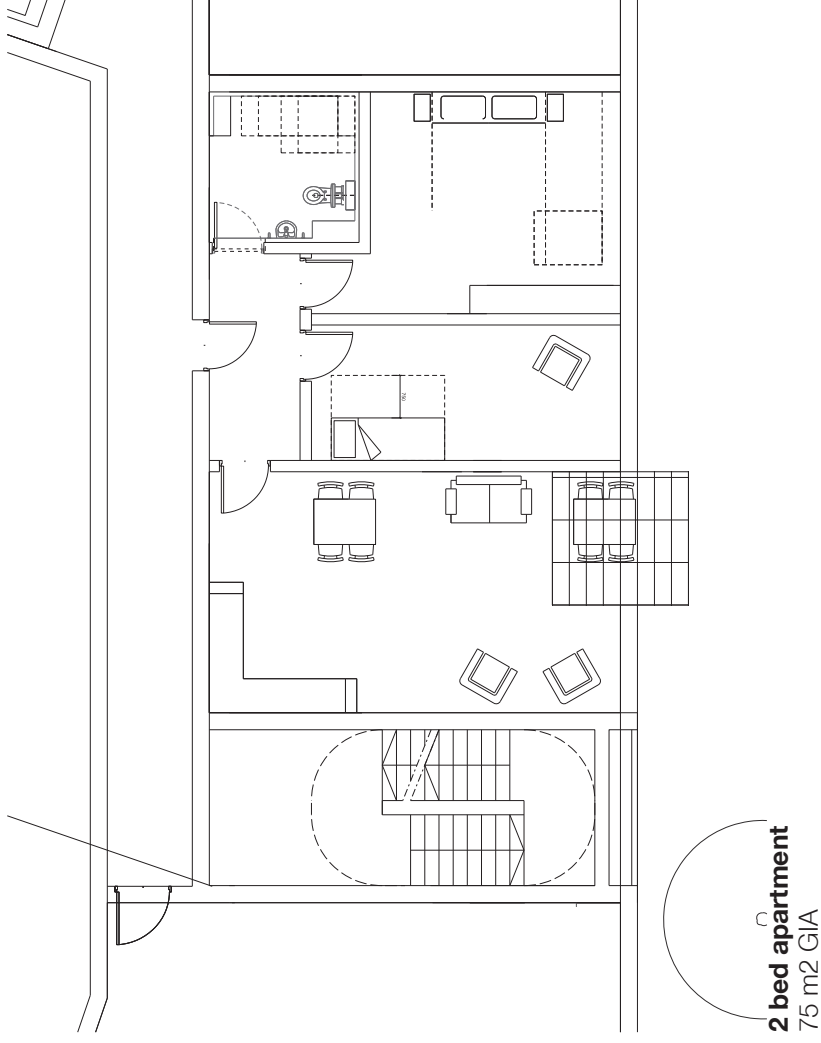
At the highest floor level they have easy access to the roof garden which could be protected, like a walled garden, and provide a further venue for shared activities such as a gardening club.

Fifth Floor - 2 bed units

Brooke Mead | Extra Care Proposal
1 bed and 2 bed apartments



1 bed apartment
 52 m² GIA



2 bed apartment
 75 m² GIA

Typical Flat Plan

Each apartment is designed for independent living. It has a separate kitchen / living area to the bedroom and a shower room designed to be fully accessible.

The living area is generous enough to have friends for a meal as well as being close to the television.

These are well lit rooms, with a terrace / balcony for each resident. Terraces could be used for flower pots or easily accessible window boxes.

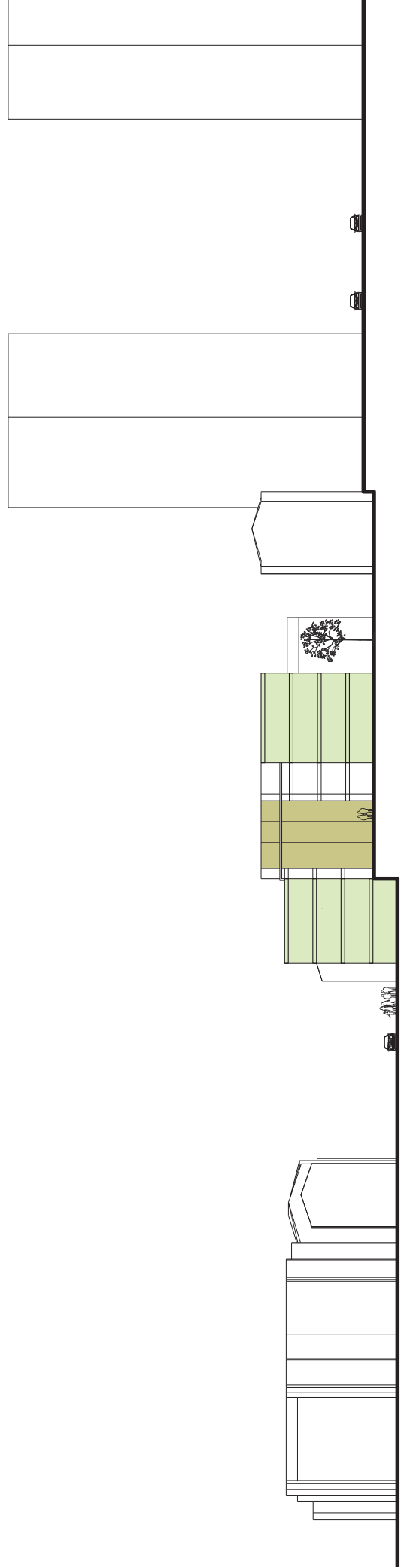
The shallow floor plan enables cross ventilated spaces into the shared courtyard space.



View along Albion Street from Richmond Parade

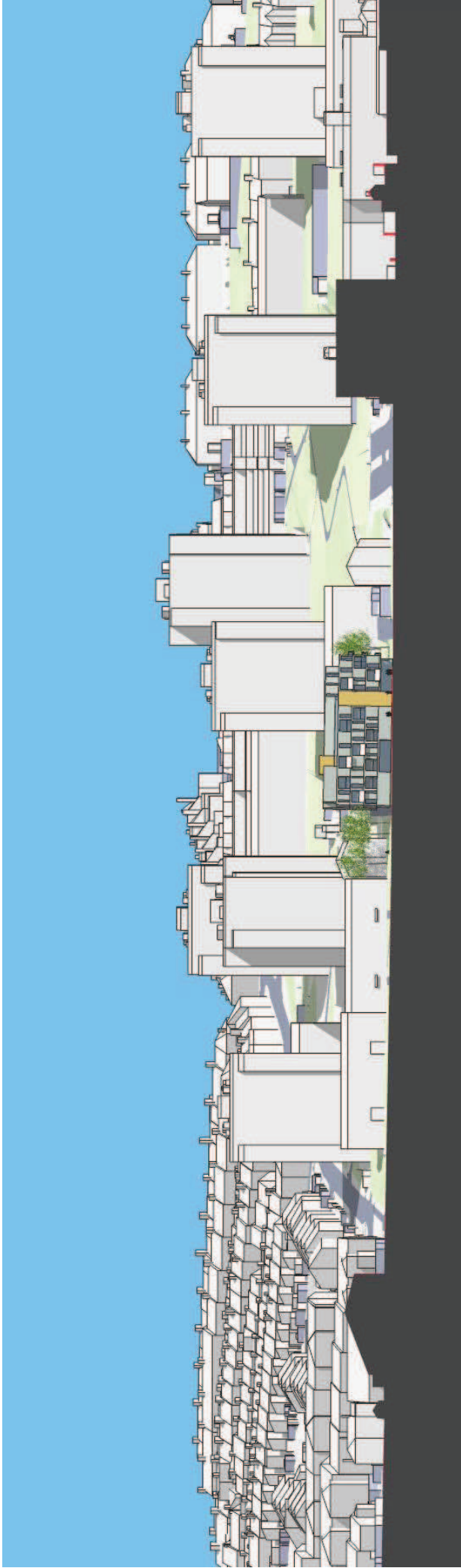


Looking South down Albion Street

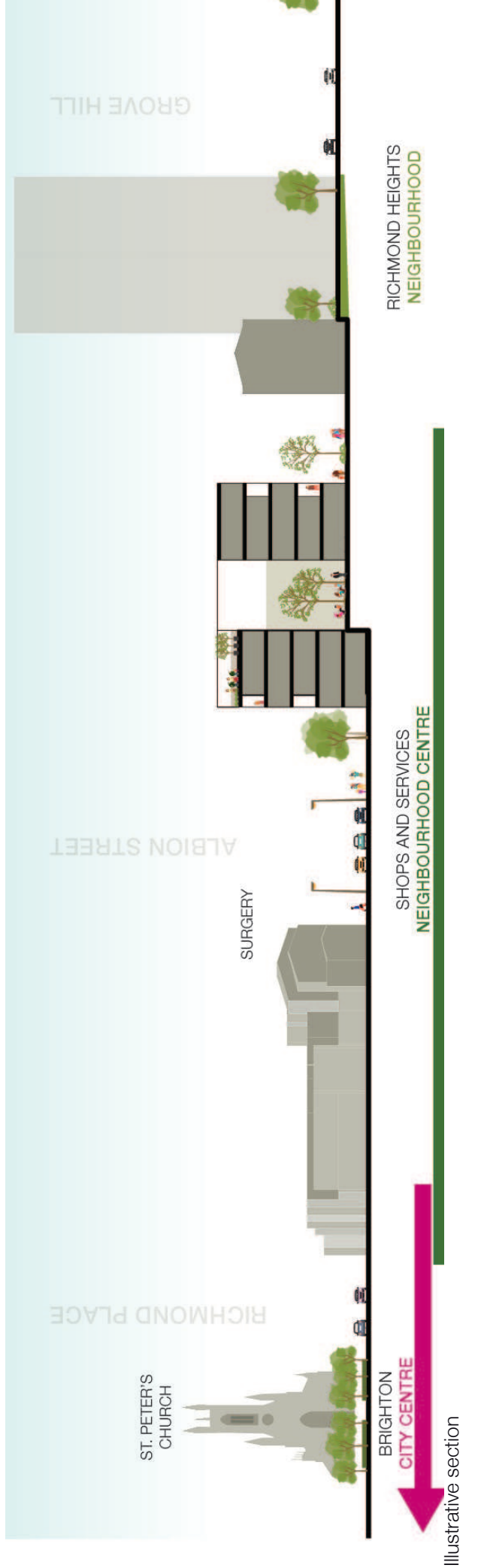


cross section

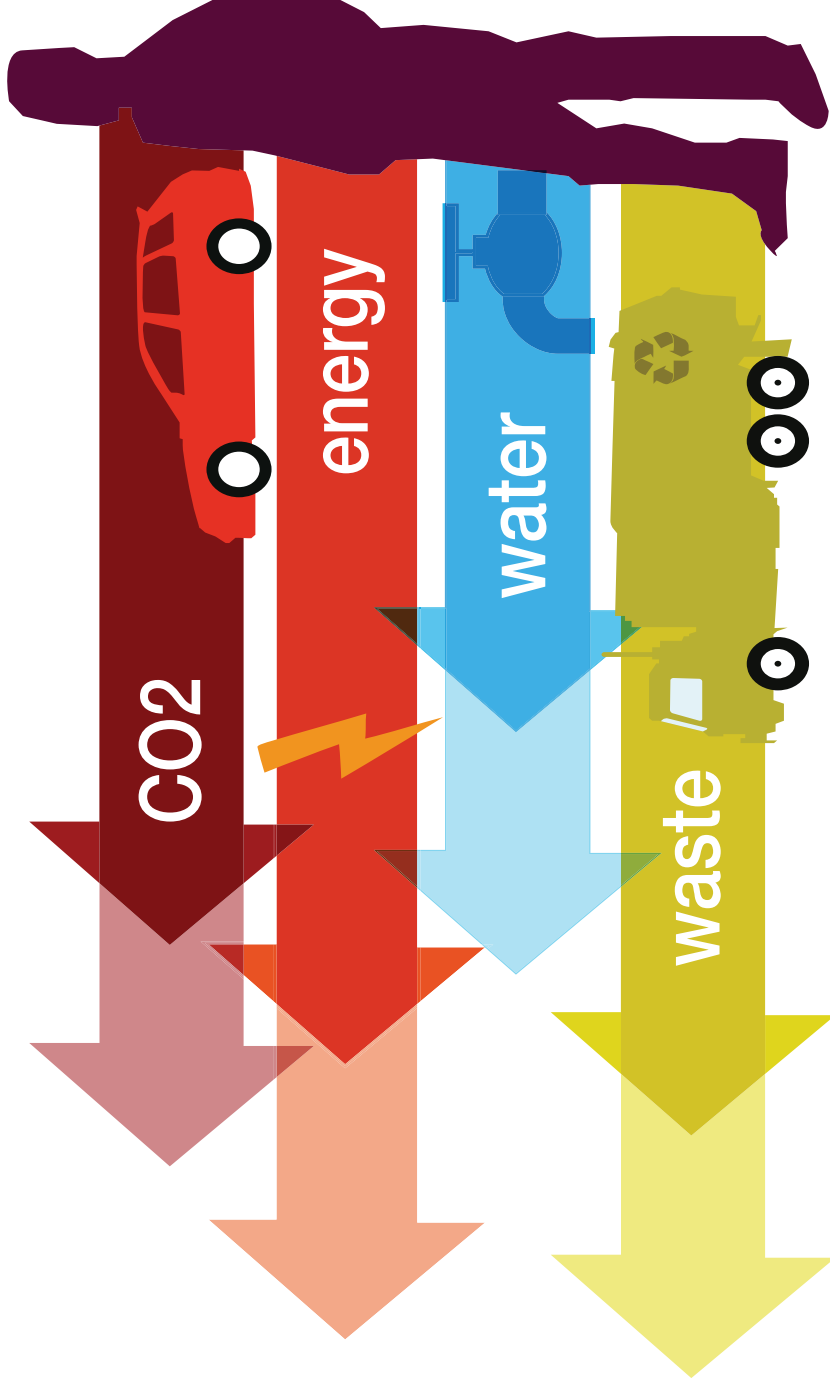
Brooke Mead | Extra Care Proposal
Albion Street



Albion Street - Elevation



Illustrative section



Sustainability – flexible and adaptable

The building design has been developed to be adaptable in the long term and flexible in the short term to respond to the evolving needs of the residents. The housing has been designed on a repeating module which fits with 1 and 2 bed apartments which means that in the long term bedroom, bathroom, kitchen and living spaces can be introduced into the structural grid during future re-fits.

The flats have been designed such that they can be adapted as the needs of the resident changes.

At ground floor the office space could easily be converted into residential use, or, with the higher floor to ceiling height could be a small retail outlet, joining the rank of public services on Albion Street and Richmond Parade.

The scheme achieves BREEAM level 3.

Brooke Mead | Extra Care Proposal HAPPI principles in the design

Brook Mead HAPPI Principles at feasibility stage

1. Number of habitable rooms relates back to the brief. The 1 bed and 2 bed units are designed on a structural bay so the type of units can be adjusted over the life of the building.
2. Apartments face look out of the building to enjoy good ventilation, sunlight, views but also have kitchen windows and front doors within the building to relate to circulation and the shared life of the community.
3. All corridors are 'single sided' with views out or into the building on one side and apartments on the other side. Many of the apartments have balconies. There is a terrace at roof level which could have furniture and plants.
4. 'Care ready' specification to be developed as design progresses beyond feasibility stage.
5. Floor plans allow for a loop of circulation, around a central double height communal space. Good views to the wider context. Paired entrances to flats could be developed to promote interdependence.
6. Central Multi-purpose space is at the heart of the scheme and can be used for communal activities and care. The Community can use this central space also.
7. The main entrance is off Albion Street, with drop off for visitors and residents. It has a clear view up into the shared communal space and to the circulation. The building re-instates the line of the street in this urban district of Brighton.
8. When the design progresses into Strategic and detailed design the design will achieve Code Level 4, it will be well insulated, with good U values, deep or shaded balconies. The central double-height space allows cross vent through the depth of the plan.



9. Storage will be included outside the flats for mobility scooters, and cycles with minimal parking. There is also fitted storage within the typical apartment plans.
10. The building engages with an existing street pattern.

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Broke Mead

ALBION STREET

RICHMOND PARADE

ST GEORGE'S PLACE

Subject:	Tenancy Strategy 2013		
Date of Meeting:	6 March 2013		
Report of:	Strategic Director of Place: Geoff Raw		
Contact Officer:	Name:	Andy Staniford	Tel: 29-3159
	Email:	andy.staniford@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Localism Act 2011 makes it a statutory duty for each local authority to produce and publish a strategic Tenancy Strategy that will guide providers of social housing in development of their Tenancy Policies.
- 1.2 Our Strategy covers two key policy areas:
 - Policy 1: Tenure – our expectations on the types of tenancies that social housing providers should be granting and how they should be managed
 - Policy 2: Affordable Rent – how we expect rents to be kept affordable by those developing new social housing
- 1.3 This report presents the Brighton & Hove Tenancy Strategy 2013 (Appendix 1) for approval.

2. RECOMMENDATIONS:

- 2.1 That Housing Committee approves the Tenancy Strategy 2013 (Appendix 1).
- 2.2 That Housing Committee delegates authority to the Directors and Heads of Service to take all steps necessary or incidental to the implementation and delivery of the Tenancy Strategy 2013.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Localism Act 2011 requires Councils to develop a Tenancy Strategy setting out a framework for providers of social housing (housing associations and councils) informing them of what local authority's expects them to give "regard to" when developing their own tenancy policies in the following areas:
 - The type of tenancies they will grant (fixed term or lifetime)
 - The circumstances under which they may grant one type of tenancy and not the other

- The length of fixed term tenancies and when they may either be extended or terminated
- 3.2 The Brighton & Hove Tenancy Strategy also considers Affordable Rents. To help fund the development of new affordable housing using less grant than previously the Government has introduced Affordable Rents where those homes developed with Government funding (and some existing homes when vacant) are let at a rent up to 80% of market rent. The extra rent enables the housing provider to borrow more money to pay for building the home. The Government has advised that Providers have flexibility on the type of tenancy to be offered for Affordable Rent, which includes the option to offer lifetime tenancies.
- 3.3 **Policy 1: Tenure** – our expectations on the types of tenancies that social housing providers should be granting and how they should be managed:
- 3.3.1 Under the Localism Act 2011, Local Authorities and Registered Providers now have the freedom to decide whether to give fixed (registered provider) or flexible (local authority) term tenancies or continue to give lifetime tenancies to new tenants. Fixed or flexible tenancies must be for a period of at least five years (or two years in exceptional circumstances).
- 3.3.2 Since the Council's housing stock is often concentrated in deprived areas we have a need to promote stable communities where residents can develop a stake in their neighbourhood to help these places thrive. In view of this we believe that as a general rule flexible tenancies are not appropriate for the council's housing stock at this time and we believe we should continue to use lifetime tenancies.
- 3.3.3 As registered provider housing stock is more diverse and integrated within existing and more often less deprived communities we believe registered providers are best placed to decide whether fixed or lifetime tenancies are more appropriate for their housing stock in any particular area.
- 3.3.4 Through the policies of this strategy we have introduced a set of principles and safeguards to ensure that decisions on the types of tenancies granted are fair, transparent, communicated effectively and reflect the needs of the particular household.
- 3.3.5 It is important to state that there would be no change for existing tenants who will continue to enjoy lifetime tenancies.
- 3.4 **Policy 2: Affordable Rent** – how we expect rents to be kept affordable by those developing new social housing:
- 3.4.1 To help fund the development of new affordable housing using less grant than previously, the Government has introduced Affordable Rents where those homes developed with Government funding (and some existing homes when vacant) are let at a rent up to 80% of market rent. The extra rent enables the housing provider to borrow more money to pay for building the home which covers the shortfall from the reduced grant.

- 3.4.2 The decision on Affordable Rent tenancies is a matter between the developing landlord and the Homes & Communities Agency however we want to be involved in these discussions to make sure that these rents remain truly affordable.
- 3.4.3 Our modelling suggests that for homes with more than 1 bedroom, 80% of market rent would be above the Housing Benefit allowance. We expect Affordable Rents in the city to be capped at the Local Housing Allowance limit to keep them affordable.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 Legally the strategy must be produced in consultation with registered providers (housing associations) however as the strategy has a direct impact on those applying for social housing we also promote the consultation through the Homemove website to those on the Housing Register.
- 4.2 The responses highlighted a division of opinions between the Professionals and Residents. Providers generally supported the policies but Residents did not support Tenure Reform (and want to see lifetime tenancies used across all social housing) but were more in agreement with our proposed Affordable Rent policies.
- 4.3 Chapter 7 of the Strategy summarises the main findings of the consultation and what has been changed as a result of the feedback we received.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 This strategy sets out the key policy framework for providers of social housing in the city for Tenure and Affordable Rent. There are no financial implications for the Housing Revenue Account from continuing with lifetime tenancies. The introduction of affordable rents for future new build developments would reduce the level of subsidy required to fund schemes. The financial implications of any affordable rents that the council introduces in order to make future new build developments viable will be reported to Housing Committee and Policy & Resources Committee as schemes are developed.

Finance Officer Consulted: Sue Chapman

Date: 21/02/13

Legal Implications:

- 5.2 Section 150 of the Localism Act 2011 imposes a duty on the City Council as a local housing authority, to prepare and publish by 15 January 2013 a tenancy strategy setting out the matters to which the registered providers in its area are to have regard in formulating policies relating to—
- (a) the kinds of tenancies they grant,
 - (b) the circumstances in which they will grant a tenancy of a particular kind,
 - (c) where they grant tenancies for a term certain, the lengths of the terms, and
 - (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

The draft strategy addresses the relevant issues. The council must also have regard to the tenancy strategy in exercising its housing management functions. The strategy is required to be kept under review.

Lawyer Consulted:

Liz Woodley

Date: 12/02/13

Equalities Implications:

- 5.3 The policies in our Tenancy Strategy have the potential to impact on all households in the city as anyone could find themselves in a crisis, such as through redundancy or illness that causes them to lose their home and require housing assistance through no fault of their own.
- 5.4 Our equality impact assessment has highlighted that the policies will have different impacts on different groups and where appropriate we have developed mitigation measures within those policies to ensure they provide an appropriate level of support.
- 5.5 **Policy 1: Tenure** - We believe that flexible/fixed term tenancies are not appropriate for certain groups such as those moving from institutional setting or treatment where lack of a lifetime tenancy could either prevent the move or cause a relapse. We also recognise that using fixed/flexible tenancies to allow homes to be freed up when no longer fully required, such as family sized homes or adapted/wheelchair housing places the existing household at a disadvantage compared to having a lifetime tenancy. However where a household is required to move an assessment will ensure that those with ongoing needs are able to stay in social housing, although in a different home.
- 5.6 **Policy 2: Affordable Rents** - Those choosing an affordable rent home will be doing so in the knowledge that the rents are higher than traditional social housing. As a safeguard against changes in life circumstances, we expect rents to not exceed the Local Housing Allowance rate to ensure that they remain affordable to those on benefits.
- 5.7 Monitoring of the impact of these policies will help us establish whether certain household types are being excluded or disadvantaged which could trigger a review of this strategy.

Sustainability Implications:

- 5.4 None directly arising from the report however, Policy 1: Tenure seeks to make best use of the social housing stock and Policy 2: Affordable Rents will support those seeking employment.

Crime & Disorder Implications:

- 5.5 None directly relating to this report however secure affordable housing is key to supporting households which in turn would result in reduced anti-social behaviour and crime.

Risk and Opportunity Management Implications:

- 5.6 A poorly thought out Tenancy Strategy risks undermining housing options for local people, the credit worthiness of Registered Providers and the viability of new affordable housing development. This strategy effectively mitigates these risks. In addition, as the policies within the Tenancy Strategy are consistent with

the Homes & Communities Affordable Housing Programme Framework 2011-2015 so can be used to help support funding bids for the provision of new affordable housing.

Public Health Implications:

5.7 None directly relating to this report however secure affordable housing is key to supporting households to maintain a healthy life and sustain their independence.

Corporate / Citywide Implications:

5.8 With high housing costs, low incomes and increasing homelessness pressures, the provision of well managed affordable housing is critical to help meet the needs of the city's residents to provide a stable home environment that promotes independence. The proposed policies support measures to increase in the supply of affordable housing and help us make best use of the housing stock.

5.9 Specific policy clauses have been included to ensure the vulnerable are supported by expecting lifetime tenancies to be granted to those with a Learning Disability who are moving to independence, those who have undergone treatment for a mental health condition where otherwise there would be a risk of a relapse and the elderly to reduce reliance on more institutional types of housing and support.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 Policy 1: Tenure

Discounted Options	Comment	Our Approach
Recommend lifetime tenancies across both council and Registered Provider sectors	Registered Providers only have to have 'regard' to the Tenancy Strategy so we can not insist that lifetime tenancies are used. Some providers are already using fixed term tenancies. In addition, there are instances where a fixed/flexible term tenancy may be useful to make best use of the housing stock or support a household through a short term crisis.	This option is unenforceable. We recognise that Registered Providers have the ultimate decision about their stock however we have introduced a set of policy clauses within the Tenancy Strategy that seek to ensure tenancy decisions are fair, transparent and more focussed on the needs of the household.
Recommend fixed/flexible tenancies across both council and Registered Provider sectors	Earlier work with tenants during the development of the Localism Act highlighted that Council tenants wanted to keep	As we have control over the Council's housing stock and tenancies issued we are keeping lifetime tenancies in

	lifetime tenancies. In addition, the residents that responded to the consultation also wanted to see lifetime tenancies maintained.	council housing in accordance with residents' wishes.
--	--	---

6.2 Policy 2: Affordable Rents

Discounted Options	Comment	Our approach
Object to Affordable Rent tenancies in Brighton & Hove	Affordable Rent tenancies are currently one of the primary conditions of funding for new affordable housing.	This option was discounted as it would severely reduce the amount of new affordable housing being built over the next few years. Instead, we have chosen to focus on making these homes truly affordable.
Not seek to cap Affordable Rents at the Local Housing Allowance limit	We have modelled that: <ul style="list-style-type: none"> • a 2-bed home at 80% market rent would require an income of more than £41,000 to be affordable • a 3-bed home at 80% market rent would require an income of more than £53,000 to be affordable to be affordable <p>2/3 of all households in the city have an income below £40,000.</p>	Without the cap, new social housing would be unaffordable to the majority of the city's households.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The Localism Act 2011 makes it a statutory duty for each local authority to produce and publish a strategic Tenancy Strategy that will guide providers of social housing in development of their Tenancy Policies.

SUPPORTING DOCUMENTATION

Appendices:

1. Tenancy Strategy 2013
2. Frequently Asked Questions: Tenancy Strategy

Documents in Members' Rooms:

None

Background Documents:

None

Brighton & Hove Tenancy Strategy 2013

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Acknowledgements

We would like to thank all those who took the time to share their views, opinions and stories with us. These conversations have helped shape our own understanding of the needs of local residents and ultimately set the direction and priorities of our strategy

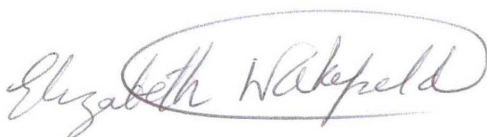
Foreword by Councillor Liz Wakefield Chair of Housing Committee

I would like to welcome you to the city's first Tenancy Strategy. The Strategy is important as it determines the types of tenancies that will be offered to those who may find themselves in need of social housing in the future.

There has been national debate on housing and in particular whether social housing tenancies should continue to be for life providing security and stability or for a fixed term which may help a household overcome a shorter term crisis. As part of this debate, the Localism Act 2011 introduced a requirement for local authorities to produce a Tenancy Strategy setting out the matters that social housing providers must take into account when they grant new social tenancies.

We have also taken the opportunity through this Tenancy Strategy to outline our position on the use of new Affordable Rent tenancies introduced by the Government. We believe that these rents are too high for the majority of residents and the Strategy outlines our desire to cap these rents to make sure that they remain truly affordable to local people whilst at the same time ensuring that new housing development remains viable.

Ultimately we recognise that the popularity of the city and the shortage of land for new development means that the supply of affordable housing in the city will never meet the high level of demand. It is important that the Council and our Registered Provider partners make best use of our scarce resources so we can effectively support those most in need and also lend a helping hand to others who find themselves in a crisis.



Councillor Liz Wakefield
Chair of Housing Committee

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Executive Summary

The Localism Act 2011 requires Councils to develop a Tenancy Strategy setting out a framework for providers of social housing (housing associations and councils) informing them of what the local authority expects them to have “regard to” when developing their own tenancy policies.

Our Strategy covers two key policy areas:

- **Policy 1: Tenure** – our expectations on the types of tenancies that social housing providers should be granting and how they should be managed
- **Policy 2: Affordable Rent** – how we expect rents to be kept affordable by those developing new social housing

It is important to state that there would be no change for existing tenants who will continue to enjoy lifetime tenancies.

Legally we were only required to consult Registered Providers. However, as those on the housing waiting list will be the first to be affected by this strategy, we expanded our consultation to include those on the Housing Register via the Homemove website.

This Tenancy Strategy will help us make best use of the city’s social housing stock at a time where low incomes and high housing costs are making life a challenge for many of the city’s residents.

- *Summary of Policy 1: Tenure*

Under the Localism Act 2011, Local Authorities and Registered Providers now have the freedom to decide whether to give fixed (registered provider) or flexible (local authority) term tenancies or continue to give lifetime tenancies to new tenants. Fixed or flexible tenancies must be for a period of at least five years (or two years in exceptional circumstances).

Since the Council's housing stock is often concentrated in deprived areas we have a need to promote stable communities where residents can develop a stake in their neighbourhood to help these places thrive. In view of this we believe that as a general rule flexible tenancies are not appropriate for the council's housing stock at this time and we believe we should continue to use lifetime tenancies.

As registered provider housing stock is more diverse and integrated within existing and more often less deprived communities we believe registered providers are best placed to decide whether fixed or lifetime tenancies are more appropriate for their housing stock in any particular area.

Through the policies of this strategy we have introduced a set of principles and safeguards to ensure that decisions on the types of tenancies granted are fair, transparent, communicated effectively and reflect the needs of the particular household.

- *Summary of Policy 2: Affordable Rent*

To help fund the development of new affordable housing using less grant than previously, the Government has introduced Affordable Rents where those homes developed with Government funding (and some existing homes when vacant) are let at a rent up to 80% of market rent. The extra rent enables the housing provider to borrow more money to pay for building the home.

The decision on Affordable Rent tenancies is a matter between the developing landlord and the Homes & Communities Agency however we want to be involved in these discussions to make sure that these rents remain truly affordable.

Our modelling suggests that for homes with more than 1 bedroom, 80% of market rent would be above the Housing Benefit allowance. We would like to see these Affordable Rents in the city capped at the Local Housing Allowance limit to keep them affordable.

1. Introduction

1.1 The Localism Act 2011

The Localism Act 2011 has shifted the balance of power and decision making away from central government to neighbourhoods, communities, local institutions and councils to help it better reflect the needs and wishes of local communities.

Four “freedoms” are being introduced through the Act to the way social housing is managed and the way Local Authorities can discharge their homelessness duties through the private sector, all of which will lead to major changes in social housing tenure in the country:

1. Giving local authorities greater freedom to set priorities and criteria for social housing waiting lists
2. Reforming tenure on social housing so that a tenancy is based on need so may not be for life
3. The flexibility for local authorities to meet their homelessness duty by offering private rented accommodation to homeless people
4. Reform of housing finance to enable new social housing

The Localism Act makes it a statutory duty for each local authority to produce and publish a strategic Tenancy Strategy that will guide providers of social housing in development of their Tenancy Policies.

1.2 What is a Tenancy Strategy?

A Tenancy Strategy must set out a framework for providers of social housing (housing associations and councils) informing them of what local authority’s expects them to give “regard to” when developing their respective tenancy policies in the following areas:

- The type of tenancies they will grant (fixed term or lifetime)
- The circumstances under which they may grant one type of tenancy and not the other

- The length of fixed term tenancies and when they may either be extended or terminated

Affordable Rents

The Brighton & Hove Tenancy Strategy also considers Affordable Rents. To help fund the development of new affordable housing using less public subsidy than previously the Government has introduced Affordable Rents where those homes developed with Government funding (and some existing homes when vacant) are let at a rent up to 80% of market rent. The extra rent enables the housing provider to borrow more money to pay for building the home in place of the higher grant. The Homes Communities Agency has advised that Providers have flexibility on the type of tenancy to be offered for Affordable Rent, which includes the option to offer lifetime tenancies.

Consultation

Legally the strategy must be produced in consultation with registered providers (housing associations) however as the strategy has a direct impact on those applying for social housing we have also promoted the consultation through the Homemove website to those on the Housing Register.

The council must also ensure that their strategies are consistent with local housing allocation policies and homelessness strategies.

1.4 Role of Registered Providers

Registered Providers are now required to publish Tenancy Policies that detail the types of tenancies they offer and how they will be managed.

In developing tenancy policies, registered providers should have regard to the local authorities Tenancy Strategy and work with local authority partners, applicants, tenants and other relevant partners to develop a policy that reflects local needs, stock profile and the strategic expectations of the partner local authorities.

2. Housing Stock

2.1 Population

Brighton & Hove has a diverse population with 273,369¹ residents. Population growth has focussed on those under 60. There are now comparatively large numbers of young people aged 20 to 39 years with relatively fewer young children and older people living in the city.

Growth since 1991 has comprised entirely of single person households. Projections between 2008 and 2033 suggesting that there will be an additional 22,840 households in the city (914 per annum) with 83% of this being new single person households. In addition, 11% of household growth will be in those aged 85+.

2.2 Housing Stock in Brighton & Hove

The Census 2011 identified 124,417 homes in the city, 121,540 of which were occupied:

Brighton & Hove Housing Stock			
Tenure	Homes	Houses	Flats
Owner occupied	65,835 (54%)	70%	30%
Private rented	34,081 (28%)	21%	79%
Social housing	18,187 (15%)	37%	63%
Other	3,437 (3%)	x	x

Source: BHCC Private Sector Stock Survey 2008 & Census 2011

We have a much smaller owner occupied sector but much larger private rented sector compared to the England average. We have slightly more local authority housing than the England average but we have a smaller registered provider sector. Overall we have a smaller proportion of social housing than the England average.

¹ Census 2011

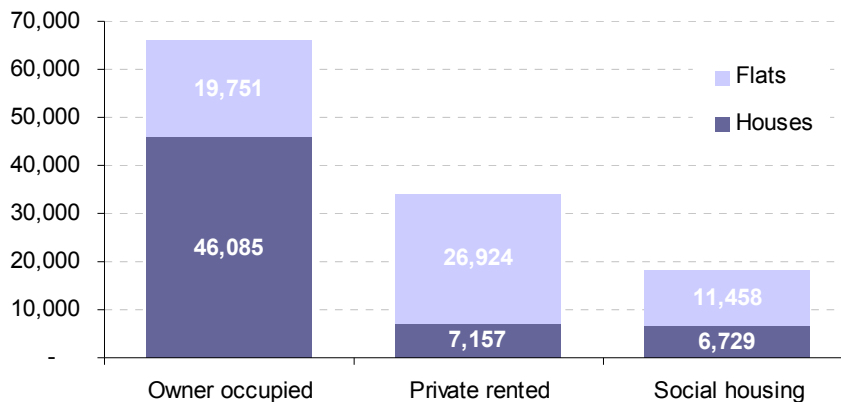
Within the social housing sector the homes are a combination of general needs housing and homes suitable for those with a support need^{2,3,4}:

- 16,112 general needs housing
- 1,816 older peoples housing
- 1,081 supported housing

As homelessness in the city amongst those with physical disabilities and mental health needs is higher than the national average we must take particular care to make best use of the housing suitable for those with specific needs.

The owner occupied sector has just over half the city's homes (54%) but has 87% of the city's houses with private renting and social housing being predominantly flats.

Brighton & Hove Housing Stock



Source: BHCC Private Sector Stock Survey 2008 & Census 2011

Those who rent and are in need of family sized housing can face difficulty in accessing a suitable home. As a result this increases homelessness pressures and places additional demands on the small supply of family sized social housing. These challenges again mean that we have to ensure that family sized social housing is prioritised for those most in need.

² Regulatory & Statistical Return (RSR) 2011

³ HIP (HSSA) 2011

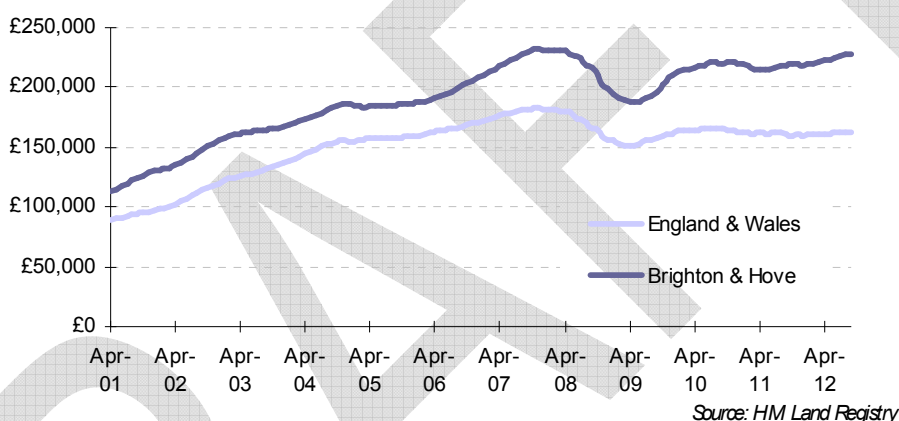
⁴ Brighton & Hove City Council Website

3. Housing Costs

3.1 Owner occupation

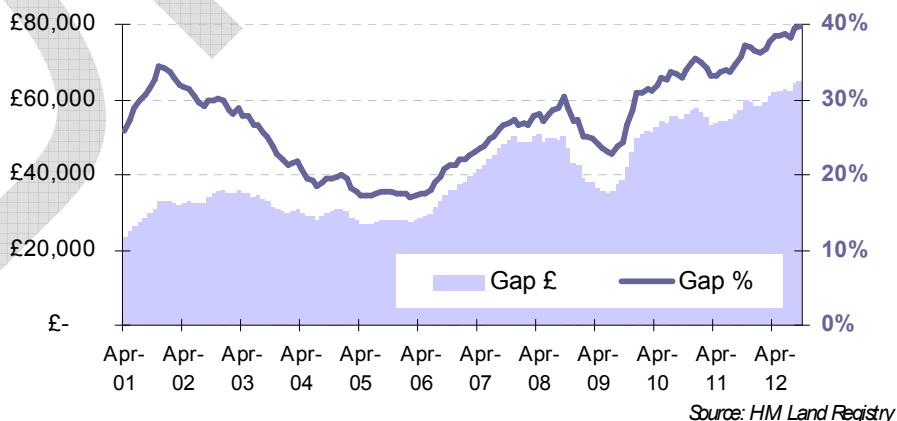
The cost of buying a home in the city is out of the reach of many with the average cost recorded in September 2012 as £227,267 compared to a national average of £162,561. Local prices are now only 2% below the high seen in November 2007.

Average Property Prices
(to end September 2012)



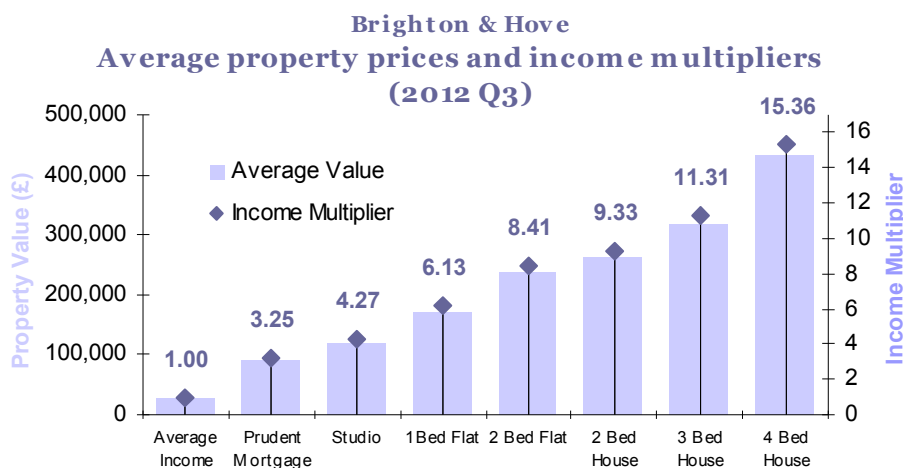
Local prices are consistently moving further away from the national average and are now 40% (£64,706) higher compared to February 2006 when they were only 17% (£27,282) higher.⁵

Average Property Price Gap
(Brighton & Hove above England & Wales)



⁵ Land Registry data (to September 2012)

An analysis of properties by size advertised for sale on the Rightmove website supports the findings from the Land Registry with even the average cost of a studio flat being more than 4 times the average household income.



Brighton & Hove Median Household Income: £28,240 (BHCC Affordable Housing Needs Report 2012)

3.2 Private Rented Sector

Although there is a large private rented sector market in the city many of the homes are not affordable to households on average incomes without some form of subsidy. The Brighton & Hove City Council Assessment of Affordable Housing Need Report 2012 showed that half of households in the city earn less than £28,240 per annum.

Private Sector Rent Levels and Mortgage Comparison					
Property	2012 Q3		Rent Compared to Mortgage *		
	Average rent per month	Equivalent Mortgage	Annual income required	Rent as a % of purchase cost	
Studio	£ 578	£ 98,902	£ 30,431	82.0%	
1 Bed Flat	£ 784	£134,063	£ 41,250	77.5%	
2 Bed Flat	£ 1,187	£203,044	£ 62,475	85.5%	
2 Bed House	£ 1,156	£197,750	£ 60,846	75.0%	
3 Bed House	£ 1,491	£254,989	£ 78,458	79.8%	

* Assuming a mortgage at 3.25 times income over 25 years with 5% interest

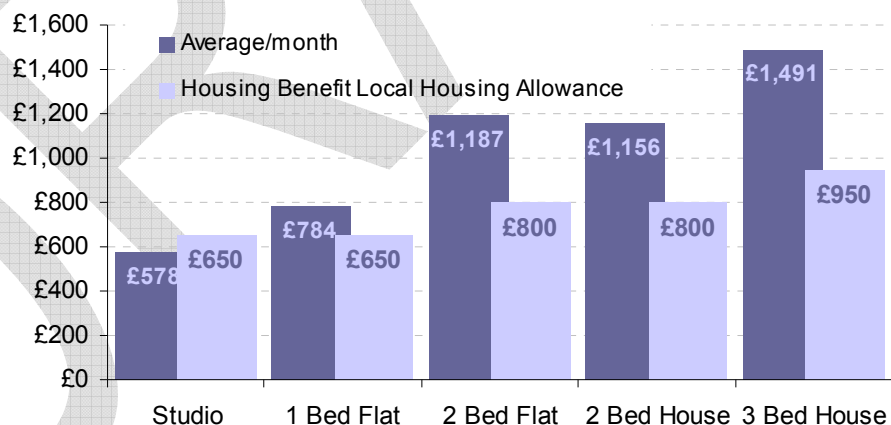
The rent on a 1 bedroom flat is equivalent to the repayments on a mortgage of around £134,000 requiring an income of £41,000 to be affordable and the rent on a 3 bedroom house is equivalent to the repayments on a £255,000 mortgage requiring an income of £78,500 to be affordable.

Local Housing Allowance (Housing Benefit)

Many households in receipt of housing benefit find it difficult to find an affordable property to rent as in many cases the cost of renting is more than the local housing allowance limit. Some landlords are reluctant to rent to households in receipt of housing benefit which can reduce people’s choice even more.

When looking at the average rent level of properties in the third quarter of 2012 the Local Housing Allowance was less than the rent for all property types except studio flats which receive the 1 bedroom rate.

**Brighton & Hove
Monthly Average Private Sector Rents
& Local Housing Allowance Limits (2012 Q3)**



The shortfall between the housing benefit rate and rent makes it particularly difficult for those with children. In September 2012 our monitoring of the Rightmove website showed that in Brighton & Hove there was 18 family homes available to rent within housing benefit limits but only 1 of these was a 3-bed home (8x 2-bed, 1x 3-bed, 9x 4-bed).

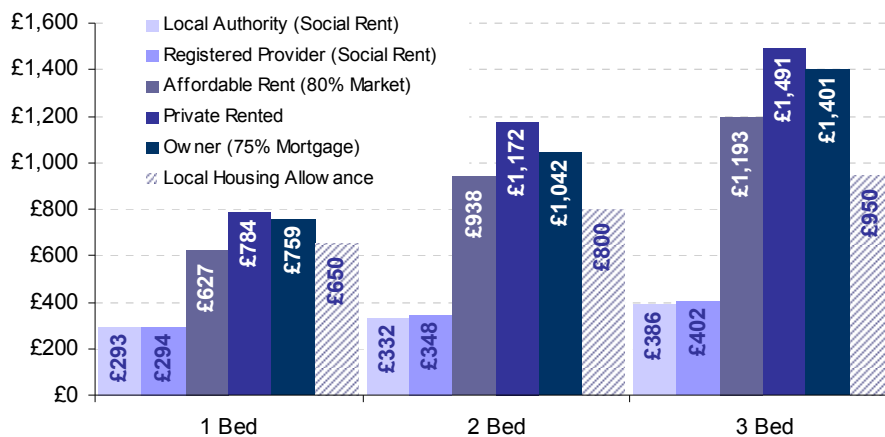
To obtain an affordable home families with children on benefits may need to consider leaving the city to less expensive areas such as the coast in the Worthing / Lancing and Peacehaven / Newhaven areas where more properties are available to rent within benefit limits.

3.3 Comparison with social housing rents

The Council's Assessment of Affordable Housing Need Report 2012 identified that the minimum household income required to afford market housing is £42,000 per annum against an average (median) household income of £28,240 per annum.

Almost 87,945 households (72%) can not afford market housing without spending a disproportionate level of their income on housing costs or some form of subsidy suggesting that social housing is the only affordable housing option in the city for the vast majority of residents.

Brighton & Hove (2012 Q3 Jul-Sept)
Average Monthly Housing Cost Comparison



Notes: The average rent for Registered Providers is based on 2011 figures and for the Local Authority is based on 2012/13 figures. Average cost to buy based on a 25% deposit, 25 year mortgage at 5% interest

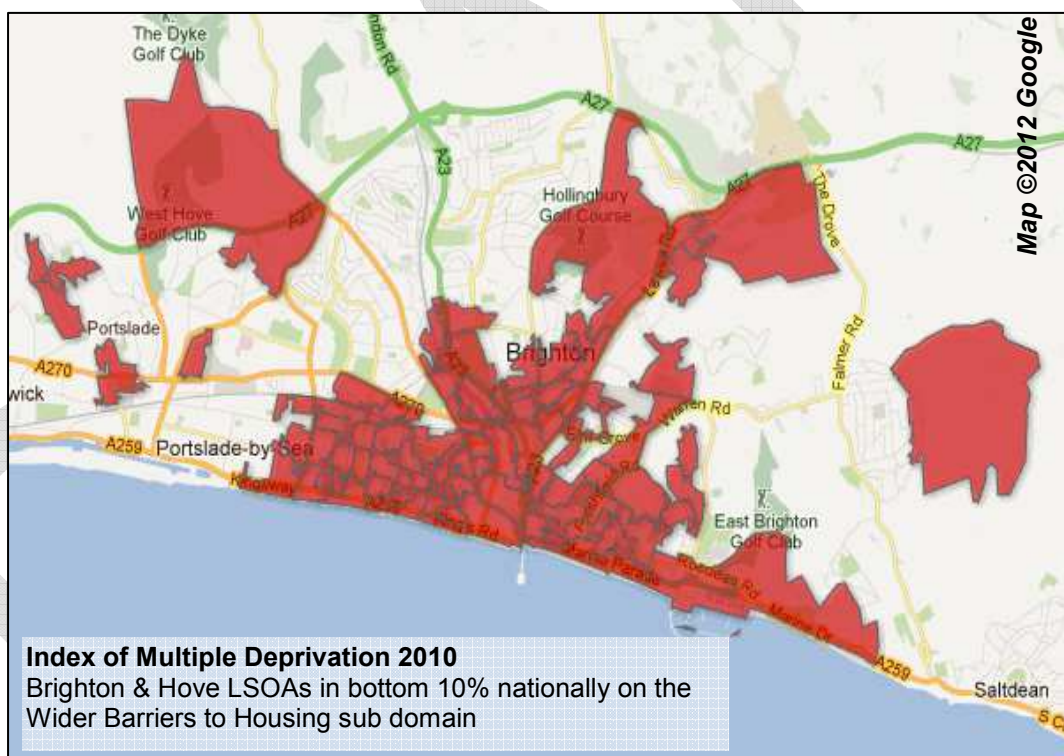
The city's high housing costs are causing more and more households to approach the council in housing need. With a relatively small social housing stock it is essential that we make best use of it.

4. Affordable Housing Demand & Supply

4.1 Housing Deprivation

The Index of Multiple Deprivation 2010 (IMD2010) wider barriers to housing sub-domain measures affordability, overcrowding and homelessness. Almost half (49%) of the city's Lower Super Output Areas⁶ are in the bottom 10% nationally with the whole city in the bottom 41%.

This has been supported by the Census 2011 which showed that Brighton & Hove has the 36th highest proportion of overcrowded households in England & Wales (having 1 less bedroom than required) affecting 8,168 households (6.7%).



4.2 Demand for Affordable Housing

The Council’s Assessment of Affordable Housing Need Report 2012⁷ has identified that 87,945 households in Brighton & Hove (72%) can not afford market housing without spending a disproportionate level of their income on housing costs or some form of subsidy.

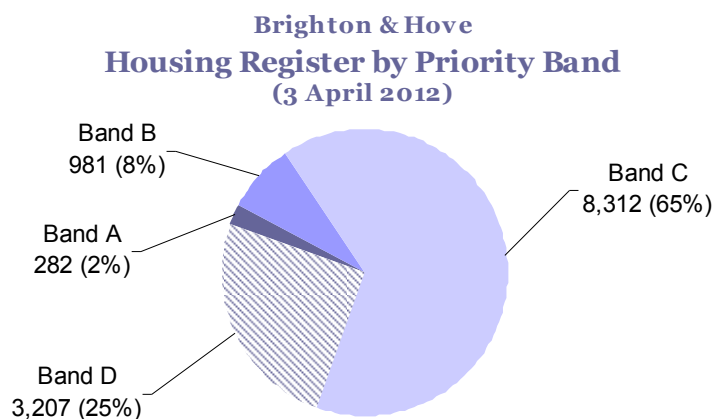
The survey has identified demand for 17,403 new affordable homes in the period 2012-2017 above that which already has planning permission – equivalent to the city’s existing social housing stock. 3,481 new affordable homes above existing plans are required every year.

In addition, 59% of those in need (10,642 households) are only able to afford social rented housing rather than affordable rented.

4.3 Housing Register

On 3 April 2012 there were a total of 12,782 households on the Brighton & Hove City Council joint housing register (this has now increased to more than 15,000 households):

- Band A (urgent need to move) - 282 households
- Band B (high priority to move) - 981 households
- Band C (moderate level of housing need) - 8,312 households
- Band D (little or no housing need) - 3,207 households



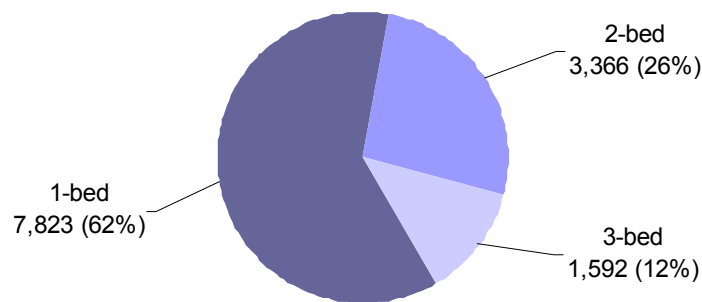
⁶ Lower Super Output Areas. Brighton & Hove has 164. There are 32,483 LSOAs in England. Each LSOA in Brighton & Hove represents an average of 760 homes / 1,500 people / 700 households

⁷ http://www.brighton-hove.gov.uk/downloads/bhcc/ldf/Assessment_of_Affordable_Housing_Need.pdf

Of those households on the Register:

- 7,823 (62%) of all households required a 1-bedroom home
- 3,366 (26%) required a 2-bedroom home
- 1,592 (12%) needed a 3-bedroom home or larger

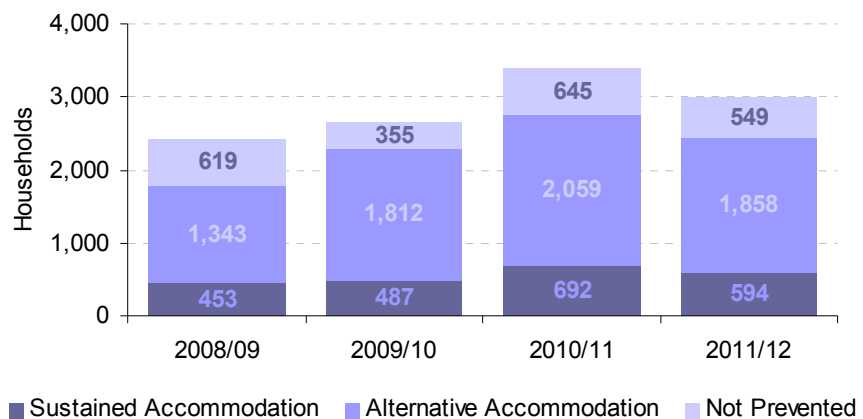
**Brighton & Hove
Housing Register by Property Size Required
(3 April 2012)**



4.2 Homeless Prevention

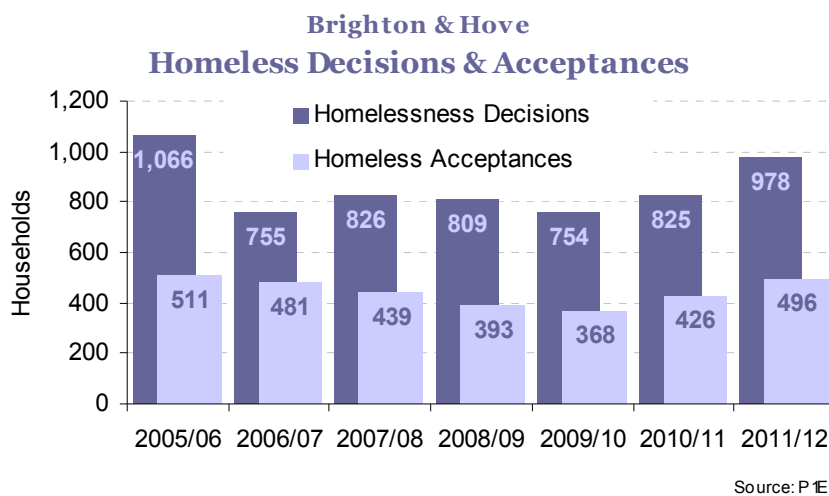
Prevention has been a fundamental part of the Council's approach to dealing with the issue of homelessness. In addition to the 2,000+ households who have their homelessness prevented each year through detailed casework thousands contact the council and other agencies every year for housing advice.

**Brighton & Hove City Council
Homeless Prevention Casework**



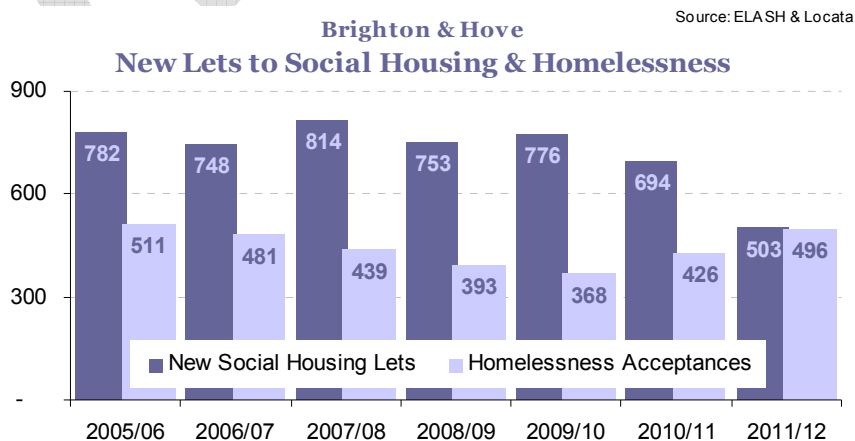
4.3 Homelessness

Unfortunately we are not able to prevent homelessness in all cases. Our prevention approach introduced at the beginning of 2005 saw homelessness reduce year on year, however, since the economic crisis the figures for those households we have accepted a statutory duty towards have been increasing by around 15% per annum with 496 households becoming homeless in 2011/12.



4.4 Availability of social housing

The last year saw a marked decrease in social housing turnover and housing development at the same time as the demand increased (more households became homeless and more households are on the Housing Register).



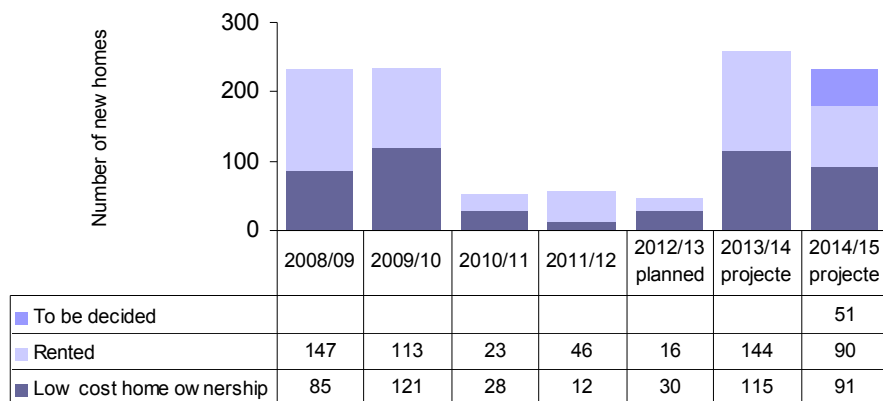
4.5 Development of new affordable housing

The recession had a noticeable impact on our programme however the signs for the next few years are looking very positive with more than 500 new affordable homes projected to complete and land identified that could deliver more than 1,000 new affordable homes over the next 5 years (subject to funding).

Source: HSSA submission & Housing Development Manager

Brighton & Hove

New Affordable Housing Development (Rent & Low Cost Home Ownership)



4.6 Affordable housing requirements

The new draft City Plan has lowered the threshold that requires an affordable housing contribution to developments of 5 or more dwellings in recognition of the city's high level of need:

- 40% onsite affordable housing on sites of 15 or more dwellings
- 30% onsite affordable housing or equivalent financial contribution on sites between 10 and 14 dwellings
- 20% affordable housing as equivalent financial contribution on sites between 5 and 9 dwellings

On developments of 10 or more dwellings, affordable housing will normally be delivered on site. Only in exceptional circumstances will the Council accept a commuted sum or free serviced land in lieu of on site provision.

Affordable housing provision should incorporate a mix of tenures and seeks an affordable housing dwelling size mix of 30% one bedroom, 45% two bedroom and 25% 3+ bedroom.

5. Social Housing Tenancies

5.1 Localism Act changes

Changes under the new Localism Act 2011 enable local authorities and registered providers to offer fixed/flexible term tenancies to new tenants of new affordable housing.

The fixed/flexible term will usually be of a 5 years or more duration and will be in addition to the tenancies already in existence.

5.2 Local Authority Tenancies

Introductory Tenancy (existing)

An introductory tenancy provides trial period of 12 month trial at the beginning of new tenancy during which the tenants should demonstrate that they are responsible tenants. Tenants have fewer rights and more restrictions, and can be more easily evicted

Secure Tenancy (existing)

A secure tenancy is a lifetime tenancy which means the tenant can keep their home for as long as they choose providing they keep to the conditions set out in the tenancy agreement. The local authority can only evict a tenant if they have grounds to do so. For example rent arrears, antisocial behaviour

Demoted Tenancy (existing)

A demoted tenancy is one that the Council has taken a tenant through the Courts as a result of Anti-Social behaviour and demoted the Secure tenancy to one similar to an introductory tenancy with lesser rights. A demoted tenancy may regain its Secure status after 12 months if the behaviour is no longer a problem

Flexible Tenancy (new)

A flexible tenancy is a tenancy with at least a 5 year term (2 in exceptional circumstances). The tenant has less rights and although the local authority does need a ground for eviction in theory the process is easier

5.3 Registered Provider Tenancies

Starter Tenancy (existing)

A starter tenancy provides a 12 month trial period at the beginning of a new tenancy. It means that the tenant has fewer rights and so can be evicted more easily as no statutory grounds for eviction is required. It only applies to new tenants and not to existing tenants transferring or doing a mutual exchange

Demoted Tenancy (existing)

A demoted tenancy is one that a registered provider has taken a tenant through the Courts as a result of Anti-Social behaviour and demoted the tenancy to one similar to an starter tenancy with lesser rights. A demoted tenancy may regain its status after 12 months if the behaviour is no longer a problem. Secure tenancies that are demoted only regain assured tenancy status

Assured Tenancy (existing)

An assured tenancy is a lifetime tenancy and gives the tenant the right to live in the home for as long as they want on condition that they do not break the tenancy agreement. A housing provider must have a legal reason and get a court order to evict a tenant - for example rent arrears, antisocial behaviour

Fixed Term Assured Shorthold Tenancy (new)

A fixed term tenancy is a tenancy with at least a 5 year term (2 in exceptional circumstances). The tenant has less rights and although the registered provider does need a ground for eviction in theory the process is easier

5.4 Tenancies and Affordable Rents

Providers have flexibility on the type of tenancy to be offered for Affordable Rent, which includes the option to offer lifetime tenancies⁸.

⁸ Affordable Homes Programme 2011-2015 - Framework, Para 3.14, Page 17, Homes & Communities Agency: <http://www.homesandcommunities.co.uk/sites/default/files/our-work/affordable-homes-framework.pdf>

6. The Tenancy Strategy in Context

6.1 Housing Strategy 2009

Our Tenancy Strategy supports the strategic priorities of our housing strategy:

- improving housing supply
- improving housing quality
- improving housing support

Improving housing supply

The Localism Act introduces the Affordable Rent model which helps to generate additional funding for the development of new affordable housing by charging up to 80% market rents on these new homes and an agreed number of old homes that are ready to for re-let. This will help social housing providers build more new homes and improve the city's housing supply. Within the new Affordable Rent regime we are committed to ensuring rents remain affordable.

Improving housing quality

Affordable rent homes will increase the supply of high quality homes that offer an alternative to private rented sector housing.

Improving housing support

The Localism Act 2011 makes it obligatory for social housing providers offer support, advice and assistance to households on fixed/flexible tenancies whose tenancies will not be renewed to find alternative accommodation.

6.2 Homelessness Strategy 2008-13

As a council our strategic vision as set out in our Homelessness Strategy 2008-2013 is to prevent homelessness through early intervention, and timely provision of advice and support.

Where homelessness becomes unavoidable, we will ensure that people receive appropriate housing and support, with a clear pathway towards independent living.

The strategic Tenancy Strategy will set out a framework of guidelines to ensure that where fixed/flexible tenancies are not being renewed that the household is supported with exploring their housing options in good time to make sure that they do not end up homeless.

A revised Homelessness Strategy is being developed in 2013.

6.3 Linking to the Allocations Policy

Brighton and Hove City Council currently operates a choice based letting scheme. We expect all Affordable Rent and fixed/flexible tenancies to be advertised through our Homemove choice based lettings system. We also expect that all new tenancies will be allocated in accordance with the priorities in our adopted Allocation Policy.

6.4 Ongoing Review

The Tenancy Strategy and all other connected strategies are subject to regular review to ensure they adapt to the changing economical, social and political landscape and make a real difference to the lives of local people.

7. Consultation Findings

7.1 Background

In developing the Tenancy Strategy 2013, it was important for us to seek the views of Professionals, Residents and Other interested parties.

Legally we were only obliged to consult Registered Providers but we expanded our consultation to local Councillors and those on the Housing Register (via the Homemove website) as these residents are the most likely to be affected by the changes. Consultation on the draft strategy was managed through the Council's Consultation Portal.

7.2 Responses

We received 12 consultation responses, 10 submitted via the consultation portal and 2 submitted via email. 7 responses were from Registered Provider Staff, 1 from Brighton & Hove City Council Staff and 4 from Residents.

Whilst the response was low there was a clear division of opinions between the Professionals and Residents. Providers generally supported the policies but Residents did not support Tenure Reform but were more in agreement with our proposed Affordable Rent policies.

Provider Concerns

The main concerns from providers focussed on those items which may conflict with their existing policies. This is particularly relevant for national providers working in a number of local authority areas as we appreciate it would not be practical for the provider to have different policies for different areas unless a specific need has been identified. Whilst we are no longer suggesting that Providers develop joint policies across the City we do expect their policies to be in keeping with the aims of this Strategy.

Providers were also concerned about the definition of affordability when or if Universal Credit is introduced as this would lower rent levels below the current Local Housing Allowance rate which in turn poses a risk to Provider credit ratings and impacts on the viability of new housing development.

We still insist that rents must remain affordable and as long as we have an identified LHA rate then this will continue to be the rent ceiling for Affordable Rented housing in Brighton & Hove (which is a permitted option in the HCA Affordable Homes Programme⁹ 2011-2015). Should Universal Credit see LHA rates removed or no longer identified within a single Universal Credit payment then we will review our affordability criteria at that point.

There was also a difference of opinion on whether Affordable Rent tenancies should be for a fixed term or could be lifetime tenancies. We have clarified the guidance from the Homes & Communities Agency which makes it clear that providers can offer either tenancy¹⁰. In view of this and to support tenant mobility and best use of the housing stock, we have kept the clause which expects tenants transferring to be offered a tenancy on similar terms to their existing one if they move into an affordable rented home.

Resident Concerns

Residents were clear that they preferred lifetime tenancies as they felt the reduced security from a fixed/flexible tenancy would discourage residents from developing a stake in their home and the local community.

⁹ AHP 2011-2015, Para 3.11, Page 17: "For example, providers may wish to charge a lower rent where a rent at 80% of market rent would exceed or be close to the relevant Local Housing Allowance (LHA) cap", <http://www.homesandcommunities.co.uk/sites/default/files/our-work/affordable-homes-framework.pdf>

¹⁰ AHP 2011-2015, Para 3.14, Page 17: "Providers will have flexibility on the type of tenancy to be offered for Affordable Rent, and they will retain the option to offer lifetime tenancies should they wish to do so. Government has stated that it expects providers to use this additional flexibility to ensure that help and support are focused on those who need it most when they need it most, and to build strong and cohesive communities."

As an authority we do not have the power to insist that lifetime tenancies are used by Registered Providers however we will continue to offer lifetime tenancies in our own housing stock. We also recognise that fixed/flexible tenancies can be appropriate in some circumstances. We hope that the policies outlined in this strategy will encourage the use of lifetime tenancies by Registered Providers where appropriate and provide the right level of safeguards to maximise the security and stability for those households with fixed term tenancies.

Residents also raised concerns about succession policies on sole tenancies, particularly in relation to partners and carers who they may like to succeed to a tenancy in their event of their death. Whilst a spouse or civil partner has a legal right to succeed a carer does not. We encourage providers to have policies on discretionary succession to support those in need however we would not support succession that leads to a property being under occupied or underutilised and would expect the provider to work with the resident to identify alternative suitable housing.

Other Concerns

During the consultation we became aware that some providers are seeking to charge rent in advance, deposits and other fees for Affordable Rent tenancies. As these homes are social housing and primarily aimed at those in need we do not agree with this practice. Providers must not charge rent and deposits in advance or fees to new tenants for items such as referencing, lettings or administration etc when letting social housing tenancies including Affordable Rent tenancies. A new policy has been included to make this clear.

Thank you

We would like to thank the housing providers and residents that took the time to respond to this consultation. The results of this consultation have led to a number of changes to our policies to clarify and improve them and also address some of the concerns raised.

8. Policy 1: Tenure

8.1 Background

Local Authorities and Registered Providers now have the freedom to decide whether to give fixed (registered provider) or flexible (local authority) term tenancies or continue to give lifetime tenancies to new tenants.

Fixed or flexible tenancies must be for a period of at least five years (or two years in exceptional circumstances).

Impact on existing tenants

It is important to state that there would be no change for existing tenants who will continue to enjoy lifetime tenancies.

Tenants on fixed/flexible tenancies would continue to enjoy the following rights:

- Right to buy (or Acquire)
- Repairs
- Tenant involvement and consultation
- Exchange
- Subletting a part of their property
- Take on lodgers
- Inheritance/succession by their partners or spouse

There would be no changes to the way the tenancy can be terminated except that at the end of a fixed term tenancy. When the tenancy comes to an end, local authorities and/or registered providers can decide to either extend the tenancy or give advice and assistance to the tenant to move into the private sector depending on an assessment of the need and suitability of the tenant.

8.2 Our approach

The Council is aware that one main factor in people wanting social rented accommodation is the stability that it provides for the household and also the local community, particularly in relation to the welfare of children and other vulnerable groups.

Fixed or flexible term tenancies only provide security for a defined period and could be counter productive for a households' pathway to independence if they feel their home is at risk. However, fixed/flexible tenancies could offer a household a breathing space to enable them to address a short term crisis in their life as a stepping stone back into independence.

We recognise that the city's housing pressures mean a one size fits all approach is not able to adapt to local circumstances. We have a relatively small housing stock and it is essential that we are able to make best use of this resource so that we help those in need when support is required.

Policy 1a: The kinds of tenancies to grant

Since the Council's housing stock is often concentrated in deprived areas we have a need to promote stable communities where residents can develop a stake in their neighbourhood to help these places become desirable areas to live. In view of this we believe that as a general rule flexible tenancies are not appropriate for the council's housing stock at this time and we believe we should continue to use lifetime tenancies.

As registered provider housing stock is more diverse and integrated within existing and more often less deprived communities we believe registered providers are best placed to decide whether fixed or lifetime tenancies are more appropriate for their housing stock in any particular area. However, this decision must be made with due regard to this strategy, the city's housing needs, the needs of the community and the aims of the provider. It must also be clearly explained and accessible in the providers Tenancy Policy.

Providers also have flexibility on the type of tenancy to be offered for Affordable Rent, which does include the option to offer lifetime tenancies¹¹.

We expect the Council and Registered Providers to continue to issue new tenants with a Starter/Introductory tenancy for the first year. However, as part of the property advertising and lettings process it must be made clear to the tenant which tenancy this would become following a satisfactory probationary period – whether a lifetime or fixed/flexible tenancy.

Policy 1b: The circumstances in which the Landlord will grant a tenancy of a particular kind

Landlords must set out clearly in their Tenancy Policies the circumstances under which they make tenancy decisions. As a minimum we expect tenants to be provided with the most secure form of tenancy appropriate to their circumstances.

As a result of the Localism Act it will be possible for a household to be offered different tenancies under different terms by different landlords. To avoid confusion, it is important for landlord Tenancy Policies to be consistent with the Tenancy Strategy and where possible to be consistent with each other's Tenancy Policies.

There are a number of situations where we believe Registered Providers should be offering a lifetime tenancy, for example:

- Tenants in sheltered or extra care housing as the level of need is not likely to change
- Those with a Learning Disability where a lack of a lifetime tenancy could prevent independent living
- Those who are undergoing or have undergone treatment for a mental health condition where a lack of a lifetime tenancy could be detrimental to their treatment

¹¹ Affordable Homes Programme 2011-2015 - Framework, Para 3.14, Page 17, Homes & Communities Agency:
<http://www.homesandcommunities.co.uk/sites/default/files/our-work/affordable-homes-framework.pdf>

There are also circumstances where a fixed tenancy may be more appropriate. For example, there is a particular shortage of certain types of housing such as family homes with 3 or more bedrooms, accessible or adapted housing and homes suitable for those with long term care and support needs. To ensure scarce housing is fully utilised a fixed tenancy linked to the occupancy of those with the need may be more appropriate (such as whilst children are of a school age). If, upon review, the original need is no longer present, then a sensitive assessment of the needs of the remaining occupants should be made.

The Council is keen to support community cohesion and as such we feel that using fixed/flexible term tenancies may be useful if the housing provider is accommodating a household with a history of being a poor tenant (for example where there has been anti-social behaviour, rent arrears, property damage or abandonment). We would expect that all housing providers will consider the issue of exceptional circumstances so that the issue is clear and transparent within their tenancy policies.

To support tenant mobility, help address unsuitable housing situations, tackle under-occupation and support area regeneration we expect that tenants transferring to be offered a tenancy similar to their existing one, for example maintaining either a secure/assured tenancy or a fixed/flexible tenancy.

Similarly, if someone is transferred as a result of harassment or domestic violence then we would expect them to be granted a tenancy on similar terms. Without this surety there is a risk a household could remain in an abusive situation.

Policy 1c: Where the tenancy is set for a term, the length of the term

Where fixed/flexible tenancies are used we expect the minimum duration to be 5 years (2 years in exceptional circumstances) excluding any introductory or probationary period. Any exceptional circumstances would need to be agreed with the Council.

At present fixed term tenancies are generally being granted for 5 years. We encourage providers to consider basing the duration of fixed/flexible tenancies on the needs of the household. For example, when housing need is based on children the Council can see no reason why the duration of a fixed term tenancy could not be until all the children have left education.

By linking tenancy duration to need we will help to remove unnecessary worry for households and enable them to engage with their community, reduce the housing providers administrative burden and help make best use of the housing stock. However, we also recognise that a regular tenancy review can ensure the stock is more effectively utilised as, for example, family make up changes over time. When providers review their tenancy policies we would like them to consider these points as part of the process.

If a provider wished to grant a tenancy shorter than 5 years, this should be an exception and agreed with the Council. Exceptional circumstances could enable a household to deal with a temporary short term crisis or for example, to make use of properties for a temporary period where development plans will necessitate a future decant. Landlords need to be clear and transparent on the matter of exceptional circumstances within their tenancy policies.

Policy 1d: The circumstances where the Landlord will grant a further tenancy on the coming to an end of the existing tenancy

As a general rule we expect fixed/flexible tenancies to be renewed at the end of the fixed term unless there has been a material change in circumstances affecting the households suitability for the home or the homes suitability for the household.

The following principles are expected for tenancy renewal:

- (i) The tenancy renewal review should be concluded by the landlord not less than 6 months from the renewal date. This is to allow sufficient time for appeals and alternative housing options to be identified when a tenancy is not to be renewed.
- (ii) The review should be used as an opportunity to link the household to any necessary support, including employment support, and should be done in partnership with other agencies where appropriate such as social services.
- (iii) Tenancies should not be renewed where households are under occupying to help us make best use of the housing stock. Suitable alternatives should be offered to the household if they are still in need.
- (iv) Tenancies should not be renewed on adapted and wheelchair suitable properties where the adaptations are no longer required to help us make best use of the housing stock. Suitable alternatives should be offered to the household if they are still in need.
- (v) Tenancies should not be renewed where there has been a significant improvement in the households' financial circumstances that enable them to afford¹² suitably located¹³ non social housing appropriate to the households needs. The viability of other appropriate housing options should be discussed with the tenant such as intermediate housing, the Right to Buy, private renting, shared ownership or owner occupation. Practical considerations also need to be taken into account, such as the relative security of their income/employment, the impact of credit/debt history on obtaining finance and other vulnerabilities.

¹² Affordable is deemed to be when no more than 35% of the households net income (including benefits) is spent on rent or mortgage payments

¹³ Suitably located is currently deemed to be consistent with the Broad Rental Market Area set by the Valuation Office Agency

- (vi) Tenancies should not be renewed where there has been a serious and persistent breach of the tenancy agreement such as anti social behaviour and criminality. Before making the decision not to renew, the impact on wider family members needs to be taken into account along with the impact on the community and neighbours. However, to protect the wider community, we would expect providers to take prompt action to address tenancy breaches rather than delay and rely on the tenancy renewal process.
- (vii) To help prevent fraud and make sure tenancies are only renewed when appropriate, tenants should be obliged to fully engage with the review process, such as by providing financial or relevant medical information. If a tenant fails to do this then consideration should be given to not renewing the tenancy. It is important that housing providers take full account of any vulnerability issues when making such a decision and offer full support if the tenancy is not to be renewed.
- (viii) Tenancies should be renewed even if a need is no longer present in cases where a tenant has successfully undergone treatment and not renewing the tenancy could lead to a regressive situation likely to impact on the tenants welfare and other statutory services. This may be appropriate for those recovering from severe illness, addiction or former street homeless who have successfully sustained their tenancy. If the housing is underutilised or unsuitable then alternatives should be offered to make best use of the housing stock.
- (ix) If it is likely a tenancy is not to be renewed then a housing needs and financial assessment should be carried out. This should determine if a tenant or a member of their family would be deemed to be in “priority need” for accommodation and, if homeless, would require the Council to accommodate the

household. In these situations, the tenancy should be extended. However, if the housing is underutilised or unsuitable then alternatives should be offered to make best use of the housing stock. Should the provider not be able to accommodate within their own stock they should enter into early discussions with the Council.

- (x) Where a household is required to move as a condition of tenancy renewal then the tenant should be given the appropriate level of support during this process. Tenants should not be evicted until suitable accommodation is available. Other agencies such as social services should be involved where relevant.

It is essential that landlords clearly communicate their tenancy renewal terms in their Tenancy Policies and make sure that new tenants when they are offered flexible/fixed tenancies understand what will lead to the tenancy being renewed or terminated.

In addition, landlords will need to make it clear from the outset to new tenants, in their Tenancy Policies and as part of the tenancy review how the renewal process works, when it happens, what happens if it is decided not to renew the tenancy and how to complain.

A clear understanding will help people, particularly the vulnerable, feel connected and settled and also able to contribute to their local areas and to invest in their homes. Social housing also comes with responsibilities and there should be a link between expected behaviour and tenancy renewal which needs to be strongly communicated at the start and throughout the tenancy.

Policy 1e: Our expectations with regard to appropriate and consistent housing advice and assistance at the end of a tenancy

We believe and expect landlords to provide targeted and effective housing advice consistently throughout the lifecycle of the tenancy:

- when the property is advertised
- as part of the tenancy sign up process
- during the tenancy
- as part of the tenancy review process
- where a decision is made to move a household
- where a decision is made not to renew a tenancy

In addition, the landlord's policies and processes should be clearly detailed and explained in the Tenancy Policy which should be freely available and readily accessible.

Where a decision is made not to renew a fixed term tenancy the landlord is required to give advice and assistance that will enable the person to secure accommodation available to them. Advice should be tailor made based on the household's needs and circumstances and given face to face using a Housing Options approach. Landlords should consider working with other agencies that can make a real difference such as the Credit Union to encourage tenants to save for move on costs.

The Council and Registered Providers house some of the city's most vulnerable residents. We expect social housing providers to remain committed to the city's homelessness prevention agenda and support their tenants when their home is at risk. It is essential that we help those moved on and do not move those who are vulnerable.

Policy 1f: Consistent and transparent complaints process

It is important that landlords have a clear and transparent process in which a tenant or prospective tenant may appeal against or complain about the length of the fixed term tenancy offered, the type of tenancy offered, against a decision to move the household and against a decision not to grant another tenancy on the expiry of the fixed term.

There are many good practice examples of review and appeals processes already in existence in the area of allocations and homelessness decisions and the Council would encourage Registered Providers to mirror these provisions.

The City Council expects Tenancy Policies in this area to:

- Set out to whom appeals or reviews should be made (this is expected to be a more senior officer not involved in the original decision) and how they can be made
- Give timescales for dealing with appeals or reviews
- Set out how the tenant can take their appeal or review further if they are dissatisfied with the response i.e. to a tenant panel or Housing Ombudsman
- Identify where they may get independent advice
- Be accessible and easily available i.e. published on websites and available in local offices.

Policy 1g: Granting discretionary succession rights

For all new tenancies created since 1 April 2012 some rights of succession have changed. Where a tenancy is granted to one person, the legal right of succession is now limited to a spouse or civil partner living with the tenant at the time of the tenants death.

The legal right of succession for children has been removed but social housing providers may introduce discretionary rights for people to succeed that do not have a legal right to do so. The Council understands the competing needs for social housing and the issues that tenants have with in wanting their children to succeed to a tenancy when they die. This has to be measured against rising waiting list for accommodation.

The rights for joint tenancies remain the same; if one joint tenant dies the remaining joint tenant has the right to remain (this is known as “survivor” rights). There is no right of further succession to a joint tenancy.

The Council does not consider that a blanket ban should be imposed on discretionary succession to social housing. The Council would however expect all landlords to include discretionary succession within their Tenancy Policies and would expect the following matters to be included:

- Who may apply for a discretionary right to succeed
- What maximum household income may be applied
- What maximum length of residence should be applied
- What priority factors will be used to decide discretionary succession
- Details of the appeals and complaints process

The Council would not expect any person to be able to succeed to a tenancy where this would result in a property to be under occupied or ineffectively utilised (such as adapted homes where the adaptations are no longer required). The council would also expect that a person not given the right to succeed should be given appropriate advice and assistance.

Policy 1h: Rent in advance, deposits and fees

Providers must not seek rent and deposits in advance or charge fees to new tenants for items such as referencing, lettings or administration etc when letting social housing tenancies including Affordable Rent tenancies.

Policy 1i: Allocations Policy

Tenancies must be let in accordance with the Council’s **Allocations Policy** and through **Sussex Homemove**.

9. Policy 2: Affordable Rents

9.1 Background

The Government's public subsidy to support the development of new affordable housing is now based on the principle that the social housing provider will charge up to 80% of market rents on the new homes built (and also on an agreed number of existing homes when they are relet). This extra rental income allows the provider to borrow more money to pay for building the homes which in turn means the government has to invest less public subsidy.

9.2 Our approach

Brighton & Hove is facing a significant housing shortage. Not only is homelessness increasing but housing costs are higher and rising faster than the regional and national averages. Increasing the supply of housing, in particular affordable housing is a key priority of the city's Housing Strategy 2009-2014. Without the use of Affordable Rents we are likely to see little or no development of new affordable housing over the foreseeable future. However, at the same time we need to ensure that the rents remain affordable.

Policy 2a: No impact on existing tenants

The introduction of Affordable Rents will have no impact on existing tenants unless they choose to move to an Affordable Rent home.

Policy 2b: Keeping Affordable Rents truly affordable

We want to make sure that Affordable Rent homes remain affordable and do not encourage long term benefit dependency. In view of this we would expect Affordable Rents to be set at the lower of either 80% market rent level or the Local Housing Allowance (LHA) limit.

Our modelling suggests that 1 bedroom flats would be charged at 80% market rent however larger homes are likely to have their rent capped at the Local Housing Allowance limit:

Indicative Affordable Rent Levels: Capped by Local Housing Allowance (per week)			
	1 bed	2 bed	3 bed
Local Market Rent * (2012 Q2 Apr-Jun)	£ 177.04	£ 252.25	£ 313.28
80% Market Rent	£ 141.63	£ 201.80	£ 250.62
Local Housing Allowance Limit (2012-13)	£ 150.00	£ 184.62	£ 219.23
Affordable Rent Basis	80% market	LHA cap	LHA cap
Affordable Rent per week	£141.63	£184.62	£219.23
Affordable Rent as a Percent of Market Rent	80%	73%	70%
Estimated net annual income required if not on Housing Benefit **	£ 21,042	£ 27,429	£ 32,571
Estimated gross annual income required if not on Housing Benefit **	£ 27,734	£ 37,114	£ 44,811
Estimated impact of cap on number of affordable rent properties (for every 10 planned at 80%)	No impact	2 extra conversions	3 extra 2 bed home conversions (see Policy 2d)
* Source: BHCC Quarterly Housing Costs Update Report (2012 Q2) based on sample monitoring of the homes advertised in the weekly Latest Homes magazine			
** Assumptions: Including all benefits except Housing Benefit and based on housing costs at 35% of net total income to be affordable			

Should Universal Credit see LHA rates removed or no longer identified within a single Universal Credit payment then we will review our affordability criteria at that point.

Policy 2c: Ensuring higher rents support local housing delivery

Social housing providers will need to convert a small number of existing homes to affordable rents when they are available for reletting to help fund new developments. Where possible, we would expect this to only happen to properties in Brighton & Hove when the additional money raised is to directly support development in the city.

Policy 2d: Protecting family housing

As the city has a relatively small supply of family sized social housing and limited opportunities to develop more we want to protect those homes that we currently have. The lower social rents on these homes are particularly important in helping low income households gain employment and move away from benefit dependency. Under this policy we expect there to be no conversion to Affordable Rent of larger family homes with 3 or more bedrooms. It is important to note that this is not expected to impact on the financial viability of developments as our modelling suggests that due to the impact of the Local Housing Allowance rent caps on bed homes, the conversion of smaller homes represents better value for money and use of resources for providers.

Policy 2e: Tenancies & Lettings

Affordable Rent tenancies must be fully consistent with this policy, **Tenancy Strategy Policy 1: Tenure**, the Council's **Allocations Policy**, advertised through **Sussex Homemove** and primarily aimed at those with an identified housing need.

Policy 2f: Local authority involvement

Brighton & Hove City Council should be jointly involved with the social housing provider and the Homes & Communities Agency as part of discussions around the Affordable Housing Programme funding bid, tenure mix, rent levels and conversions.

Appendix 1: Equality Impact Assessment

The policies in our Tenancy Strategy have the potential to impact on all households in the city as anyone could find themselves in a crisis, such as through redundancy or illness that causes them to lose their home and require housing assistance through no fault of their own.

Our equality impact assessment has highlighted that the policies will have different impacts on different groups and where appropriate we have developed mitigation measures within those policies to ensure they provide an appropriate level of support:

- *Policy 1: Tenure*

We believe that flexible/fixed term tenancies are not appropriate for certain groups such as those moving from institutional setting or treatment where lack of a lifetime tenancy could either prevent the move or cause a relapse. We also recognise that using fixed/flexible tenancies to allow homes to be freed up when no longer fully required, such as family sized homes or adapted/wheelchair housing places the existing household at a disadvantage compared to having a lifetime tenancy. However where a household is required to move an assessment will ensure that those with ongoing needs are able to stay in social housing, although in a different home.

- *Policy 2: Affordable Rents*

Those choosing an affordable rent home will be doing so in the knowledge that the rents are higher than traditional social housing. As a safeguard against changes in life circumstances, we expect rents to not exceed the Local Housing Allowance rate to ensure that they remain affordable to those on benefits.

Monitoring of the impact of these policies will help us establish whether certain household types are being excluded or disadvantaged which could trigger a review of this strategy.

Useful Links

- **Housing Strategy 2009: healthy homes, healthy lives, healthy city**
www.brighton-hove.gov.uk/housingstrategy
- **Housing Statistics Bulletin**
www.brighton-hove.gov.uk/index.cfm?request=c1202854
- **Housing Costs Report**
www.brighton-hove.gov.uk/index.cfm?request=c1202875
- **Property Prices and Housing Benefit Comparison Report**
www.brighton-hove.gov.uk/index.cfm?request=c1202875
- **Homeless Strategy**
www.brighton-hove.gov.uk/index.cfm?request=c306
- **Allocations Policy**
www.brighton-hove.gov.uk/downloads/bhcc/housing/BHCC_Allocations_Policy_March_2012.pdf
- **Sussex Homemove**
www.homemove.org.uk/
- **Housing Advice**
www.brighton-hove.gov.uk/index.cfm?request=c306#SubTitle4
t: 01273 294400

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DRAFT



Brighton & Hove
City Council

Appendix 2: Frequently Asked Questions

Tenancy Strategy 2013

Why are we doing a Tenancy Strategy?

The Localism Act 2011 makes it a statutory duty for each local authority to produce and publish a strategic Tenancy Strategy that will guide providers of social housing in development of their Tenancy Policies.

What is in the Tenancy Strategy?

A Tenancy Strategy must set out a framework for providers of social housing (housing associations and councils) informing them of what local authority's expect them to have "regard to" when developing their respective tenancy policies in the following areas:

- The type of tenancies they will grant (fixed term or lifetime)
- The circumstances under which they may grant one type of tenancy and not the other
- The length of fixed term tenancies and when they may either be extended or terminated

The Brighton & Hove Tenancy Strategy also considers the new Affordable Rents that have been introduced by the Government to support the development of new social housing and how we can make sure they remain genuinely affordable.

What are fixed and flexible tenancies?

Under the Localism Act, Local Authorities and Registered Providers now have the freedom to decide whether to give fixed (registered provider) or flexible (local authority) term tenancies or continue to give life time tenancies to new tenants. Fixed or flexible tenancies must be for a period of at least five years (or two years in exceptional circumstances).

Our policy: we do not believe that flexible tenancies are appropriate for the Council's own social housing stock. In respect of registered providers it will be their own decision whether they want to provide fixed term tenancies. Through the strategy we are highlighting a set of principles and safeguards to ensure that tenancy decisions are fair, transparent, communicated effectively and also based on the needs of the particular household.

What are Affordable Rents?

To help fund the development of new affordable housing using less grant than previously the Government has introduced Affordable Rents where those homes developed with Government funding (and some existing homes when vacant) are let at a rent up to 80% of market rent. The extra rent enables the housing provider to borrow more money to pay for building the home.

Our policy: The decision on Affordable Rent tenancies is a matter between the developing landlord and the Homes & Communities Agency however we have asked to be involved in these discussions. We want to make sure that these rents remain truly affordable and have said that rents should be capped at the Local Housing Allowance limit.

What will the impact be on existing tenants?

It is important to state that there would be no change for existing tenants who will continue to enjoy lifetime tenancies.

Who did we consult?

Legally the strategy must be produced in consultation with registered providers (housing associations) however as the strategy has a direct impact on those applying for social housing we also promote the consultation through the Homemove website to those on the Housing Register.

The responses highlighted a division of opinions between the Professionals and Residents. Providers generally supported the policies but Residents did not support Tenure Reform but were more in agreement with our proposed Affordable Rent policies.

What are the main changes since the consultation draft version?

- **Tenancy type** – clarification on Homes & Communities Agency (HCA) guidance that Affordable Rent properties can be let on lifetime tenancies
- **Affordable Rent cap** – we now believe that Local Housing Allowance (LHA) rates will still be published under Universal Credit (UC) so we have changed the affordable rent section to state that under UC, rents must not be higher than the LHA rate. A caveat has also been included that we would review rent caps if LHA rates were no longer separately identified in UC
- **Advance Letting Fees** – we became aware that some providers were starting to charge advance rent/deposit/fees on Affordable Rent tenancies. A new policy clause has been added to state that as this is still social housing, advance charges must not happen
- **Allocations Policy** – a new policy clause added to reinforce that all lettings must be in accordance with our Choice Based Lettings Allocations Policy

Contact:

Andy Staniford

Housing Strategy Manager

t: 01273 293159

Subject:	RIGHT TO BUY RECEIPTS - DELIVERING REPLACEMENT AFFORDABLE HOMES		
Date of Meeting:	6 March 2013		
Report of:	Strategic Director Place		
Contact Officer:	Name:	Martin Reid	Tel: 29-3321
	Email:	martin.reid@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

1.1 Housing Committee on 16 January considered a Notice of Motion, Right to Buy Receipts Delivering Replacement Affordable Homes, and resolved that officers be requested to bring forward a report that:

- Evaluates whether the council would benefit from entering into the Right to Buy receipts scheme that would enable the receipts from any additional sales generated to be retained by the council in order to fund the provision of replacement housing stock.
- Explores whether the retention of Right to Buy receipts under the scheme could enable the council to buy back ex-council homes that come onto the housing market either from estate agents' repossession or at auction.
- Considers the possibility of the scheme being used in relation to leaseholders where the high cost of major works are causing particular difficulties.
- Demonstrates whether and if so, how entering into such a scheme could compliment the other initiatives being pursued in relation to the provision of affordable housing.

1.2 Improving housing supply through maximising investment in new affordable homes and retention of the Council housing stock are core elements of the City's Housing Strategy. Our Housing Strategy commitments include support for households to become homeowners through inclusion of shared equity products and low cost homes for sale in our Affordable Housing Brief for new housing developments.

1.3 The Government has recently sought to promote Right to Buy, including increasing the discount nationwide. In parallel with this, Department for Communities and Local Government (DCLG) invited local authorities to enter into an agreement with the Secretary of State to enable retention of additional Right to Buy receipts for investment in new affordable rented homes based on conditions outlined in the report. Failure to enter into agreement with the Secretary of State on retention of receipts within the very tight timescale set by DCLG meant the local authority would not be able to retain receipts.

1.4 On the basis of potential loss of Brighton & Hove receipts to the Homes and Communities Agency (HCA) and in light of our commitment to new affordable homes on 27 June 2012 the Council entered into this Agreement with Secretary of State to retain receipts for new affordable homes.

2. RECOMMENDATIONS:

- 2.1 That Housing Committee note the response to Notice of Motion - Right to Buy Receipts Delivering Replacement Affordable Homes.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Retaining our Council housing stock is a cornerstone of our City-wide Housing Strategy and commits us to making best use of Housing Revenue Account (HRA) assets, building new council homes and increasing housing supply in order to address the shortage of affordable housing in the City.
- 3.2 Maximising investment in new affordable homes is a key Housing Strategy priority to make sure that the City has the right type of housing to meets the needs of current and future residents, whether it be owner occupation, private renting or social rented housing. The Housing Strategy includes a commitment to help households become homeowners focusing on increasing housing supply rather than loss of existing affordable homes.
- 3.3 Nationally the owner-occupation rate is 64.7%, a fall of 5% from its 2002 peak. Brighton & Hove has a smaller owner occupied sector than the national average at 54% (65,835) of all homes but much larger private rented sector compared to the England average. Census returns have shown a significant growth in the private rented sector in the City which at 34,081 homes is now 28% of all housing stock. This has included a significant growth in Houses in Multiple Occupation.
- 3.4 The cost of buying a home in the City is out of the reach of many with the average cost recorded in September 2012 as £227,267 compared to a national average of £162,561. Local prices are now only 2% below the high seen in November 2007. Local prices are consistently moving further away from the national average and are now 40% (£64,706) higher compared to February 2006 when they were only 17% (£27,282) higher. The Council's Assessment of Affordable Housing Need Report 2012 identified that the minimum household income required to afford market housing is £42,000 per annum against an average (median) income of £28,240. Almost 88,000 households (72%) cannot afford market housing without spending a disproportionate level of their income on housing costs or depending on some form of subsidy.
- 3.5 The City's high housing costs are causing more and more households to approach the Council in housing need. We have sought to address this issue through increasing housing supply, including the supply of low cost home ownership options for those households wishing to purchase a home.
- 3.6 The City Plan sets a local housing target for the City to 2030 of 11,300 new homes. The new City Plan strengthens provisions for affordable housing, including low cost home ownership, (CP20 Affordable Housing) and has lowered the threshold that required an affordable housing contribution to developments of 5 or more dwellings in recognition of the City's high level of housing need.

- 3.7 Our Affordable Housing Brief for new affordable homes includes provision to widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing. The Brief includes a tenure split for affordable housing of 55% social rented or affordable rented and 45% intermediate housing. Intermediate Housing is defined as being ‘at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing’.
- 3.8 Investment has already been identified for over 500 new affordable homes under the existing 2011-14 Affordable Housing Investment Programme in partnership with Registered Providers and the Homes and Communities Agency (HCA). Over 400 of these new affordable homes are currently in development on sites across the City, c200 homes in the Affordable Housing Investment Programme are for low cost home ownership.
- 3.9 In addition, the HRA Capital programme includes funding for the development of new council homes on vacant garage sites and £1m for the procurement of initial feasibility, design and stakeholder engagement, on identified case studies for housing opportunities on HRA land, including low cost home ownership.
- 3.10 The Government increased the cap on Right to Buy discounts to £75,000 nationwide on 2 April 2012. For Brighton & Hove the previous level was £38,000. In the first 6 months applications have increased significantly, however from October take up has fallen back. In addition to increasing the discount the Government has recently sought to promote Right to Buy through marketing activity. Over time the increase in discount is expected to lead to an increase in the number of Right to Buy sales. Under the new RTB arrangements the Government expects that the additional receipts from any increase in sales will be reinvested in providing replacement homes. Local authorities are able to retain the receipts for replacement housing – provided they sign up to an agreement with Government that they will limit the use of the net Right to Buy receipts to 30% of the cost of the replacement homes.
- 3.11 Details of Right to Buy applications and sales from 2004 to 2013 are outlined in the table below. The table indicates a significant rise in applications following the increase in discounts in April 2012.

RIGHT TO BUY APPLICATIONS 2004-2013

Year	Apps	Sales
2004/05	237	109
2005/06	214	69
2006/07	209	68
2007/08	157	63
2008/09	47	7
2009/10	55	10
2010/11	49	16
2011/12	38	14
2012/13*	115*	13*

*First 9 months only

- 3.12 On 15 May 2012 DCLG wrote to local authorities formally advising that the Government indicated that it would be prepared to enter into an agreement with any local authority which wished to retain receipts to reinvest in new affordable rented housing. A model agreement was attached to the letter. The Secretary of State was prepared to agree that local authorities could retain additional Right to Buy receipts, on condition that: receipts are used for the provision of affordable rented homes; receipts constitute no more than 30% of total investment in such homes; if, after three years, any of those receipts are not used it will pay the un-used sums, plus interest to the Secretary of State. Local authorities were advised that in order to retain receipts from commencement of the scheme a signed copy of the Agreement was to be returned no later than noon on 27 June. Local authorities were advised that failure to meet this deadline would mean that they would not be able to retain receipts arising in quarter 1 of 2012/13 (i.e. April, May and June). The DCLG letter advised that 'These receipts will immediately be passed on to the Homes and Communities Agency or the Greater London Authority for investment.' In order to retain receipts to be used for affordable housing in Brighton & Hove the Agreement was signed under officer delegated authority.
- 3.13 The agreements are designed to be 'light touch', there are no conditions on the number of new homes that must be built or acquired, their type, size, location or the rent that must be charged on them. These are decisions for the authority to make.
- 3.14 It is current Government policy that any new council homes built since July 2008 are eligible for exclusion from the provisions in the pooling regulations relating to Right to Buy sales, this includes any new homes built or acquired using receipts covered by these agreements. This means that, if replacement homes were subsequently sold under the Right to Buy, the authority would be able to retain the whole receipt (provided it is spent on affordable housing, regeneration or paying down housing debt).

The rules are complex on how the receipts should be spent but key elements are:

- Net receipts from Right to Buy sales (after allowable costs, repayment of housing debt and currently forecast receipts for councils and central government) can be used to replace the additional homes sold as a result of the higher discount levels. The amount available will depend on the level of sales during the year.
- Councils will have three years to spend the right to buy receipts on new homes, after this period unspent receipts would need to be repaid to the government with interest.
- The right to buy funding can only cover a maximum of 30% of the cost of building a new home, in line with the grant offered through the Affordable Homes Programme.
- The remaining 70% is to be found from local authorities' own resources, borrowing or other monies. Land cannot be included as part of the 70% contribution.
- The Council must demonstrate that it has spent the additional amount on affordable housing.

- The money can be transferred to another provider – e.g a housing association - as long as they bring 70% to the table.
- Councils also have the power to buyback former council properties using the net capital receipts from RTB sales. The Council is allowed to fund up to 50% of the cost of re-purchasing a former council home, up to a maximum of 6.5% of the net capital receipts (i.e. the receipts available for replacement homes).

3.15 The 30% benchmark: Drawing on evidence from the 2011-2015 Affordable Homes Programme, the Government is satisfied that it should be possible to fund new homes let at Affordable Rent levels, with *no more than 30%* of the cost of the new homes needing to come from the Right to Buy receipt (the total pot of money, not each individual sale).

3.16 As in the Affordable Homes Programme, the remainder of the cost will come from borrowing against the net rental income stream from the new property, and cross-subsidy from the landlord's own resources. (However, unlike the Affordable Homes Programme, local authority landlords will not be permitted to generate cross-subsidy by converting existing social rented homes to Affordable Rent).

3.17 Three years: The Government wishes to see replacement homes provided as quickly as possible. Interest will be charged at 4% above the base rate compounded with three monthly rests. This is on the basis that the Government see it as important that these receipts are invested in new homes as quickly as possible. The Government wish to create a disincentive to hold onto the receipts until such time as it becomes necessary to pay them over to the Secretary of State. Authorities have the option of re-paying retained receipts early (and therefore incurring less interest) if they decide that they would not be able to incur sufficient investment within the time period.

3.18 Other Investment: Government policy is to encourage an increase in the supply of new housing: new build should always be the favoured option. However, this does not exclude these receipts being used to buy existing properties for conversion into affordable rent. It is equally acceptable to fund new supply by grant funding another body, such as a housing association - but not a body in which the authority has a controlling interest.

3.19 Receipts not retained by the Local Authority: Receipts not retained by the local authority are passed to the Secretary of State and given to the Homes and Communities Agency. There is nothing to stop a local authority that has entered into an agreement with the Secretary of State from having access to funding from the HCA as well.

3.20 In relation to consideration of the possibility of the scheme being used in relation to leaseholders where the high cost of major works is causing particular difficulties, the scheme allows for local authorities to retain receipts to reinvest in new affordable rented housing. Funding a buy-back scheme for home owners who find their property unaffordable may not meet the aim of increasing overall affordable housing supply through use of Right to Buy receipts.

3.21 However should members wish this to be considered, particularly in the case of leaseholders of flats facing high major works charges, the Council would need to

judge which properties to buy back, what price to offer and whether to offer the owner a tenancy in that or another property. A budget would need to be identified to subsidise a buy back scheme as the rules only allow up to 50% of the cost of repurchasing a former council home to be funded from the net capital receipts.

- 3.22 Consideration may also be given to the impact of availability of payment options that have recently been extended to resident leaseholders facing high cost works which have reduced the demand for a buy-back budget of this nature. There is no such buy back facility currently in place, but this position is kept under review.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 None directly arising from this report. Community engagement and consultation are undertaken in relation to development of any new affordable housing in the City as part of the pre-planning and planning application process. In addition, consultation with council tenants and leaseholders on the HRA budget found substantial resident support for best use of HRA assets and HRA capital and revenue support for building new homes and estate regeneration. Community engagement and effective consultation is central to development of design and feasibility options for future estate regeneration to be reported back to future Housing Committee meetings.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The council has signed an agreement to retain any additional net capital receipts for new affordable homes. The net capital receipts are calculated after taking into consideration transaction costs, forecast capital receipts to be retained by the Government and the council (as advised in the Spending Review) and repayment of housing debt. It is difficult to accurately estimate at this stage the likely receipt, because although enquiries have increased, the actual increase in sales providing reliable data for assumptions will not take effect for several months.

Finance Officer Consulted: Sue Chapman *Date: 21/02/13*

Legal Implications:

- 5.2 The council's constitution gives officers wide delegated powers in relation to housing and housing finance. The signing of the agreement mentioned in paragraph 3.12 was therefore properly authorised. As the report is for noting, there are no other legal or Human Rights Act implications to draw to Members' attention.

Lawyer Consulted: Name Liz Woodley *Date: 22/02/13*

Equalities Implications:

- 5.3 Increasing housing supply supports Tackling Inequality, priority one of the Corporate Plan. It will help meet the identified needs of households unable to access housing other than by approaching the Council for assistance. It will also help the Council discharge statutory duties to accommodate vulnerable

households to whom it owes a housing duty. New affordable housing is built to Lifetime Homes standard with 10% fully wheelchair adapted in order to support households with a disability to live independently at home for as long as possible.

Sustainability Implications:

- 5.4 Newly built homes will be built to Affordable Housing Brief standards in terms of size, Code for Sustainable Homes, amenity space, Lifetime Homes Standard. Development to the BREEAM standard level 'Good' ensures that new homes are designed to be sustainable, to minimise carbon emissions and use sustainable materials in their construction. New homes will support One Planet Living principles.

Crime & Disorder Implications:

- 5.5 New affordable housing demonstrating good architectural and urban design can contribute to safer homes and neighbourhoods.

Risk and Opportunity Management Implications:

- 5.6 Risk and opportunity management implications are outlined in the report and will be kept under review. Right to Buy receipts from sales in Brighton & Hove under the new scheme would have gone to the Secretary of State for payment to the Homes & Communities Agency if the Council had not signed up to retaining the receipts for the purposes of building new affordable homes within the DCLG time-line. As outlined in the report the retention of receipts is subject to parameters including that the Right to Buy funding can only cover a maximum of 30% of the cost of building a new affordable home and that the Government has created a disincentive to hold onto the receipts through interest charges. Unused receipts will have to be paid back to Government with interest within time-frames outlined in the report. Opportunities include the potential to support improvement of housing supply in the City through use of the retained Right to Buy receipts to part fund the Local Housing Investment Plan and/or any future estate regeneration schemes. Risks and opportunities will be subject to any actual increase in Right to Buy sales arising from the introduction of higher discounts.

Public Health Implications:

- 5.7 Secure affordable energy efficient housing is key to supporting households to maintain a healthy life and sustain their independence.

Corporate / Citywide Implications:

- 5.8 Improving housing supply through supporting delivery of new affordable housing aligns to the following Corporate Plan commitment under Priority One, Tackling Inequality: 'Work with partners including the Homes & Communities Agency, neighbouring authorities and housing associations to provide 250 new and improved affordable and energy efficient homes'.

In addition, the City will benefit from additional affordable housing provision which will assist in meeting targets for new housing as identified in the Housing Strategy and the City Plan.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Improving housing supply through maximising investment in new affordable homes is a priority in the Corporate Plan, City Plan and a core element of the City's Housing Strategy. Failure to enter into agreement with the Secretary of State on retention of receipts to support improvement of housing supply in the City within the very tight timescale set by DCLG would mean that the local authority would not be able to retain Right to Buy receipts. Improvement in housing supply also includes support for householders to become home owners through the development of low cost home ownership options that tenants may wish to consider alongside the Right to Buy option allowing the possibility of retaining more existing Council homes.
- 6.2 An alternative option would be not to sign up to retention of Right to Buy receipts in the City on the basis that the Secretary of State pass receipts to the Homes & Communities Agency with the potential but not guarantee that this may in turn support future Registered Provider development of new affordable homes in the City.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The report recommendations reflect resolution of Housing Committee on 16 January 2013 requesting officers bring forward a report in response to Notice of Motion, Right to Buy Receipts Delivering Replacement Affordable Homes.

SUPPORTING DOCUMENTATION

Appendices:

1. None
- 2.

Documents in Members' Rooms

1. None
- 2.

Background Documents

1. Brighton & Hove City Council Agreement with Secretary of State to retain receipts for new affordable homes (Agreement – Section 11(6) of the Local Government Act 2003).
- 2.

Housing Committee Policy & Resources Committee

Agenda Item 61

Brighton & Hove City Council

Subject:	HCA Empty Property Funding Allocation		
Date of Decision:	Housing Committee - 6 March 2013 Policy & Resources Committee - 21 March 2013		
Report of:	Geoff Raw, Strategic Director, Place		
Contact Officer:	Name:	Martin Reid	Tel: 29-3321
	Email:	martin.reid@brighton-hove.gov.uk	
Key Decision:	Yes	Forward Plan No:	
Ward(s) affected:	All		

FOR GENERAL RELEASE/ EXEMPTIONS

1. SUMMARY AND POLICY CONTEXT:

- 1.1 Working with the Homes & Communities Agency (HCA) and neighbouring authorities to bring long term empty homes back into use meets both a key aim of the City-Wide Housing Strategy 2009-14 and Corporate Plan priority of Tackling Inequality. Bringing long term empty homes back into use:
 - Promotes effective use of the City's housing stock to meet housing need
 - Ends the blight on neighbourhoods caused by long term empty homes
 - Attracts New Homes Bonus from Government
 - Increases council tax revenue where the property is returned to use.
- 1.2 Brighton & Hove has a successful Empty Property Strategy. The Empty Property Team works with owners to return more than 150 long term private sector empty homes back to use every year in the City, including around 30 for our leasing scheme for homeless households. Brighton & Hove Empty Property Team have a strong track record as a sub-regional lead in delivering empty property services and investment across borough boundaries.
- 1.3 Brighton & Hove were sub-regional lead on a recent successful bid for funding under the Homes & Communities Agency (HCA) Empty Homes Programme 2012-15.
- 1.4 Brighton & Hove's allocation, subject to contract and including delivery for Lewes DC, is £900k to bring 60 long term empty homes back in use over three years across both authorities. This is on the basis of recyclable loan fund supporting capital investment for repair and lease back to the Council for a minimum of 5 years. Additional homes will also be returned to use as the loan funding is repaid and then recycled and used to fund further loans.
- 1.5 This paper seeks to inform Housing Committee of the details of this successful funding bid and the potential investment to support the strategic priorities of maximising housing supply, investment and income and to secure sub-regional partnership working with the Homes and Communities Agency and Lewes DC.

2. RECOMMENDATIONS:

2.1 It is recommended that Housing Committee –

2.1.1 Note the successful bid to the Homes & Communities Agency for funding under the Empty Homes Programme 2012-15 (currently subject to contract).

2.1.2 Delegate authority to Strategic Director Place to enter into the Empty Homes (Revolving Fund) Agreement (2012-15 allocation (local authority)), the key elements of which are set out in paragraph [3.22] of this report.

2.2 It is recommended that Policy & Resources Committee –

2.2.1 Approve the Empty Property Capital Scheme and update the Capital Programme with budgets of £405k in 2013/14 and £495k in 2014/15 to be funded by £900k HCA capital grant (of which £675k relates to BHCC and £225k relates to Lewes to be managed via BHCC).

2.2.2 Approve forward funding to a maximum of £200k for this project due to the timing issues of awarding funding and the subsequent grant claim as detailed in paragraph 3.20.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 Improving Housing Quality and Housing Supply by working with owners to bring more of the City's long term empty private sector homes back into use are key strategic goals of City-Wide Housing Strategy 2009-14.

3.2 The Empty Property Team bring back c 150 long term empty private sector homes back into use per annum through:

- Working with colleagues in Council Tax to identify empty homes;
- Working with owners offering advice and assistance and any available funding to encourage owners to bring empty homes back into use;
- Where all other negotiation has failed use of appropriate enforcement action up to and including compulsory purchase to bring long term empty homes back into occupation through EPEG (Empty Property Enforcement Group) which works with teams across the Council to co-ordinate any and all appropriate enforcement actions.

3.3 In addition to making best use of existing housing resources in the City and ending the blight on neighbourhoods often caused by homes left empty, bringing empty homes back into use also generates income for the General Fund.

3.4 The New Homes Bonus (NHB) is a funding incentive for local authorities largely to facilitate the creation of new homes in their area and bring empty homes back into use. The funding allocation announced in January includes £0.191m from a reduction in long term empty properties payable for six years from 2013/14.

- 3.5 The recent Council Tax Discounts and Exemptions Reform report made the following recommendations relating to work of Housing Empty Property Team and bringing long term empty private sector homes back into use:
- That the Council introduces a period of up to six weeks 100% discount for dwellings that are empty and unfurnished, to replace the current six month exemption known as Class C;
 - That the Council introduces an Empty Home Premium at the maximum 50%, meaning that those liable for empty dwellings will have to pay 150% Council Tax after two years of the dwelling remaining empty.
- 3.6 Brighton & Hove Empty Property Team provide a sub-regional lead through both the BEST (Brighton & Hove and East Sussex Together) partnership and the pan Sussex Empty Homes Forum.
- 3.7 From 2008-2011 the sub-regional BEST partnership (Brighton & Hove, Lewes, Wealden, Eastbourne, Rother & Hastings) delivered a programme of more than 700 empty homes returned to use, through direct funding and enabling work, as part of the wider programme of private sector renewal.
- 3.8 Brighton & Hove Chair the Sussex Empty Homes Forum which brings together empty property officers (or those dealing with the issue) from all authorities in East and West Sussex and the Homes & Communities Agency (HCA) to share skills and resources.
- 3.9 The Brighton & Hove Empty Property Team also directly provide empty property services to Horsham District Council & Lewes District Council.
- 3.10 Brighton & Hove were sub-regional lead on a recent bid for funding under the HCA Empty Homes Programme 2012–15. The HCA Empty Homes Programme bid offered two bid options, purchase & repair and lease and repair. No Registered Provider partner was willing to undertake purchase and repair in the City so we proceeded with a bid based on the lease and repair option on the basis of recyclable loan fund supporting capital investment for repair and lease back to the Council for a minimum of 5 years.
- 3.11 Our allocation, subject to contract and including HCA approval for delivery on behalf of Lewes DC, is £900k to bring 60 long term empty homes back in use, broken down as follows:

HCA operating area	Number of units	Funding requested
East & South East (BHCC)	45	£675k
East & South East (Lewes District)	15	£225k

- 3.12 The proposed £900,000 programme is broken down as follows:
- 13/14 – 27 units (405k)
 - 14/15 – 33 units (495k)
- 3.13 We also supported local housing co-ops and community groups in their successful bid under this programme with four groups being allocated £713k to

bring up to 10 long term empty homes back into use through a mixture of leasing and purchasing empty properties.

- 3.14 The bid and funding allocation are based on offering home improvement loans under our existing Private Sector Housing Renewal Assistance policy to enable long term empty homes to be brought back into use on a lease and repair basis whereby we secure the property for a period of time under our private sector leasing scheme in return for our loan funding.
- 3.15 The Council has insufficient Council homes to meet the demand from vulnerable households to whom we owe an accommodation duty. In order to meet this accommodation need the Council currently lease c 700 homes from private owners. Our Empty Homes Team support this leasing through funding long term empty homes back into use on the basis that homes are leased back to the Council to provide temporary accommodation. Overall, up to a third of the homes leased provide homes to meet referrals for accommodation Adult Social Care (Adult Mental Health, Physical Disabilities & Learning Disabilities), CYPT, Community Safety Team and Housing Management. The budget strategy is to reduce costs by taking long term lease agreements with private sector landlords based on forecasts of need from referring services. It has been estimated that long term leasing of homes for some 312 households has saved the Council £4.86m pa.
- 3.16 Given the impact of rising rents in the City, we are also aiming to secure the supply of leased accommodation at lesser cost by sub-regional procurement of leased accommodation. This includes work with Lewes DC on leasing as well as Empty Property Services in support of Lewes DC also meeting accommodation needs in their area.
- 3.17 The lease and repair model funded through this allocation secures a recycled loan fund to maximise available funds on a revolving loan basis to enable more long term empty homes to be brought back into use beyond the initial programme.
- 3.18 Home improvement loans are currently offered by authorities in the BEST partnership, including Brighton & Hove and Lewes DC, through our established not for profit community finance funding partner Parity Trust. Parity currently offer a Home Trust Loan scheme on behalf of their local authority partners to which they contribute additional capital funding as well as the capacity to offer recyclable loans enabling a sustainable long term funding solution. Under the existing funding model Council funding via Parity includes capital to support costs of work and interest rate subsidy. Parity add 25% top up funding. This is the model proposed for the HCA funded scheme.
- 3.19 The HCA Empty Property Programme funding is payable on a property by property basis when a long term empty home is brought back into use. Front funding of capital of up to 50% of approved grant to be paid at commencement of works (and the remaining 50% paid at completion of works) Overall HCA capital will support costs of work, related administration costs and subsidise interest rate. Current interest rate proposal is 8.49% subsidised to allow rate available to owner of 5.49%.

- 3.20 The scheme will require forward funding as the grant cannot be claimed in full until completion of the works which could take up to 6 months. Forward funding has been calculated at £200k which will be repaid from the grant income.
- 3.21 In terms of next steps. The HCA awarded Brighton & Hove Affordable Housing Programme Investment Partner status, approved on 21/11/12. The HCA Empty Homes Funding Agreement has been released and is currently subject to review and final agreement in negotiation between Brighton & Hove and HCA Legal teams.
- 3.22 The HCA Funding Agreement is based upon standard HCA Affordable Homes Programme contract as amended, including:
- Property should not have been occupied for residential purposes during any of immediately preceding six months;
 - Minimum Lease Duration - a lease of between five and seven years unexpired duration;
 - Loan Agreement – agreement entered into between Grant Recipient (Council) and a Homeowner in relation to Revolving Fund Scheme;
 - Affordable Rent Terms – the tenant rent (inclusive of service charge) must be set at a level which is no more than 80% of the estimated market rent for an equivalent rent in the locality.
- 3.23 A further HCA Empty Homes funding round was announced by the minister on 26/11/12. As well as tackling Empty Homes this new bid round has an additional emphasis on refurbishing empty commercial and non-residential properties for Affordable Housing with links to the 27 Portas Pilots and 326 Town Teams. Bidding for this funding is now open and bids must be submitted through the HCA's Investment Management System (IMS) by noon 25 March 2013. We are currently considering our approach to this bidding opportunity in discussion with partners. We aim to support additional bids from community groups and support them in their searches for suitable properties if successful.
- 3.24 If, due to their regulations and timescales, the HCA require the Funding Agreement be completed prior to the Housing Committee meeting on 6 March 2013, the Strategic Director Place would need to consult with the Committee Chair, then authorise the completion of the Agreement himself using urgency powers available to him under the council's scheme of delegation to officers.
- 3.25 Should this situation occur, the Strategic Director would need to report his actions to the Committee.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 The bid and funding allocation are based on home improvement loans offered under our existing Private Sector Housing Renewal Assistance policy to enable long term empty homes to be brought back into use. Development and review of Private Sector Housing Renewal Assistance Policy has been subject to consultation.
- 4.2 In addition, we have supported local housing co-ops and community groups in their successful bid under the HCA Empty Homes Community programme and

will continue engagement with community groups to support any future bids they may wish to make.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The £900k HCA funding includes £675k for Brighton & Hove City Council and £225k for Lewes District Council.

5.1.2 The financial implications of this scheme are that the Council will release funding for the loans to homeowners, delivered by BHCC under a proposed contract with Parity Trust with 50% of the grant funding being received in advance and the remaining 50% being subject to a claim being approved by HCA.

5.1.3 It is anticipated that 27 properties will be delivered in 2013/14 and 33 properties in 2014/15 requiring capital funding of £405k and £495k respectively. The estimated timing of cash flows will require forward funding up to £200k pending receipt of outstanding grant from the HCA.

5.1.4 The proposed contract with Parity would manage the loans to homeowners and the subsequent loan repayments. These loan repayments would then be used as the recyclable loans fund in order to comply with the terms of the grant funding and deliver an ongoing supply of affordable loans to eligible homeowners.. Appropriate administrative costs and the interest rate subsidy can be charged to the grant funding.

5.1.5 A Service Level Agreement will be entered into with Lewes DC.

Finance Officer Consulted: Name Anne Silley Date: 22/02/13

Legal Implications:

5.2 5.2.1 The Council has a legal obligation under Part VII of the Housing Act 1996 as amended by the Homelessness Act 2002 to provide accommodation to people and households who are vulnerable and in priority housing need. Receipt and execution of this fund will enhance the Council's ability to meet this obligation.

5.2.2 With the execution of the Funding Agreement the Council will now formalise on going negotiations by completing a legal agreement with Parity Trust to disburse the funds and progress the Council's housing objectives as set out in this report.

5.2.3 With reference to paragraphs 3.24 – 3.25 above, the urgency powers available to the Strategic Director, should he require them, are set out in the General Delegations to Officers at Part 6.2, paragraph 7, of the council's constitution.

Lawyer Consulted: Name Ola Oduwole Date: 15/02/13

Equalities Implications:

- 5.3 Working with partners including the Homes & Communities Agency and neighbouring authorities to bring long term empty homes back into use and improve housing supply is aligned to the key Corporate priority of tackling inequality through meeting identified needs of disadvantaged groups in the City to whom the Council owes a housing duty.

Sustainability Implications:

- 5.4 Bringing long term empty homes back into use makes best use of existing housing resources in the City. Improving homes brought back into use includes improvement to thermal comfort benefiting energy efficiency, addressing fuel poverty and reducing carbon emissions in line with One Planet Living principles. property.

Crime & Disorder Implications:

- 5.5 Empty property is recognised as having high potential to attract anti-social behaviour and crime (i.e. stripping of materials from the property), which can add to a sense of insecurity in the neighbourhood.

Risk and Opportunity Management Implications:

- 5.6 An initial risk will be loss of funding if unable to finalise the HCA contract within their timetable. Mitigation is use of 'urgency' procedure outlined above.

The key risks for the scheme will mean that the Council will be unable to access HCA Funding available under the Funding Agreement.

Other risks include:

- Not being able to identify suitable empty homes for the scheme;
- Rents under the scheme not being attractive enough for owners to lease for minimum term;
- Homeowners not being eligible for or willing to enter into the loan agreement.

There is also a relationship risk with Lewes DC should we be unable to fulfil their element of the programme and deliver empty homes back into use in their local authority area.

By way of risk mitigation:

- We have an established and successful empty property strategy which identifies and makes sustained contact with owners and a previous funding scheme (albeit grant rather than loans) that funded 60 units 2008 - 2011.
- EPEG (Empty Property Enforcement Group) will work to encourage owners to a positive return to use for their property. Introduction of the Council tax premium from 1 April 2013 will be used as another disincentive for owners to leave their properties empty. The enforcement role of the Empty Property Team is outlined in the report (3.2) and can include legal action to bring empty homes back into use up to and including Compulsory Purchase Order.

- We have a strong track record of sub-regional working including past delivery of Empty Property Officer services in Lewes District and a current leasing scheme with LDC. We will be agreeing a Service Level Agreement with LDC around delivery of Empty Property Officer services.

In addition, with the end of Government funding for Private Sector Housing Renewal under Comprehensive Spending Review there are no other capital funding streams available to enable / encourage homeowners to bring long term empty homes back into use.

Public Health Implications:

- 5.7 Brighton & Hove Joint Strategic Needs Assessment 2012 highlights the relationship between poor housing & health outcomes:
- Cost to individual: repeat hospital admissions; frequent visits to GP; isolation; substance misuse; suicide & death;
 - Wider implications: costs to NHS and local authority; environmental impact (e.g. in creased carbon emissions); crime & antisocial behaviour; low community resilience.

In terms of community wellbeing and resilience Director of Public Health Annual report (2010) identifies that Housing in Brighton & Hove represents a particular vulnerability for children and adults.

Bringing long term empty homes back into use supports the aims of the City-wide Housing Strategy to make best use of existing housing resources and improve housing supply and housing quality in the City.

Corporate / Citywide Implications:

- 5.8 The scheme supports corporate priorities, Tackling Inequality and Creating a Sustainable City and specific outcomes: 'A healthier and higher quality built environment' & 'Decent, Affordable, Healthy Housing' The scheme will operate within the council's Empty Property Strategy which works to bring long term empty properties back into use as homes.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 With the end of Government funding for Private Sector Housing Renewal under Comprehensive Spending Review there are no other capital funding streams available to enable / encourage homeowners to bring long term empty homes back into use.
- 6.2 Should funding not be available to assist owners to bring long term empty homes back into use options left to the Council would be limited to identification, encouragement, without any funding incentive, and enforcement action up to and including compulsory purchase.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The reasons for the recommendation are identified in the report.

SUPPORTING DOCUMENTATION

Appendices:

1.

2.

Documents in Members' Rooms

1.

2.

Background Documents

1. Empty Homes (Revolving Fund) Agreement (2012-15 allocation (local authority))

2.

