

**BRIGHTON & HOVE CITY COUNCIL**  
**HOUSING & NEW HOMES COMMITTEE**

**4.00pm 17 JUNE 2015**

**FRIENDS MEETING HOUSE, SHIP STREET, BRIGHTON**

**MINUTES**

**Present:** Councillor Meadows (Chair) Councillor Hill (Deputy Chair), Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Barnett, Lewry, Miller, Moonan and Phillips.

**PART ONE**

**1 PROCEDURAL BUSINESS**

**1(a) Declarations of Substitute Members**

1.1 There were none.

**1(b) Declarations of Interests**

1.2 There were none.

**1(c) Exclusion of the Press and Public**

1.3 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.

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

**2 MINUTES OF THE PREVIOUS MEETING**

2.1 Councillor Mears referred to paragraph 67.1 in relation to the closure of the Oxford Street Housing Office. She had read the Health & Safety report and Incident Survey which caused her concern. She asked why the building was bought at great expense and allowed to deteriorate to such an extent.

2.2 Councillor Mears referred to paragraph 71.4 in relation to Supporting People. She was concerned that there had been no proper report on this matter. She would like to see a

report from Adult Social Care detailing what steps were in place to address problems. She was concerned that a £10m budget was allocated to Adult Social Care and not Housing Services.

- 2.3 Councillor Mears referred the new Neighbourhood and Communities Committee and said that she was aware that there was a member of the administration with responsibility for rough sleepers. She asked which committee should be presented with reports on rough sleepers.
- 2.4 The Chair stated that there was a need for Housing Committee reports on both Oxford Street and Supporting People.
- 2.5 Councillor Gibson echoed Councillor Mears' concerns about Supporting People issues. He noted that there was no report on financial modelling ( in relation to Living Rent calculations) as stated in paragraph 69.5. The Chair stated that there would be a full and detailed report to the next meeting of the committee.
- 2.6 **RESOLVED** - (1) That the minutes of the Housing Committee held on 4 March 2015 be agreed and signed as a correct record.

### 3 CHAIR'S COMMUNICATIONS

- 3.1 The Chair reported that the meeting would be webcast live and would be capable of repeated viewing.
- 3.2 The Chair read out the following statement to the Committee.

"Can I begin by welcoming everyone to today's first meeting of the Housing and New Homes Committee – the first of the committee meeting cycle since the recent elections.

Whether you are a new councillor or a returning councillor, I would like to congratulate you on being elected here and can I also note my thanks to the previous administration's Chair Bill Randall.

The new democratically elected Committee of course reflects the wishes of the residents of Brighton & Hove. On May 7<sup>th</sup> they voted locally for both a change of leadership and change of direction of the council. They have clearly indicated to us all, I think, that they want to see an administration that works better for them. In practice, this means getting on and working together to improve the housing outcomes and opportunities for residents in the city. Regardless of party politics we are round the table today to serve our community, our residents, the best way we can.

The Committee has added 'New Homes' to the end of its title which is a deliberate addition to the committee's remit by the new administration.

New Homes within our city are vital to the health and economy of our citizens where we have an opportunity to join-up the needs of the homeless as well as those needing a family home and form part of our housing strategy to help deal with our housing crisis.

However, we cannot do this alone and we need to work in close partnership with many other organisations within the city to help us deliver on that strategy.

The next election is some way off however I hope you will feel like me that it is incumbent upon us all to find common ground where we can; particularly in improving the quantity and quality of many homes for lots of our residents, both in the private sector as well as those in social housing.

There is a growing pressure on all housing services in the city which will tax our resourcefulness to ensure we provide the best service or solutions possible. I hope that, where necessary, we can put aside our political differences and focus on those in need instead.”

#### **4 CALL OVER**

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

#### **5 PUBLIC INVOLVEMENT**

5.1 There were no Petitions

5.2 Pip Tindall asked the following public question on behalf of Giuseppina Salamone:

*“At the March meeting of the Housing Committee, Councillor Randall said that the council would be carrying out Living Rent calculations on the new council housing being developed, and the Head of Housing Strategy and Development promised to report on this work at the June meeting. Councillors wished to find ways to offer new council housing at a Living Rent, rather than an unaffordable 80% of market rent. Do these models include the option to extend the repayment period on the building costs of new homes, so that rents can be lowered without increasing the subsidy required?”*

5.3 The Chair replied as follows:

“A key Housing Strategy priority is support for new housing development that delivers a housing mix the city needs with a particular emphasis on family, Affordable Rent and where feasible, Social Rented housing.

The Government introduced Affordable Rent to help fund the development of new affordable housing using less public subsidy. Those homes developed with Government funding (and some existing homes when vacant), including those funded by use of Right to Buy receipts, are now 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 higher grant.

Through our Tenancy Strategy (2013) we are committed to:

- Ensuring that existing Council tenants will continue to enjoy lifetime tenancies within the existing Social Rent framework, with no conversion of vacant Council homes to Affordable Rent;

- Keeping Affordable Rents affordable, ensuring that Affordable Rents to be set at the lower of either 80% market rent level or the Local Housing Allowance (LHA) limit.

Local Housing Allowance (LHA) levels that in practice frame tenant rent on new homes built at Affordable Rent have not kept pace with market rents in the city. LHA levels do not reflect 80% market rent. When compared to (14/15) market rents LHA equates to 78% and 64% of market rent for a one bedroom flat and three bedroom house respectively.

Reduced public subsidy and higher income risks aligned to welfare reform have made borrowing to build homes for rent a much higher risk for Registered Providers with a significant shift away from development of homes for both Social Rent (no new homes planned) and Affordable Rent.

The City Council has responded to these challenges by initiating a programme to develop new affordable council homes for rent on HRA owned land.

Housing Committee unanimously agreed at its meeting on 6 March 2013 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. The report indicated the level of Affordable Rents and the impact these higher rents would have on the number of homes the HRA could develop.

The proposal to this committee for Findon Road is for the scheme to be 100% Affordable Rented homes. The units have been modelled the lower of either 80% market rents level or the Local Housing Allowance (LHA) limit in accordance with the council's Tenancy Strategy. This means that rents for this scheme are set at LHA levels which are in the region of 60-70% of market rent dependent on the number of bed rooms. This also means that those tenants in receipt of full housing benefit will have their rents fully covered by benefit.

There is no agreed formula for calculating a Living Rent and a number of concerns with developing another rent calculation. All rents are currently calculated in line with Government guidance for social rents for 2015. However for illustrative purposes only, a rental figure of £600 per month modelled for the Findon Road scheme and applied to all units regardless of number of bedrooms (based on 1/3 of an average local wage of £22K PA) would increase the subsidy required from the Housing Revenue Account (HRA) from £17K per unit to £71K per unit; an overall increase of £54K per unit. Over the Findon Road development this is an overall increase of HRA scheme subsidy requirement of around £3.1M. This is modelled over 40 years which is in line with housing sector standards where schemes are generally modelled on between 30-40 years."

- 5.4 Ms Tindall asked if the living rent calculations would be presented at some point. The Executive Director, Environment, Development and Housing replied that there would be a report to the next meeting of the committee showing the difference between different rental levels.

- 5.5 **RESOLVED-** That the Public question be noted.
- 5.6 The Committee considered the following deputation which had been submitted by Dani Ahrens, Pip Tindall, Leila Erin-Jenkins, Dave Bangs and Giuseppina Salamone. The deputation was presented by Dani Ahrens. Ms Ahrens was accompanied by two private tenants who spoke about their difficulties in renting in the private sector.

### **Private Sector Housing**

“We are pleased to see that the committee is discussing private sector housing at today’s meeting. In our campaign we have talked to many people who feel that there is a real crisis in private sector housing in the city, and there is an urgent need to take action to tackle this crisis.

However, we were disappointed that the scrutiny panel’s recommendations do not match the urgency of the problem, and in some cases do not even follow from the evidence presented in the report. For example, the report discusses the need for truly affordable rented housing to be supplied, so that low paid workers can afford to live and work in the city. But recommendation 6 deals only with owner-occupied housing.

Having heard evidence of poor quality in rented housing, particularly that rented by students, the panel recommended a series of voluntary initiatives, led by the universities or by some unspecified agency (Recommendations 12, 13 and 14). While we do not object to these ideas, we think the council could and should take much stronger action.

Recommendations 15 and 16 are similarly weak, in the face of widespread unethical, discriminatory and exploitative practice by both landlords and letting agents.

The fact is that the private rented sector is not a level playing field in which tenants are “customers within a market” who simply need more information to enable them to “make rational evidence-based decisions” (page 21 of scrutiny report). There is a big imbalance of power between tenants and landlords. This is the main factor which determines the choices tenants are able to make.

To give just two examples of how this works, we heard of a case at our regular street stall recently where a tenant asked her landlord to replace an insecure front door at her home. The landlord agreed to do this, and, encouraged by this, she asked for a series of additional repairs, as is her right. The landlord responded by increasing the rent, which was already higher than the tenant’s entitlement to Local Housing Allowance. The repairs have not been done but the tenant has no effective recourse in law because she is not entitled to legal aid.

Another tenant faces homelessness after being evicted from her studio flat when her landlord decided to sell. She is able and willing to pay rent in the private sector, but because she is on disability and housing benefits, no letting agency is prepared to let a property to her. This kind of discrimination is extremely common.

In these circumstances, the council needs to do more than act as an independent arbiter of ethical behaviour. The council must enforce decent minimum standards for all housing in the city, by introducing a comprehensive register of private sector landlords.

Landlords should be required to maintain their properties at a set standard of repair, safety and energy efficiency before they can be included on the register and permitted to let out property in Brighton & Hove.

We note that both the Labour and Green Party manifestos included a commitment to a landlord register, and urge the committee to take action to implement this as soon as possible”.

5.7 The Chair replied as follows:

“I would like to thank you for submitting this deputation.

Private rented sector growth was one of the key themes emerging from development and consultation on our new Housing Strategy. The private rented sector provides a flexible market response to meet housing need. However, there are issues around affordability and the impact of loss of family homes to housing in multiple-occupation (HMOs). Many landlords recognise the long term benefits from attracting good tenants to well maintained homes. However, concerns remain around management and standards in some parts of the sector and challenges around regulatory and investment responses which the council is committed to address.

Our Housing Strategy outlines a range of strategic actions aimed at improving the quality of housing and management in the private rented sector, in particular HMOs. These actions reflect a number of points raised in this deputation.

Housing Committee today will also consider two reports both directly aligned to our priority of improving private rented housing.

Committee are asked to designate a further seven wards as subject to additional HMO licensing enabling a proactive and consistent approach to addressing issues with management and standards in smaller HMOs.

Committee are also asked to welcome the Scrutiny Panel Report on Private Sector Housing and request a formal response to Panel recommendations be prepared by officers for consideration at a future Housing & New Homes Committee meeting.

Whilst some of the aspirations of this deputation require government legislation, as we examine the Scrutiny Panel’s recommendations, we will work with our partners explore every means at our disposal to make a positive impact where we can.”

5.8 **RESOLVED** - That the deputation be noted.

**6 ISSUES RAISED BY MEMBERS**

- 6.1 There were no Petitions, Written Questions, Letters or Notices of Motion from Councillors.

**7 CONSTITUTIONAL MATTERS**

- 7.1 The Committee considered a report of the Head of Legal & Democratic Services which provided information on the committee's terms of reference and related matters including the appointment of its urgency sub-committee. The report was presented by the Senior Solicitor.
- 7.2 The Senior Solicitor explained that the Committee's terms of reference were attached to the report. The constitution had not been updated and the terms of reference had not changed. Meanwhile, Members were asked to establish an Urgency Sub-Committee. The membership would normally be the Chair and one representative from the other two political groups.
- 7.3 Councillor Mears put her name forward to represent her group on the Urgency Sub-Committee. With regard to the Terms of Reference, Councillor Mears noted that 2.(b) related to Homelessness and the allocation of housing. 2.(e) related to housing loans and grants which included the Disabled Facilities Grant (DFG). Therefore, the Housing and New Homes Committee had the authority to sign off the Disabled Facilities Grant. 4. Related to Supporting People which was a function of the Committee. Councillor Mears expressed concern that the Committee had not seen Supporting People contracts.
- 7.4 The Executive Director Environment, Development & Housing explained that funding for the DFG came from the Health & Wellbeing Board. Supporting People Contracts had not been to Committee and there were no new contracts. He would check the current situation and provide information to members on this matter. The Chair asked the Executive Director to provide details on contracts.
- 7.5 Councillor Phillips stated that it was the Housing & New Homes Committee's statutory duty to discharge functions relating to homelessness, yet the budget sat with the Health & Wellbeing Board. She asked how this would move forward. Councillor Phillips requested a finance & planning review on Supporting People included in the briefing requested above.
- 7.6 The Executive Director replied that the report would explain Members' role in controlling the Supporting People budget.
- 7.7 Councillor Mears requested a report to the next Committee meeting. The Chair concurred with the request.
- 7.8 **RESOLVED: -**

- (1) That the committee's terms of reference, as set out in Appendix A to the report, be noted.

- (2) That the establishment of an Urgency Sub-Committee consisting of the Chair of the Committee and two other Members (nominated in accordance with the scheme for the allocation of seats for committees), to exercise its powers in relation to matters of urgency, on which it is necessary to make a decision before the next ordinary meeting of the Committee be approved.

*[NOTE: Following the meeting, Councillor Gibson put his name forward to represent his Group on the Urgency Sub-Committee. The Urgency Sub-Committee membership was therefore, Councillor Meadows (Chair), & Councillors Gibson and Mears.]*

## **8 NEW HOMES FOR NEIGHBOURHOODS - FINAL SCHEME APPROVAL - FINDON ROAD AND GARAGE SITES UPDATE**

- 8.1 The Committee considered the report of the Executive Director Environment, Development and Housing which focused on development proposals for the site at Findon Road, Whitehawk (former library site) that the Estate Regeneration Team now wished to progress through planning and construction stages. The report was presented by the Project Manager who referred to an error in the report. Recommendation 2.2 (iv) should not have mentioned the Wellsbourne site.
- 8.2 A Green Group amendment to the report recommendations had been circulated to Members prior to the meeting. The amendment was proposed and seconded by Councillors Gibson and Phillips.
- 8.3 The Chair referred to recommendation 2.1 ii which related to the scheme rent levels. She understood this had been agreed at a previous Housing Committee. The Executive Director Environment, Development and Housing explained that previously the committee had agreed the scheme in outline. The Housing Programme Manager explained that the previous report contained modelling regarding potential rent levels and options. Once the detailed design has been carried out officers present a report with rent options and explain the effects on the HRA.
- 8.4 Councillor Gibson set out his reasons for the amendment which related to affordability. There was a commitment from the previous Housing Chair to see if rents could be a little bit lower and more affordable. No-one else was providing social or living rents in the city. It was not a question of reducing subsidy from the government. Subsidy was not going into buildings. It was going into the benefits of people who had their wages topped up by housing allowance.
- 8.5 Councillor Gibson stated that the committee should be bold and ask officers to model some lower rents; either living rents or social rents on these new council houses. Councillor Gibson stressed that the council had lost over 100 socially rented Council houses in the city through Right to Buy. The council could go some way in replacing these properties. A social rent was half of the levels of the rent in the scheme proposals.
- 8.6 Councillor Gibson stated that officers had made the point that the lower the rent charged the less there would be in revenue. However, Councillor Gibson considered that the modelling had overlooked certain benefits. For example, management costs would not be increased when the properties were built. There could be consideration about the period the modelling took place. 40 years would be more sensible than 30 years.



Councillor Gibson asked for an affordable rent strategy. He stressed that there were 10,000 people who could only afford social rents and that it was incumbent on the council to go some way in meeting the needs of these people. Councillor Gibson welcomed the progress of 200 new homes. He asked for some to be truly affordable. The current rates were not affordable.

- 8.7 The Interim Head of Housing stated that with regard to management costs, anything could be included or excluded in the modelling. He was not sure if the modelling suggested by Councillor Gibson was being carried out anywhere else. It would mean that the council would be asking existing tenants to pay for the management costs of new tenants. There was a need to be seen as fair. If the council were building hundreds of homes it could not achieve this type of modelling. For this reason the suggestion was not feasible. The Principal Accountant concurred with the Interim Head of Housing.
- 8.8 The Interim Head of Housing suggested that there could be a different mix of housing. For example, houses for sale to subsidise rented housing. However this would result in the delivery of fewer affordable units.
- 8.9 Councillor Miller stated that he considered that rent should be lower and the costs cheaper. He asked why the costs were so high. The Executive Director explained that work was tendered in the market to achieve the best possible rate for the build. The building costs with inflation were very high. The Housing Programme Manager reported that the £14.1m was the end cost not just the build costs. Officers were finding a shortage of skilled labour and materials in the local market. There were other issues with this particular site. Extensive ground work had increased costs. The scheme had a number of wheelchair units. There were three high specification lifts in the development. These were the reasons why it was more costly than a private development. The scheme would be brick built and officers would aim to bring more information to councillors. A workshop for councillors relating to development process and finance was suggested.
- 8.10 Councillor Mears did not consider that the site at Findon Road was difficult in terms of gradient. There was an issue regarding costs. She was concerned that the council had external architects to draw up plans before in house architects took over to finalise the scheme. Councillor Mears stated that she wanted to understand the funding of the land. When the library was built in Whitehawk the grant was £5.9m. There was a shortfall of 2m. There was a proposal to sell land to pay back the general fund. This did not happen. Councillor Mears asked exactly what was being paid to the general fund for the land.
- 8.11 The Principal Accountant confirmed that total cost to the HRA for the both sites was still £1.3m. The £0.940m was an element of the £1.3m for Findon Road. When the development proposals for the Wellsbourne site progressed the balance would be paid to the GF for that land.
- 8.12 Councillor Mears referred to the financial implications and mentioned that in the past the council had a 30 year business plan. There was now a 10 year difference. Why was the council carrying risk for an extra 10 years?

- 8.13 The Principal Accountant explained that the building valuation had a life of 60 years and the rental stream was expected to go beyond than 60 years. It was standard practice to model borrowing between 30-40 years and this didn't carry a risk to the viability of the Business Plan.
- 8.14 The Housing Programme Manager explained that external architects were used at the initial stage to get high quality design. The plans were then passed to internal architects. This method worked very well and did not involve duplication. Section 106 funding was included in the modelling at £5000 per unit, but actual costs would not be known until after planning permission had been gained.
- 8.15 Councillor Miller asked questions relating to cycle storage, the ground floor and whether the police had been consulted on the scheme. He further asked why rent was charged weekly rather than monthly and asked if rents could be lowered if costs were kept low.
- 8.16 The Housing Programme Manager explained that there was a need to meet the standard with regard to cycle storage. There were 10 disabled flats on the ground floor. This number might be reduced to 7. The police were involved in the planning consultation. There would be a more detailed consultation as part of the planning process. With regard to costs, alternative models were being investigated for future schemes.
- 8.17 The Project Manager stated that each flat had some private amenity space in the form of a balcony or garden.
- 8.18 The Interim Head of Housing explained that a review was being carried out on rental income and recovery. The question of whether to move to monthly payments would be investigated as part of the review.
- 8.19 Councillor Barnett stressed the need for family homes. She was disappointed that the plans did not show any children's play areas. The Project Manager replied that there was general amenity space. Meanwhile, officers had worked with the Neighbourhood Council and would look at options for the Whitehawk area outside the planned development scheme.
- 8.20 The Chair stated that having read the report and the Green Group amendment she was concerned that the development might be postponed. She was also concerned that if rents were lowered it would lower the number of homes. There was a need to ensure that rent levels were feasible in order to be able to deliver new homes that were needed in the City.
- 8.21 Councillor Phillips asked Members to consider who would provide affordable accommodation if the council were unable to provide it. She asked Members to vote in favour of the amendment. Councillor Phillips asked if the committee could support a working group which would include representatives of the Brighton Housing Trust, the Community Land Trust and the developers of the low cost houses in Lewes (KSD Housing) to see if the council could achieve truly affordable accommodation in the city.
- 8.22 At this point of the proceedings the Committee considered the Green Group amendment. Councillor Phillips requested that each recommendation be voted on separately. The Chair stated that there would be a vote on the whole amendment.

8.23 The Senior Lawyer stated that she had serious concerns about adopting a policy which would create a rule of thumb for the future. She referred to 2.2 (vii) of the amendment and recommended that this should not be agreed without a written report.

8.24 The Committee had a short break before returning to vote on the amendment.

8.25 The Committee considered the following amendment.

Proposed amendments to the recommendations listed in the report:

To delete recommendation 2.1 (ii) "The scheme rent levels," as struck through and replace it with a new recommendation, "*model rent options that provide for living rent or social target rents as part of the Findon Rd development and bring these back for decision to the next housing committee\**," as shown in bold italics below; and

To insert a new recommendation 2.2 (vii), "*Adopt a policy of not increasing rents on new affordable homes, in such a way that in subsequent years the gap between affordable rents and social "target" rents reduces more quickly,*" as shown in bold italics below:

2.1 That the Housing and New Homes Committee approve the:

- (i) The final design;
- (ii) ~~The scheme rent levels,~~ ***Model rent options that provide for living rent or social target rents as part of the Findon Rd development and bring these back for decision to the next housing committee\****
- (iii) The estimated levels of additional investment required from the Housing Revenue Account (HRA) for the chosen rent model and delegates authority to the Executive Director of Environment, Development & Housing and the Executive Director of Finance & Resources, in consultation with the Estates Regeneration Member Board, to agree reasonable amendments to that subsidy if changes arise; and

2.2 That the Housing & New Homes Committee recommends to Policy & Resources Committee to:

- (iv) Approve that the land at Findon Road, former Whitehawk library site is appropriated to the HRA for a capital receipt of £0.940 million for planning purposes and the development of new housing;
- (v) Approve a budget of £14.1 million for the Findon Road scheme in the HRA Capital Programme which will be financed through a mixture of unsupported borrowing and retained Right to Buy capital receipts;
- (vi) That the site at 4-7 and 15-20 Kensington Street is appropriated for planning purposes and the development of new housing; and

(vii) ***Adopt a policy of not increasing rents on new affordable homes, in such a way that in subsequent years the gap between affordable rents and social “target” rents reduces more quickly.***

*\*This may be achievable by:*

- *Altering subsidy levels*
- *Revising the modelling to recognise that the management costs allowed for in the modelling does not represent real additional expenditure and so could be disregarded*
- *Building into the model recognition of the subsidy provided to the HRA from rents should the loan be a repayment loan*
- *Acknowledging that in any case after a 40 year period when the loan is repaid the scheme rents will generate a subsidy for the Housing Revenue Account (HRA) justifying an initial subsidy*

8.26 The Committee voted on the amendment proposed by Councillors Gibson and Phillips. Two members voted for the amendment and eight members voting against. The Committee then took a vote against the amendment. Eight members voted against the amendment and two members voted for the amendment. The amendment was not carried.

8.27 Members then moved to the recommendations in the report (as amended by the deletion of ‘and Wellsbourne site’ in paragraph 2.2 iv) which were agreed. Two members abstained on recommendations 2.1, i, ii and iii.

#### 8.28 **RESOLVED:-**

(1) That approval is given for:

- i. The final design.
- ii. The scheme rent levels.
- iii. The estimated levels of additional investment required from the Housing Revenue Account (HRA) for the chosen rent model and delegates authority to the Executive Director of Environment, Development and Housing and the Executive Director of Finance and Resources in consultation with the Estate Regeneration Member Board to agree reasonable amendments to that subsidy if changes arise.

(2) That the Policy and Resources Committee be recommended to:

- iv. Approve that the land at Findon Road, former Whitehawk library site is appropriated to the HRA for a capital receipt of £0.940 million for planning purposes and the development of new housing.

- v. Approve a budget of £14.1 million for the Findon Road scheme in the HRA Capital Programme which will be financed through a mixture of unsupported borrowing and retained Right to Buy capital receipts.
- vi. That the site at 4-7 and 15-20 Kensington Street is appropriated for planning purposes and the development of new housing.

## 9 HOUSING ADAPTATIONS SERVICE UPDATE

- 9.1 The Committee considered the report of the Executive Director Environment, Development and Housing which provided an update on the Housing Adaptations Service out-turn for 2014/15 including DFG investment in private sector housing and Housing Revenue Account (HRA) funded adaptations to Council homes. The report was presented by the Head of Housing Strategy Development and Private Sector Housing, and the Operations Manager.
- 9.2 Councillor Barnett requested that ward councillors who had been dealing with residents should be kept informed about works that would be carried out and not carried out. The Operations Manager replied that Access Point carried out the initial assessment. Housing Services was only involved after that stage. In some cases Access Point might trial equipment before providing more items. Any queries could be checked with the Major Adaptations Team.
- 9.3 Councillor Mears referred to paragraph 1.3 and stressed that savings could be made by keeping people in their own homes. Councillor Mears referred to paragraph 4.1 on page 39 (last bullet point) which stated that 'From 2009//10 to 2013/14, £0.666m in Private Sector Housing Renewal Assistance had been returned to the city council with 2013/14 showing the highest return with a total of £0.284m repaid. This was not currently recycled back into Private Sector Housing Capital Programmes.' Councillor Mears asked for an explanation. Where did the money go? The Chair asked for a written response to be sent to Members.
- 9.4 Councillor Moonan endorsed the importance of the Disabled Adaptation Budget. The pressure to delay grants was counter intuitive. She asked if there were ways of assessing need. The Operations Manager replied that there were ways of assessing need and officers were not delaying approval of grants. There had been discussions with contractors and there had been some positive responses from a number of them. For example, there was the option of working and being paid later. Critical cases were being prioritised so there was no delay on site.
- 9.5 Councillor Miller echoed comments made about delayed payments. He did not agree with shifting funding to another year. He asked about the number and annual cost of extended warranties. The Operations Manager replied that she did not have figures to hand but agreed that there was a need to review how to manage warranties. Five year warranties on electrical equipment were costly. There was a need to revisit options.
- 9.6 **RESOLVED:-**
  - (1) That the outturn and investment in adaptations be noted.

- (2) That the measures in place to manage the Disabled Facilities Grant (DFG) expenditure within budget over the next three years be approved.
- (3) That the report be referred to the Health & Wellbeing Board, along with the concerns of the Housing & New Homes Committee as outlined above.

## **10 PROPOSED ADDITIONAL LICENSING SCHEME FOR HOUSES IN MULTIPLE OCCUPATION (HMO)**

- 10.1 The Committee considered the report of the Executive Director Environment, Development and Housing which sought to comply with the Housing Act evidence and consultation requirements in support of the recommendation to designate the wards of Brunswick & Adelaide; Central Hove; East Brighton; Goldsmid; Preston Park; Regency; and Westbourne as subject to additional licensing under S56(1) of the Housing Act 2004 in relation to smaller Houses in Multiple Occupation of two or more storeys and three or more occupiers. If approved, it was proposed that the designation will come in force, following statutory notification requirements, on 2 November 2015 for a period of 5 years. The report was presented by the Head of Housing Strategy Development & Private Sector Housing.
- 10.2 Councillor Phillips stated that she had helped to informally canvas for these proposals in her ward of Regency, where there was the highest percentage of people living in the private sector in the city. There were very high noise complaints, HMO fires and some of the highest ASB incidents in the city.
- 10.3 Councillor Phillips considered that the proposals would benefit many of the residents living in Regency Ward and also the other six wards that were included in the proposals. This was a great step forward and Councillor Phillips hoped that the Committee could build on this work in future.
- 10.4 Councillor Mears referred to a letter received from the Southern Landlords' Association in which they had expressed concerns about the scheme. Councillor Mears was concerned that if licensing was to become too draconian and landlords took their properties off the market, it would adversely affect the housing supply in the city. Councillor Mears asked for reassurance that fees for the scheme were going back into the service and not being offered up as savings as that would defeat the object and be very damaging to the private housing sector in the city. Councillor Mears also wanted to be reassured that all risks and costs were investigated so there was no fear of judicial review.
- 10.5 The Head of Housing Strategy reported that the reason for such a lengthy report was to present all the risks and costs and mitigate as far as possible the risk of judicial review. Landlords might still want to challenge the proposals; however their particular concern was about more selective licensing which was not being proposed (licensing of single family dwellings). The structure had to be transparent and show a resourced scheme. The fee structure would be subject to Freedom of Information requests. Officers had tried to minimise the risks as much as possible.

- 10.6 Councillor Gibson paid tribute to officers for a thorough and detailed report. He supported the recommendations which were of major benefit to people. It was a good scheme and he would welcome it being extended in the future. Councillor Gibson referred to page 46, paragraph 3.7 which stated that landlords must be deemed to be “fit and proper” persons. He asked what powers the council had if the landlord was not a fit and proper person. The Private Sector Housing Manager explained that it was possible to revoke the licence subject to rights of appeal. A process was in place to revoke licences.
- 10.7 Councillor Gibson referred to the table on page 49, (special conditions applied). He asked if they were actually implemented or were some conditions incomplete. The Private Sector Housing Manager stated that the conditions were in progress. Councillor Gibson suggested it would be helpful to have a progress report on the conditions achieved.
- 10.8 Councillor Gibson referred to page 63, paragraph 8.2 which stated “In fixing fees for Additional HMO licences, the council is entitled by virtue of section 63 (7) of the Housing Act 2004 to take into account all its costs in carrying out its functions under Part II of the Act.....” He asked what would be a legitimate way to spend money under the legislation. The Senior Lawyer informed Councillor Gibson that she would supply him with a list of all functions.
- 10.9 Councillor Atkinson considered the report to be excellent and based on research and evidence. He agreed with Councillor Mears that the money raised through the scheme needed to be used for running the scheme.
- 10.10 Councillor Moonan concurred with comments already made. It was a valuable report. She was aware that licensing was only as good as it was enforced and was pleased to see there was a process of inspection. She asked what happened if landlords did not comply. The Head of Housing Strategy explained that officers would work with landlords. Most were fairly diligent in meeting requirements. There had not been much need to resort to enforcement. Officers were relying on the community to report where they considered enforcement was necessary.
- 10.11 Councillor Miller referred to page 43, paragraph 1.4 relating to HMO fees. The last review was in 2010/11. He asked why there was not an annual review of fees. Councillor Miller referred to page 55 relating to area based additional licensing. He asked if this was shifting problems or should there be a city wide approach.
- 10.12 The Head of Housing Strategy replied that the fee structure was the same for mandatory or discretionary licences. Fees were not reviewed annually. It was a five year scheme. With regard to area based schemes, landlords had informed him that it would be fairer to have the scheme across the city. The council needed evidence to support this to avoid judicial review. There was a need to justify the scheme. Officers did not feel that they could bring evidence for the other areas at the present time.
- 10.13 **RESOLVED:-**

- (1) That the results of the consultation and evidence gathering exercise undertaken in relation to the proposed additional HMO Licensing Scheme as summarised in the report and detailed in the Appendix, be noted.
- (2) That the wards of Brunswick & Adelaide, Central Hove, East Brighton, Goldsmid, Preston Park, Regency and Westbourne be designated as subject to additional licensing under S56(1) of the Housing Act 2004 in relation to smaller Houses in Multiple Occupation of two or more storeys and three or more occupiers, (other than those that are HMOs by virtue of Section 257 of the Housing Act 2004). Such designation to take effect on 2 November 2015 and last for 5 years.
- (3) That the revised fees for HMO licensing as set out in Section 4 be agreed. These revised fees will apply to additional and mandatory HMO licensing schemes from 1 August 2015 to take account of cost increases since fees were last reviewed in 2010/11.

## **11 SCRUTINY PANEL REPORT ON PRIVATE SECTOR HOUSING**

- 11.1 The Committee considered a report of the Executive Director Environment, Development and Housing which presented the Scrutiny Panel's formal report and recommendations that were published in March 2015 (Appendix 1) and proposed that officers bring a report back to the Housing & New Homes Committee with a formal response to the recommendations for Member consideration. The report was presented by the Housing Strategy Manager.
- 11.2 Councillor Hill stated that the report was essential reading for anyone interested in housing in Brighton & Hove. She stressed the importance of working in partnership and looked forward to a future discussion of the Scrutiny Panel's recommendations.
- 11.3 Councillor Gibson referred to suggestions made in the deputation considered earlier. He asked if there could be a response to the recommendations. The Chair replied that the suggestions made earlier would not be forgotten. There was a need for further consideration by officers when preparing options.
- 11.4 **RESOLVED:-**
  - (1) That the Scrutiny Panel Report on Private Sector Housing be welcomed, and that Professor Smith, panel members and witnesses be thanked for their expertise and time.
  - (2) That officers prepare a report proposing a formal response to the Scrutiny Panel recommendations for member consideration.

## **12 REQUEST TO SELL PIECE OF HRA LAND AT CONNELL DRIVE**

- 12.1 The Committee considered the report of the Executive Director Environment, Development and Housing concerning a request to buy a piece of HRA land, which Housing Committee and Policy & Resources Committee are required to consider since the value of the land exceeds £25,000 (which exceeds the Executive Director's delegated powers). The report was presented by the Housing Stock Review Manager.



- 12.2 Councillor Phillips informed Members that she and Councillor Moonan had carried out a site visit and had a number of questions about the land which was directly in front of site in question. Councillor Phillips wondered if these questions had been answered and whether the committee might benefit from a site visit given the location of the land. There was no information in the report about how much financial benefit the council might get from leasing the land rather than selling it. Councillor Phillips asked why the land directly in front of the land proposed for sale was not a priority and what scope there was to build on this land i.e. how many houses or flats.
- 12.3 The Housing Stock Review Manager replied that the key issue was whether the sale would inhibit the council's development ambitions on the adjoining green space. He had raised these issues with planning officers and their view was that the green space was not developable due to the sloping nature of the site and the unacceptable impact the development would have on the amenity of the existing houses. The site had never been on the list of potential regeneration sites. It was not recommended by the development consultants five or six years ago.
- 12.4 The Housing Stock Review Manager reported that in terms of numbers of houses and flats, he had spoken to an architect who stated that based on work carried out on regeneration, two houses or four flats would be the maximum, but there were significant issues about highways access and the tree which might be subject to a Tree Preservation Order. With regard to leasing, the Housing Stock Review Manager had spoken to the council's valuer who stated that it would be a small amount and it would mean that the whole new title would be a mixture of a long lease and freehold. This may make the property unsellable in the future.
- 12.5 Councillor Gibson asked how the valuation was carried out. Was it a standard formula or based on recognition that it was valuable in terms of a housing development. The Housing Stock Review Manager replied that it was the latter.
- 12.6 The Chair asked for clarification regarding the revised site map which had been circulated before the meeting. The Housing Stock Review Manager replied that the original drawing was based on the Council's Localview mapping system. The amended version was based on the Land Registry. It did not affect the valuation.
- 12.7 Councillor Miller asked which map was used when the valuation was made. The Housing Stock Review Manager replied that the valuer had confirmed that the exact size of the land was immaterial. The value was based on the development the applicant was proposing.
- 12.8 **RESOLVED:-**
- (1) That the Policy & Resources Committee be recommended to agree that the council sells the freehold of the subject land at Connell Drive, Woodingdean to the applicant, Geoffrey Wells.
  - (2) That the Policy & Resources Committee be recommended to use the capital receipt to support the housing capital programme.

**13 ANNUAL REPORT 2015**

- 13.1 The Committee considered the report of the Executive Director Environment, Development and Housing which presented the Annual Report, which publicises the performance of the services being provided to tenants and leaseholders. The Annual Report gave a reflection of the work carried out in the year and the work that is planned for the year ahead. The report was presented by the Head of Income Involvement & Improvement.
- 13.2 Councillor Moonan noted the good work carried out but stated that she would like to see more about the aspirations for housing in the future.
- 13.3 Councillor Miller referred to page 313 and suggested that there should be a contact number for jobseekers. The Head of Housing and Social Inclusion replied that a contact number for jobseekers would be inserted into the Annual Report if it was not quoted elsewhere.
- 13.4 Councillor Miller referred to the quotation on page 317 and asked if this related to a housing function or a social care function. The Head of Housing and Social Inclusion replied that it was not a landlord function but was increasingly part of the work being carried out in housing. Apart from Job Centre Plus there were no other departments that ran courses which supported people back to work or learning.
- 13.5 Councillor Miller referred to page 318 which quoted that 98.4% of rent due had been collected. He asked why housing benefit was calculated as rent paid and commented on the high running housing costs compared with the private sector. The Head of Housing and Social Inclusion replied that the calculations did include an element of housing benefit. This was the way performance indicators were presented across the country. This method was commonly used by HouseMark. 27.8% for running housing services was high but housing services did considerably more for tenants than a private landlord would do. Housing Services housed people who would not be housed by private landlords.
- 13.6 Councillor Mears asked for information about Housing Services staff in Bartholomew House. She was concerned that back room services such as HR & Finance had moved into the building. The Interim Head of Housing replied that staff were being consulted on where they should be based. The service was trying to reduce the cost of office accommodation. Future accommodation arrangements had yet to be finalised. Customer Services should be protected and no move would take place before Christmas. Any future arrangements would be brought back to the committee.
- 13.7 Councillor Gibson stressed that there needed to be robust evidence to show that call centres were cost effective. He did not see any reference to large print or audio versions of the report or information about translation into different languages. The Head of Housing and Social Inclusion replied that officers were aware of the people who needed to see the report in large print. The report was not translated due to the high costs.
- 13.8 **RESOLVED:-**

(1) That the draft Annual Report 2015 be approved for distribution to all council tenants and leaseholders with the summer edition of Homing In.

#### **14 NEW HOMES FOR NEIGHBOURHOODS - BROOKE MEAD EXTRA CARE HOUSING DEVELOPMENT UPDATE**

- 14.1 The Committee considered the report of the Executive Director Environment, Development and Housing which updated Members on the development of the Brooke Mead Extra Care Housing scheme. A report was approved at Policy & Resources Committee in February which agreed to increase the scheme capital programme budget, in order to cover a rise in costs primarily associated with build cost inflation forecasts, to a maximum of £12m. Members gave their formal approval for this increase in the capital programme budget. The Council entered into a contract for the construction of the building with Willmott Dixon Housing Ltd in May 2015 and the scheme was due to start on site before the end of June.
- 14.2 Councillor Atkinson praised the development and stressed that it would allow older people to remain at home. There was need for more of this type of housing.
- 14.3 Councillor Mears supported the project but expressed concern that the report was being submitted to Housing & New Homes Committee after having been submitted to Policy & Resources Committee. She was concerned about the funding of the development and reminded Members that Housing Committee in November 2013 had recommended that Policy & Resources Committee approve a capital programme budget up to a maximum of £8.3m for the delivery of the Brooke Mead project funded through unsupported borrowing in the housing revenue account, HCA Grant and a contribution from Adult Social Care. In 2015 the scheme was costing another £4m. Councillor Mears wanted reassurance that there would not be more reports coming back to the committee stating that the scheme would cost more money.
- 14.4 The Housing Programme Manager explained that Brooke Mead was a fixed priced project but there were still financial risks for example that there could be contamination on the site once the building is demolished. The project was starting in a week's time.
- 14.5 The Executive Director, Environment, Development & Housing explained that in 2013 the committee were looking at an outline scheme with indicative costs. Following planning consent the final scheme was costed by cost consultants, it is being delivered by Willmott Dixon. The scheme had been increased in scale and had been re-designed as it went through the planning process. A great effort had been made to be transparent and there had been an update to the Member Board. Extra Care was very costly and there would be lessons learnt from the scheme. Officers might look at other schemes in the future.
- 14.6 Councillor Mears expressed concerns about the traffic plan in place. The Circus Street scheme would be happening soon and there was great pressure on the Lewes Road. She wanted to be reassured that the schemes were considered together.
- 14.7 The Housing Programme Manager replied that officers were liaising and working together with residents and businesses. They would be looking at the relationship

between projects. The Project Manager reported that part of the planning process was the requirement for an Environment & Transport Plan. Officers are working with Circus Street project officers.

- 14.8 Councillor Gibson supported the scheme but suggested that in terms of costs it might be helpful to have been given estimate scheme costs per metre. He stressed that it would cost more to house the residents in the private sector.
- 14.9 Councillor Miller asked about the number of bedrooms per unit. The Project Manager replied that the units had one bedroom. There were six wheelchair accessible units.
- 14.10 Councillor Miller considered the cost of the units to be high and supported the idea of giving estimate scheme costs per metre. He stressed that if costs were lower there would be no need for a subsidy.
- 14.11 The Housing Programme Manager replied that one of the reasons for the high costs was that almost the whole of the ground floor was not flats. A workshop could be arranged for members to explain development finance. The Executive Director agreed that a financial workshop would be helpful. Officers wanted to be transparent about the process.

14.12 **RESOLVED -**

- (1) That it be noted that the final contract costs for the Brooke Mead Extra Care Housing scheme are within the approved £12m budget.
- (2) That the risks associated with this project are noted.

**15 HOUSING MANAGEMENT PERFORMANCE REPORT - QUARTER 4 AND END OF YEAR 2014/15**

- 15.1 The Committee considered the report of the Executive Director Environment, Development and Housing which set out the performance for quarter four of the financial year 2014/15 alongside end year results. The report was presented by the Head of Income Involvement & Improvement.
- 15.2 Councillor Mears referred to paragraph 4.04. She considered that the figure of £1,755 for total tenants with arrears of 1000 or more was high and stressed that there were problems relating to housing benefit forms. The Head of Income Involvement & Improvement explained that £1,755 was an average figure. Housing Benefit forms were completed before people moved into their accommodation in most cases.
- 15.3 **RESOLVED:-**
- (1) That the report, which was submitted to the Citywide Area Panel in May 2015, be noted, along with the comments of the Committee.

**16 ITEMS REFERRED FOR COUNCIL**

16.1 No items were referred to the next Council meeting.

**NOTE:** New Homes for Neighbourhoods – Final Scheme Approval – Findon Road and Garage Sites Update was referred to Council after the Committee meeting.

The meeting concluded at 7.35pm

Signed

Chair

Dated this

day of