



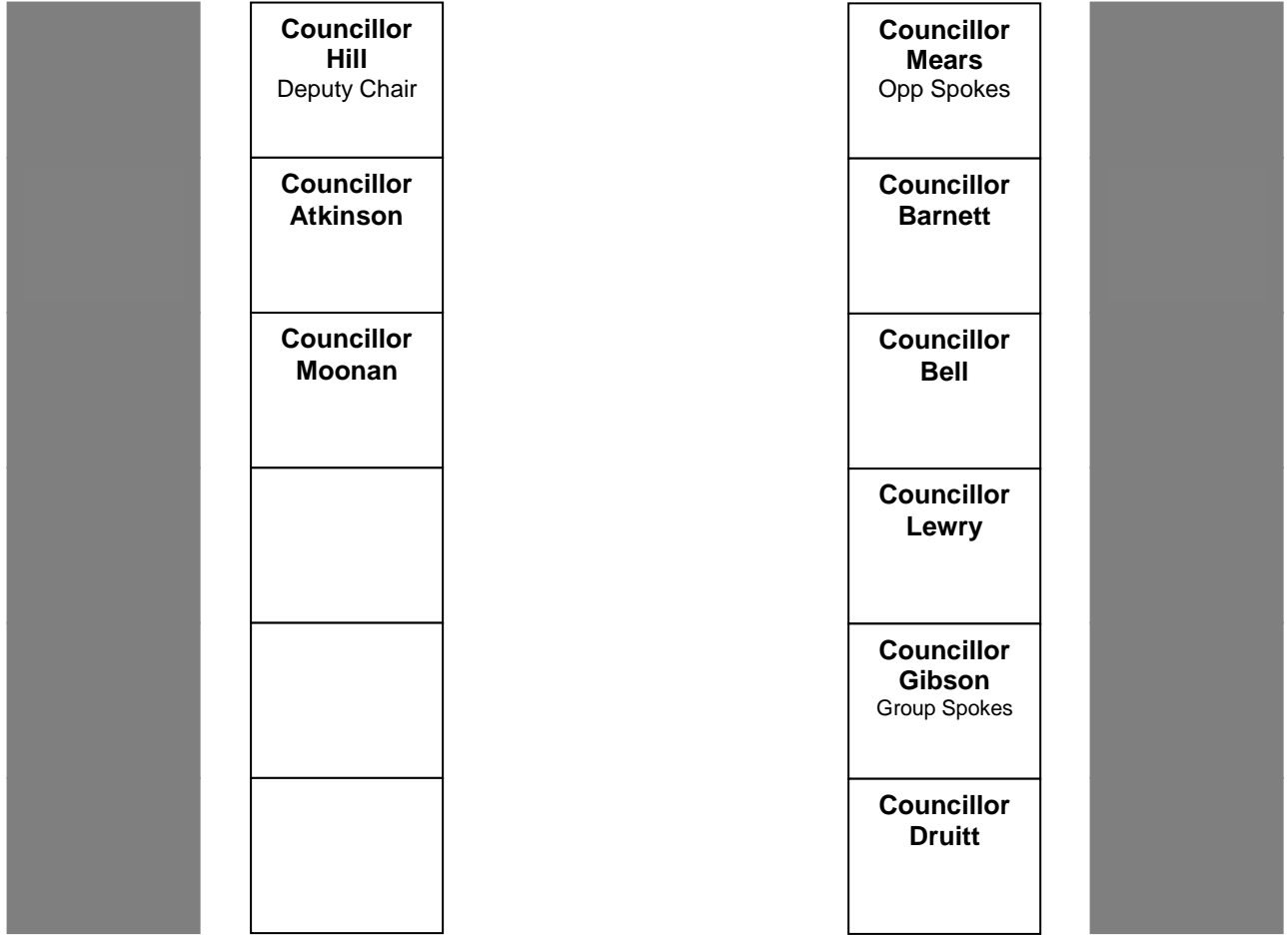
**Brighton & Hove  
City Council**

# Housing & New Homes Committee

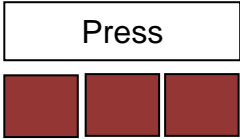
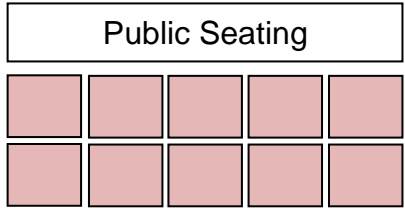
Title:	<b>Housing &amp; New Homes Committee</b>
Date:	<b>18 January 2017</b>
Time:	<b>4.00pm</b>
Venue	<b>Council Chamber, Hove Town Hall, Norton Road, Hove, BN3 3BQ</b>
Councillors:	Meadows (Chair), Hill (Deputy Chair), Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Barnett, Bell, Lewry, Druitt and Moonan
Contact:	<b>Caroline De Marco</b> Democratic Services Officer 01273 291063 caroline.demarco@brighton-hove.gov.uk
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# Housing & New Homes Committee

Head of Housing	Executive Director Neighbourhoods, Communities & Housing	<b>Councillor Meadows</b> Chair	Lawyer	Democratic Services Officer
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Public Speaker/  
Officer Speaking



## AGENDA

### PART ONE

Page

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#### 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;
- (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 OF THE PREVIOUS MEETING

1 - 34

To consider the minutes of the meeting held on 16 November 2016 (copy attached).

#### 50 CHAIRS COMMUNICATIONS

#### 51 CALL OVER

## HOUSING & NEW HOMES COMMITTEE

- (a) Items 54 to 61 will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

### 52 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 11 January 2016;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 11 January 2016.

### 53 ISSUES RAISED BY MEMBERS

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.

### 54 HOUSING FIRE SAFETY POLICY

35 - 46

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

Contact Officer: Rachel Chasseaud                      Tel: 01273 290753  
Ward Affected: All Wards

### 55 HOUSING REVENUE ACCOUNT BUDGET AND INVESTMENT PROGRAMME 2017/18 AND MEDIUM TERM FINANCIAL STRATEGY.

47 - 76

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

Contact Officer: Susie Allen                                      Tel: 01273 293105

### 56 HRA STOCK REVIEW: DELIVERING TEMPORARY ACCOMMODATION - STONEHURST COURT

77 - 88

Report of Executive Director Neighbourhoods, Communities and Housing

## HOUSING & NEW HOMES COMMITTEE

(copy attached).

Contact Officer: Simon Pickles Tel: 01273 292083  
Ward Affected: Hanover & Elm Grove

### **57 HRA STOCK REVIEW: DELIVERING TEMPORARY ACCOMMODATION - OXFORD STREET 89 - 108**

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

Contact Officer: Simon Pickles Tel: 01273 292083  
Ward Affected: St Peter's & North Laine

### **58 NEW HOMES FOR NEIGHBOURHOODS - HOUSING CO-OP PILOT 109 - 122**

Report of the Executive Director, Economy, Environment & Culture (copy attached).

Contact Officer: Carol Jenkins Tel: 01273 293832  
Ward Affected: All Wards

### **59 HOUSING ADAPTATIONS FRAMEWORK RE-LET 123 - 130**

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

Contact Officer: Alex Dickie Tel: 01273 293293  
Ward Affected: All Wards

### **60 STAR TENANT SATISFACTION SURVEY 2016 131 - 138**

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

Contact Officer: Ododo Dafe Tel: 01273 293201  
Ward Affected: All Wards

### **61 HOUSING MANAGEMENT PERFORMANCE REPORT QUARTER 2 2016/17 139 - 162**

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

Contact Officer: Ododo Dafe Tel: 01273 293201  
Ward Affected: All Wards

### **62 ITEMS REFERRED FOR FULL COUNCIL**

To consider items to be submitted to the 26 January 2017 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*

## HOUSING & NEW HOMES COMMITTEE

*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*

### PART TWO

#### 63 PART TWO MINUTES

163 - 164

To consider the Part Two minutes of the meeting held on 16 November 2016 (circulated to Members only) – Exempt category 3.

#### 64 PART TWO PROCEEDINGS

To consider whether the items listed in Part Two of the agenda and decisions thereon should remain exempt from disclosure to the press and public.

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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 Caroline De Marco, (01273 291063, email [caroline.demarco@brighton-hove.gov.uk](mailto:caroline.demarco@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

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

Date of Publication - Tuesday, 10 January 2017





**BRIGHTON & HOVE CITY COUNCIL**

**HOUSING & NEW HOMES COMMITTEE**

**4.00pm 16 NOVEMBER 2016**

**COUNCIL CHAMBER, HOVE TOWN HALL, NORTON ROAD, HOVE, BN3 3BQ**

**MINUTES**

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

**PART ONE**

**31 PROCEDURAL BUSINESS**

**31a) Declarations of Substitutes**

31.1 There were none.

**31b) Declarations of Interests**

31.2 There were none.

**31c) Exclusion of the Press and Public**

31.3 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.

31.4 **RESOLVED** - That the press and public be excluded from the meeting during consideration of the item contained in part two of the agenda.

**32 MINUTES OF THE PREVIOUS MEETING**

32.1 **RESOLVED** - That the minutes of the Housing and New Homes Committee held on 21 September 2016 be agreed and signed as a correct record.

**33 CHAIRS COMMUNICATIONS**

**New Council Homes in the City**

- 33.1 The Chair was pleased to update members on the continuing delivery of new council homes in the city.
- 33.2 The Chair attended the topping out ceremony to mark the completion of the frame and roof of Kite Place, comprising 57 new flats at Findon Road, Brighton. She reported that it was great to see the progress that has been made on site and it was clear that this was going to be a fantastic development on a key site for the Whitehawk area.
- 33.3 In addition, the Chair was pleased to confirm 12 new council homes at Kensington Street received planning permission last week.

**Compliments being received for Housing Needs Service**

- 33.4 The Chair updated members on the increasing number of compliments being received for the Housing Needs Service. The service was achieving 10% more compliments than in 15/16 which demonstrates the council's commitment to customer service despite the challenging housing market the council was operating in.

**Prioritising people living in fuel poverty**

- 33.5 The Council had also achieved a significant milestone with Brighton & Hove being praised by National Energy Action for prioritising people living in fuel poverty and supporting the city-wide Warmth for Wellbeing service.
- 33.6 Cold homes impacted adversely on people's health and the Chair was pleased to report that Brighton and Hove received a top 'six out of six' rating. Only 13 areas received 6 out of 6 from 152 areas reviewed.
- 33.7 Warmth for Wellbeing was a joint project by Brighton & Hove City Council, the local NHS, Brighton & Hove Energy Services Co-operative and 11 charities led by the Citizens Advice Bureau. It has been coordinated through the city's Health and Wellbeing Board. Housing & New Homes Committee had approved the Fuel Poverty & Affordable Warmth Strategy in June of this year and updates on the strategy objectives, particularly in relation to housing, would be reported back to committee in due course.

**Your Rent Matters campaign**

- 33.8 The Chair reported that to help council tenants maximise their incomes and prepare for upcoming changes to benefits and rents, the housing team was running the Your Rent Matters campaign over the next two weeks, contacting all 7,500 of the city's working age tenants to raise awareness and prepare as many people as possible.

**Amnesty for people illegally sub-letting**

- 33.9 The Chair reported that to make sure much needed council homes were available for households in priority need, housing, legal and corporate fraud teams were working together to offer an amnesty to encourage people who may be illegally sub-letting their council or temporary accommodation properties to return them to the council.

33.10 The amnesty would run for 8 weeks from 1<sup>st</sup> December 2016 to 31<sup>st</sup>; January 2017; following International Fraud Awareness Week in November. The amnesty would allow tenants to hand back properties without fear of prosecution and raise awareness of the impacts of tenancy fraud. Following the amnesty there would be a data matching exercise to identify properties that may be being sublet. During 2015/16 the Council had already recovered 26 homes.

#### **Successful prosecution for failure to license an HMO**

33.11 The Chair reported that in private sector housing the council had seen a successful prosecution for failure to license an HMO (under the Additional Licensing scheme), despite reminders from the council. The owner pleaded guilty at the hearing on 19 October 2016 resulting in a fine of £14K plus £900 costs and £170 Victim surcharge.

### **34 CALL OVER**

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

### **35 PUBLIC INVOLVEMENT**

#### **Petitions**

35.1 There were no petitions.

#### **Questions**

35.2 Rachel from Love Activists presented the following question:

“Will the council explain why the Housing First project has not been included on the agenda for this month’s meeting, despite it having been voted on unanimously at the Housing & New Homes Committee on 21<sup>st</sup> September, for a report to be heard at this month’s meeting? The Housing First model has ended homelessness in other parts of the world. With so many preventable deaths still happening on the streets of our city and around the country, homelessness and the application of this working model should be the upmost priority?”

35.3 The Chair replied as follows:

“Officers are continuing to work on developing a report to present to Committee assessing the options for Housing First going forward. Unfortunately it has not been possible to produce this report for the November Committee as further detailed financial modelling is required to assess both the costs and potential savings associated with this model. The report is now scheduled to come to the Housing and New Homes Committee in January 17.”

35.4 Love Activists asked the following supplementary question:

“Why haven’t any of the previous and existing housing projects allocated any ‘truly affordable and accessible’ permanent homes to expand the Housing First project here in

Brighton since the end of the pilot project of the Housing First project which ended February 2015? When and how will the council take meaningful action on the housing and homelessness crisis by doing so instead of prioritising more luxury flats that the people of Brighton don't need or want?"

35.5 The Chair explained that the question was difficult to respond to as the council did not prioritise luxury homes that people do not want. The Chair referred Rachel to the Rough Sleepers Strategy which was signed up to earlier this year where the council was prioritising homes and accommodation for those on the homelessness list.

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

### **Deputations**

35.7 There were no deputations.

### **36 ISSUES RAISED BY MEMBERS**

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

### **37 RETRO FITTING SPRINKLERS TO HIGH RISE BLOCKS**

37.1 The Committee considered a report of the Executive Director Economy Environment & Culture which updated members on the completion of the recent pilot project to retro-fit a sprinkler system at Somerset Point. This was a joint match funded initiative with East Sussex Fire & Rescue Services (ESFRS), who had made provision for a second block (St James House) to be match funded in 2017/18. The intention of the pilot project was to identify how further installations could be carried out to blocks in the city and what issues may arise. The report was presented by the Contract Compliance Manager accompanied by the Head of Tenancy Services and Richard Fowler, Business Safety Manager, East Sussex Fire & Rescue Service and Mike Meik, Health & Safety Business Partner.

37.2 Councillor Mears stated that she considered sprinklers to be life savers. She referred to the financial implications in paragraph 7.2 and asked how long the match funding would last. Councillor Mears also asked about the costs with regard to Essex Place, paragraph 7.3.

37.3 The Principal Accountant explained that the budget for Somerset Point was already in the programme. East Sussex Fire & Rescue Service was providing 50% matched funding. If the recommendations were approved a budget amount of £0.250 million would be included in the HRA Capital Programme proposals for 2017/18. The Business case for Essex Place had to be reviewed in the light of available funding for that project.

37.4 Councillor Bell raised questions with regard to the distance of fire appliances to the blocks and with regard to dry risers.

- 37.5 It was confirmed that the access to St James House was by public road, so appliances would get as close as possible. The Essex Place approach was a large car park area. Both buildings were fitted with dry risers.
- 37.6 Councillor Bell stated that he understood that there would be no need for sprinklers if the distance from the fire appliance to the block was under a certain distance. Mr Fowler explained that there was no legal requirement to fit these systems
- 37.7 The Contract Compliance Manager explained that £1.5 million had already been invested to ensure the blocks were fire compliant. Sprinklers were above and beyond requirements. She referred to recent fires in blocks and stressed that reinstatement costs were high. A sprinkler system protected the structure against damage.
- 37.8 Mr Fowler explained that the Fire Authority had agreed to match fund these systems as fire fighting was extremely hazardous for fire fighters in high rise blocks.
- 37.9 The Chair stated that she had heard nothing but praise from the tenants in Somerset Point. She thanked the East Sussex Fire & Rescue Service and officers for presenting the report.

37.10 **RESOLVED:-**

- (1) That the success of the pilot installation at Somerset Point be noted.
- (2) That it is agreed that officers proceed with resident consultation, procurement and subsequent installation of a further pilot sprinkler system at St James House subject to match funding from East Sussex Fire & Rescue Service and consideration of leasehold implications.
- (3) That it is agreed that officers prepare a business case to East Sussex Fire & Rescue Service for match funding of a sprinkler installation to Essex Place.

**38 HOMELESSNESS POLICY PETITION RECOMMENDATIONS**

- 38.1 The Committee considered a report of the Executive Director Economy Environment & Culture which explained that following a petition submitted to full Council by Daniel Harris, the Council and Housing & New Homes Committee were requested to consider a range of recommendations regarding temporary accommodation. The recommendations had been considered and the findings set out in the report. The report was presented by the Head of Temporary Accommodation and Allocations who explained that amendments to the previous report were contained in I) a, b, c, and d on pages 48 and 49 of the agenda.
- 38.2 Councillor Mears acknowledged the work being undertaken with ETHRAG and stressed that it was vitally important to get feedback from residents who used facilities.
- 38.3 Councillor Gibson referred to I) section a) on page 48 of the agenda which stated that ETHRAG comments were awaited. He understood that they had been provided.

- 38.4 The Chair explained that the paper from ETHRAG was not provided in time to meet print deadlines. However, members had now received copies.
- 38.5 Councillor Gibson stated that he would like to have the opportunity to read the comments. He suggested that there should be a report to the next meeting, to which ETHRAG be invited to present their comments.
- 38.6 Councillor Gibson set out an amendment to the recommendations as follows:
- That where the recommendations are listed in the policy, under point 2, that the following be added:
- 2.2 As a matter of urgency, that Housing and New Homes committee prioritise providing its own emergency accommodation, including the option of non-traditional buildings, through:*
- a) the estate regeneration board*  
*b) A wholly owned housing company*
- 2.3 That the council relate to the Emergency and Temporary Housing Residents Action Group (ETHRAG) as they would a "recognised group"/ partner organisation for the purposes of joint working, in order to improve living conditions and tenant experience alongside other relevant parties*
- 2.4 That a report be made, as a matter of urgency, to a future housing and New Homes examining the adequacy of the safeguards in existing emergency accommodation tenancy management, particularly those that protect tenants from revenge evictions, or from the eviction of whistleblowers.'*
- 38.7 The above amendment was seconded by Councillor Druitt.
- 38.8 Councillor Gibson stated that he was concerned to hear of cases where residents in emergency accommodation had spoken to the media and were evicted within a week or so.
- 38.9 Councillor Moonan congratulated Daniel Harris for starting the ETHRAG group and was pleased to see the matter back for discussion. The ETHRAG campaign was working and improvements were being made. She supported the amendment barring them being an official residents' group as they are not the council's official tenants.
- 38.10 Councillor Moonan stated that she and Councillor Hill were talking to residents. There was a need to carry out a survey to be as inclusive as possible. Monthly inspections were happening and she would welcome a report on that. She supported the amendment which consolidated the work. The council would do what it could with regard to emergency accommodation. It was not acceptable for people to be in temporary accommodation long term. Meanwhile, the council was bringing forward ideas to help that situation including the proposal to build 1000 new homes.
- 38.11 Councillor Mears stated that she would like the report to be deferred to the next meeting as she wanted to have the opportunity to look at all the information received.

38.12 The Chair stressed that it was important to talk with ETHRAG. When the group was properly constituted it could move forward. If the matter was deferred it would hold up this work.

38.13 Councillor Gibson stated that he was anxious to vote on the amendments to get action now. He requested feed back to a future meeting. He would very much like to have a presentation from ETHRAG in the future. He stressed that the council needed to do its utmost to ensure the lives of people who were vulnerable were supported.

38.14 Members voted on the amendments and that information from ETHRAG should be considered. This was unanimously agreed.

38.15 **RESOLVED:-**

- (1) That it be agreed that inspection outcomes and satisfaction surveys are reported to Committee twice a year.
- (2) As a matter of urgency, that Housing and New Homes committee prioritise providing its own emergency accommodation, including the option of non-traditional buildings, through:
  - a) the estate regeneration board
  - b) A wholly owned housing company
- (3) That the council relate to the Emergency and Temporary Housing Residents Action Group (ETHRAG) as they would a “recognised group”/ partner organisation for the purposes of joint working, in order to improve living conditions and tenant experience alongside other relevant parties
- (4) That a report be made, as a matter of urgency, to a future housing and New Homes Committee examining the adequacy of the safeguards in existing emergency accommodation tenancy management, particularly those that protect tenants from revenge evictions, or from the eviction of whistleblowers, and considers information back from ETHRAG.

**39 RENT SMART BRIGHTON AND HOVE**

39.1 The Committee considered a report of the Executive Director Economy Environment & Culture which explained that Rent Smart was a new citywide partnership of organisations committed to supporting tenants in the private rented sector. It was a community led self-help group that sought to work collaboratively with the council as a formal partner. Members had requested a report on the Council becoming a partner of Rent Smart. The report was presented by the Housing Strategy Manager.

39.2 Members were informed that the Rent Smart Partnership would be formally launched on 22 November 2016.

39.3 Councillor Mears stated that she considered that Councillor Hill had carried out an excellent piece of work and she would support the recommendations.

- 39.4 Councillor Hill stated that she hoped everyone was in agreement that the Rent Smart Partnership would help to address issues being experienced by tenants renting in the private rented sector.
- 39.5 Councillor Gibson considered it a brilliant initiative and a great example of achieving a great deal with limited resources.
- 39.6 The Chair concurred and stated that it showed that council as an enabler rather than a provider of services.
- 39.7 **RESOLVED:-**
- (1) That the Chief Executive be authorised to sign the Rent Smart Partnership Agreement (Appendix 1) on behalf of Brighton & Hove City Council.

#### **40 HOUSING DELIVERY OPTIONS - LIVING WAGE JOINT VENTURE**

- 40.1 The Committee considered a report of the Executive Director Economy Environment & Culture which set out a proposal from Hyde Housing Association to develop a Living Wage Joint Venture with the council to acquire land and develop new homes for lower cost rental and sale for low income working households in the city.
- 40.2 Following the deferral of the report submitted to the September Committee meeting, officers had carried out further work including ongoing financial and legal due diligence on the terms of the proposed joint venture; meetings between the council and Hyde's legal teams; further development of key documents; and additional briefings for Housing spokespersons and their lead members/political groups. Details of the briefings were set out in the report. A comprehensive list of Frequently Asked Questions had also been produced and appended to the report to help inform member decisions at Appendix 3. A financial summary was contained in Part Two of the agenda.
- 40.3 Prior to the consideration of the current report, members had a 40 minute adjournment to receive advice from officers on the amendments received from the Conservative and Green Groups. The report was presented by the Head of Housing Strategy, Property and Investment, and the Programme Manager, Regeneration. They were accompanied by the Principal Accountant and Matthew Waters from Bevan Brittan.
- 40.4 Councillor Mears stated that the Conservative Group had submitted an amendment in time and had been informed that due to the complexity of the questions, the amendment could not be debated at the meeting today. She put forward a further amendment requesting a Special meeting of the Housing & New Homes Committee be held, shortly before the Policy, Resources & Growth Committee on 8 December 2016 in order to consider the report and allow officers to respond to questions. The amendment was seconded by Councillor Bell.
- 40.5 The Chair asked members to vote on whether to defer the report to a Special meeting of the Housing & New Homes Committee on 8 December before Policy, Resources and Growth Committee. Four members voted for the amendment and six members voted against. The amendment to defer the report was therefore not agreed.



40.6 Councillor Mears presented the original Conservative amendment as follows.

*“That the recommendations on page 62 of the agenda be amended as follows:*

**2. RECOMMENDATIONS:**

*2.1 That Housing & New Homes Committee:*

*i) Recommends the report to Policy, Resources & Growth Committee as set out at paragraph 2.2 subject to the following safeguards being put in place to protect the Council:*

- a) That prior to the signing of any Heads of Terms agreement or other legally binding agreement to form this Joint Venture, Housing and New Homes Committee, Policy, Resources and Growth Committee and Full Council must ratify such a decision, with all members receiving the external advice sought including but not restricted to that from Queen’s Counsel on reverse Teckal, VAT and corporation tax liability and the likely outcome should a court conclude that the LLP would breach the requirement to use a company where something is done for commercial purposes as set out in the legal advice. As well as but not exclusively providing members with the ‘Independent financial/treasury management advice that will be sought as part of further due diligence review to ensure financial risk exposure to the council is kept to a minimum’ as outlined in the report.*
- b) That the appointments from the Council to the management board, shall include as the councils three members of the board, the chair of the housing and new homes committee, the opposition spokesperson of the housing and new homes committee and the minority groups spokesperson of the housing and new homes committee. Such positions should be capable of being substituted for by other members, and relevant council officers may attend purely in an advisory capacity to assist members. The Chair of the Board should also be the chair of the committee, who will hold a casting vote: in perpetuity. Final details of this officer advisors list, should come back to a future Housing and New Homes Committee for final approval, with any future changes to be agreed by later meetings of a committee which holds the same housing functions as this current committee.*
- c) That no HRA asset will be transferred or sold into the Joint Venture and this shall be written into the Heads of Terms, or equivalent legal agreement or final contracts.*
- d) That the HRA will have first refusal of any General Fund land being sold to the Joint Venture, with member oversight of this being considered for any sum above and including zero pence at the Estate Regeneration Board.*
- e) That a short 30 day Prior Information Notice be issued to ascertain, and this should be clearly set out in the OJEU Council Documents, whether another registered provider believes their frameworks could provide better value for money for the Council’s significant investment than Hyde’s: whilst clearly stating the Council has no legal compulsion to procure in this instance, and if*

*responses to the PIN are received this is not binding for a full procurement process to be gone through. The results of which should be brought back to a future Housing and New Homes committee meeting, for the committee to assess whether a full procurement process, if any registered provided responds positively to the Prior Information Notice, should be undertaken in the interest of value for money. The Procurement Advisory Board prior to the results coming to committee should also consider the results, and make recommendations which will be included in the report back to this committee.*

- f) *Further financial modelling should be undertaken and reported back to a future meeting of this committee for approval, as well as Policy Resources and Growth Committee and Full Council. This financial modelling should include SFVM and NPV calculations over each, 2, 5, 7, 10, 15, 20 and 40 years period, not simply the current 60 years one modelled as earlier exit is a possibility. This should also be a more extensive combination of sensitivity analysis at each of these time periods of the proposed joint venture. These should include both a best and worst cases scenario for each, but as a minimum should include a rental market reduction of 10%, an interest rate increase up to and including 8%, stress testing of the current proposed unit cost with additional 10% contingency and fees, construction costs increases of 20% seen on other council schemes, exposure of the LLP to corporation tax and VAT which should include tax increases and decreases down to 12% and up to 40%, as we are still waiting on Counsel Advice on this. This model should also include provision for legal advice should the dispute resolution mechanisms fail and achieving each element of the council's affordable housing brief in full, not simply partially. This modelling and sensitivity analysis should also include a market value of property reduction of 20%, at any stage, and the likely effect on the sale of shared ownership properties or propensity of ownership default of the shared ownership properties if the UK entered recession and GDP contracted by 7%, and the financial impact on the joint venture and council, including but not exclusively of mortgage companies having first refusal over the LLP retained, rented percentage of these shared ownership properties, using historic recession trends particularly the results on Housing Associations of the 2008 financial crisis.*
- g) *That the council, in order to protect general fund services, internally underwrite the risk of any exposure to the loan for the LLP, which could result in the joint venture in any one year resulting in a deficit for the general fund; including any extension to right to buy: with the council's existing general fund asset portfolio (as the sale of any of these assets should be used to fill the gap if the sale of the joint venture properties is unobtainable) and/or future in year loans to fill any gap, which the JV profits in subsequent years could repay. This to ensure that should there be a deficit in any year, that in none of these years will the general fund have to make reductions to services to make loan repayments. This being conditional on it being a non-HRA loan. This to form part of the heads of terms, contract or equivalent legal document by the council solely and/or the Joint Venture.*

- h) That a full and in depth review spanning the preceding 5 years of Hyde Housing Association and Hyde Housing Group be conducted and reported back to members at a future meeting of this Committee. This should also include a 5 year outline of all credit rating agency ratings, outlining every upgrade and/or downgrade over this period.***
- i) The Heads of Terms should clearly state at 2.1.6 d) the council or a third party to provide corporate and financial services, with an added, on costs incurred basis. Clarification on the requirement for a procurement process to be undertaken should these goods or services be provided by a third party should also be set out to members at a future meeting of this committee.***
- j) Legal advice on state aid compliance should be provided extensively at the relevant committee agreement stage for the sale of any council land to the Joint Venture and the annual approval of the business plan approval stage.***
- k) It should be explicit in the heads of terms or subsequent contracts that any profit from the Joint Venture should be split on a 50/50 basis.***
- l) That the Heads of Terms be amended at 3.3.5 g) to delete '(or first phase)' and to instead read 'whole development'.***
- m) That financial solvency checks for its lifetime be conducted on 'Hyde New Build' as outlined at 4.1.2 of the heads of terms.***
- n) Changes to the Heads of Terms be made to ensure that only the Housing and New Homes Committee can agree to a change in the reserved matters list and this cannot form part of the annual business plan to be changed.***
- o) The expenses policy of the LLP as set out at 4.10 of the Heads of Terms should be agreed by a future meeting of this committee prior to the Heads of Terms being signed.***
- p) The Heads of Terms be amended at 4.15 to read that 97% of fair value of 3 independent valuers, including the district valuer, shall be transferred in the event of a default.***
- q) The Heads of Terms be amended at 4.17 so that any third party must undergo financial solvency checks and be approved by the remaining partner of the Joint Venture.***

***2.2 That Policy, Resources & Growth Committee:***

- i) Support in principle the living wage joint venture proposal **subject to the further safeguards being put in place outlined above**; and***
- ii) Give delegated authority to the Executive Director of Economy, Environment & Culture following consultation with the Executive Lead Officer for Strategy Governance & Law, the Executive Director of Finance & Resources, the Estate Regeneration Board and the Strategic Delivery Board to:***
  - a. develop and negotiate the deal with Hyde;***

- b. ~~agree and authorise execution of~~ **develop** the Heads of Terms and subsequently the documentation required to implement the proposed Joint Venture; **both of which should come back to a future Housing and New Homes Committee, Policy Resources and Growth Committee and Full Council for final approval.**
- c. ~~make the appointments~~ **suggestions on the Council officer advisory attendees** from the Council to the management board; **as the councils three members of the board shall be the chair of the housing and new homes committee, the opposition spokesperson of the housing and new homes committee and the minority groups spokesperson of the housing and new homes committee. Such positions should be capable of being substituted for by other members, and relevant council officers may attend purely in an advisory capacity to assist members. The Chair of the Board should also be the chair of the committee, who will hold a casting vote: in perpetuity. Final details of this advisors list, should come back to a future Housing and New Homes Committee for final approval.**

iii) Note that reserved matters (as detailed in 3.30) will come back to **the Housing and New Homes committee, as well as the Policy Resources and Growth Committee** for approval including any business plans which are to be delivered through the Joint Venture, and the disposal of land/sites to the JV.”

- 40.7 The Executive Lead Officer for Strategy, Governance and Law explained it would be difficult for officers at today’s meeting to give confident legal, financial and practical implications of the proposals contained in the amendment. By law the Committee were required to ensure that they have taken all relevant considerations into account, including the legal, financial and practical implications of what the Committee are proposing. If the amendment was moved as it was, it could potentially amount to negating the proposal in the report, because the level of change had significant implications. Given that situation the committee had two options in terms of how it wanted to proceed. The first one was to defer the item or to defer to a Special Housing & New Homes Committee. That idea was not supported. The other way to proceed was for the Committee to instruct officers to prepare a covering report addressing the points raised in the Conservative amendment and for that to be submitted to the Policy, Resources & Growth Committee so that they would be fully sited about the issues. Officers would be happy to facilitate a member briefing so that the PR&G Committee would have the benefit of that input.
- 40.8 The Executive Lead Officer for Strategy, Governance and Law suggested that if Councillor Mears was happy to proceed on the basis outlined above then the committee could vote on that. If she wanted to vote on the amendment as it was presented above, rather than taking a report to PR&G Committee, that would cause difficulties.
- 40.9 Councillor Mears requested an adjournment to discuss the advice given above. The Chair agreed to the adjournment.
- 40.10 Following the adjournment the Executive Director, Finance & Resources addressed the Committee as Section 151 officer. He stressed that the proposals in the amendment were quite complex and officers had not had time to carry out any work in considering

the proposals and were not in a position to provide advice to members.

- 40.11 The Executive Lead Officer for Strategy, Governance and Law explained that the suggested way forward did not reject the amendments. PR&G Committee would have a full set of amendments before it. It would also have the officers' comments on those amendments, including the legal and financial implications. Meanwhile, officers would be happy to facilitate a briefing for members.
- 40.12 Councillor Mears stated that the Conservative Group agreed to amend the original Conservative amendment to state that officers would be instructed to prepare a report covering issues raised in the draft amendment to the Policy, Resources & Growth Committee and that a briefing be arranged before Policy, Resources & Growth Committee to which members of Housing & New Homes Committee were invited.
- 40.13 Councillor Bell seconded the amendment to the amendment.
- 40.14 The Chair stated that the Committee would now need to consider the Green amendments. There would then be a debate and members would come back to the vote.
- 40.15 Councillor Gibson read out the Green amendments as follows:

First Green amendment:

"That the following amendments be made to the recommendations listed under point 2, so that the document reads as follows:

2.2 That the Policy, Resources and Growth Committee:

ii) Give delegated authority to the Executive Director of Economy, Environment and Culture following consultation with the Executive Lead Officer for Strategy, Governance & Law, the Executive Director of Finance & Resources, the Estate Regeneration Board and the Strategic Delivery Board to:

a. Develop and negotiate the deal with Hyde; ***in which the following are sought:***

- 1) 100% of nominations for Living Wage Rented Housing are provided only for households from the BHCC waiting list, for whom specifically, the market rent for housing in the private sector exceeds 50% of their income.***

***This is estimated at an annual gross income of:***

- £36,000 for a three-bed***
- £31,000 for a 2 bed,***
- £22,500 for a one bed***
- £16,000 for a studio***

- 2) That 100% of nominations for shared ownership properties are achieved for residents with a local connection to Brighton and Hove, as defined in the***

*Housing Allocations Policy*

- 3) ***That a 'first refusal' option is agreed in the event Hyde become bankrupt; and/or that in the event that Hyde should separately dispose of their stake in the partnership, that their stake be sold to the council or to a charitable housing association, with charitable objectives;***
- 4) ***That the rent levels set are reduced to the levels modelled in the 30% of living wage rent sensitivity test, (made possible by lowering the rate of return in the base model)***

~~b. agree and authorise execution of the Heads of Terms and subsequently the documentation required to implement the proposed Joint Venture;~~

***b. the final terms of the agreement be put forward and agreed by full meeting of Council, prior to the completion of the deal;***

~~c. Make appointments from the Council to the management board;”~~

Second Green amendment:

That the following addition be made to the recommendations listed under point 2, section (iii), so that the document reads:

iii) Note that the reserved matters (as detailed in 3.30) will come back to committee for approval including any business plans which are to be delivered through the Joint Venture, and the disposal of land/sites to the JV

***iv) That reserved matters for the Joint Venture should include:***

- (a) An option to veto any future rent increases that exceed increases in the National Living wage;***
- (b) An option to veto any future rents increases that raise combined rents and service charges above the Local Housing Allowance;***
- (c) An option to increase allowances for maintenance of properties after year 10 in the model.”***

Third Green Amendment

“That the following addition be made to the recommendations listed under point 2, section (iii), so that the document reads:

iii) Note that the reserved matters (as detailed in 3.30) will come back to committee for approval including any business plans which are to be delivered through the Joint Venture, and the disposal of land/sites to the JV.

***v) That should the business model exceed its projected rate of return, all surplus council monies be ring fenced exclusively to provide additional council owned***

***emergency accommodation for homeless people and additional living wage rented housing”***

40.16 Councillor Druitt seconded the Green amendments as outlined above.

40.17 Councillor Hill stated that the Labour group had no objections to the Green amendments as described above. There was also no objection to the Conservative amendments as further amended above. Councillor Hill stressed the importance of the initiative which would make a great difference to people in the city.

40.18 Councillor Gibson raised the following issues:

- It was important to achieve cross party support for the initiative.
- Councillor Gibson shared concerns that HRA assets were being sold. He was attracted to the idea of a first refusal on general fund sites for HRA development.
- The initiative was an exciting and innovative proposal with a number of benefits.
- Concern was expressed about the affordability of the scheme, and most of the amendments the Green group were proposing were designed to address that aspect. The proposed rent was double the amount of council rents.
- He considered that the proposals would fail to deliver living waged rented housing. The amendment sought to make it more affordable for more people in the city.
- The amendment was saying that if the national living wage isn't progressed the council should have safeguards in place.
- Concern was expressed that the modelling for management and maintenance was considerably lower than the amount that the council spends on average. In the longer run it might not be sufficient to properly maintain the properties. The amendment was asking if the council could revisit this after 10 years.
- Should the business model make more money for the council then this should be put into council owned emergency accommodation and living wage rented housing.

40.19 Councillor Atkinson thanked all the officers for all the work they had put into the proposals which would provide a large amount of family housing. The issue of non-competitive procurement was well covered in Section 3.1.1 on page 64 of the report. Section 3.10 pointed out that Hyde was a nationally recognised organisation and a longstanding member of the affordable housing delivery partnership. Section 3.30, laid out in some detail the strategic control the council would exercise over the operation. It also suggested that that a senior councillor could sit on the board of the joint venture thereby giving even more democratic input. The joint venture fitted in with the proposed allocations policy. Hyde would not charge access fees when the partnership was buying goods or services using Hyde's frameworks. The proposed venture provided the unique opportunity to build a large number of new homes for local people.

40.20 Councillor Bell stated that the Conservative Group fully supported the concept of the proposals and thanked Hyde for bringing this to the officers and for the time spent on the proposal. The Living Wage Joint Venture was something the city really needed. Councillor Bell was concerned despite all the meetings that had been held over the

months and all the questions asked and answers given, the papers in front of members did not bear a lot of resemblance to what councillors had at the last committee meeting.

40.21 Councillor Bell raised a number of issues which were answered by officers as follows:

- The scheme of delegation referred to the Estate Regeneration Board and the Strategic Delivery Board, both of which contained cross party membership.
- Modelling assumptions had been reviewed as detailed in part 2 of the report. Funding would be something that would come back to the Policy Resources & Growth Committee and it would be determined on how the LLP was structured. That matter had not been discussed with Hyde and Bevan Brittan.
- Section 106 financial implications were based on £6000 per property which was a standard assumption for this size of development.
- Greater Brighton references were referred to in the report to give contextual reference, as officers wanted to show members the body and the breadth of efforts they were making to improve housing. The references did not relate directly to the Joint Venture. Paragraph 3.34, clearly showed how JV allocation was cross reference with the council's allocation policy. There was no indication anywhere that the JV properties would be allocated to anybody other than those living and working in Brighton & Hove. Under the frequently asked question number 4, page 94, officers had outlined how they would make sure these homes go to local households.
- It was confirmed that officers were not talking about HRA land being transferred. Officers could amend the papers to reflect that for the Policy, Resources & Growth Committee. There was different legal advice on the sale of HRA land to the sale of general fund land, so Bevan Brittan had provided advice to both. This JV was not about HRA land.
- In regard to questions about the land terminology such as transfer and drawdown, it was confirmed that any land going from the council would be going in at value. Transfer was a legal term that would have to happen to effect that. The council would still be receiving market value for it. With regard to legal questions around the Board and conflicts there would be considerations around conflicts whether it the Board members were officers or councillors. With regard to costs incurred, the Heads of Terms stated that the services for which Hyde were providing development management services would be carried out on a cost incurred basis. They would be not be making a profit. If the council provided services to the vehicle then that would also be on a cost incurred basis.
- Hyde was proposing to enter into a contract directly with Hyde New Build. The council would have a contract with the parent company. There would therefore be no need for a parent company guarantee. Hyde New Build limited provided the design and build services to Hyde Housing Association. They were proposing that Hyde New Build could be used to provide design and build services and that could be cost efficient for the joint venture. Hyde New Build was set up over 5 years ago and had a trading history and accounts and details could be provided.
- Officers had sought to answer questions on the running of the company and the Board on frequently asked question number 14 on page 97. The suggestion that members should be members of the Board was one of the amendments that would



be going forward to the Policy, Resources and Growth Committee. The governance structure was a reserved matter. Anything officers discussed with Hyde would be brought back to members for approval. With regard to options appraisal, officers had tried to demonstrate in the report that there were a range of options. Two of the options were in front of members today. The Wholly Owned and the Joint Venture. Any other options would have to be agreed by Committee.

- The £3 figure for £1 of investment was a national collation. Details could be circulated to members after the meeting. Officers had not identified which sites would be transferred. They had to make sure that the JV would work. Some work had been carried out on the types of sites required but they had not been identified or agreed. There would be a full consultation process on any sites that did come forward. They would all need to come through committee for agreement.

40.22 Councillor Druitt wanted to put on record that the hours that councillors had spent having multiple meetings in private during a public meeting did not seem to be the right way to carry out democracy. He asked if everyone could reflect on that and explore other ways in the future. He shared a number of concerns expressed by the Conservative group but he was happy to trust Policy, Resources & Growth Committee on the legal and financial due diligence of the joint venture. Councillor Druitt wanted to see the Conservative amendments explored in full at the briefing and at PR&G Committee. He welcomed all the work that had gone into the joint venture, but considered that there needed to be more effort in ensuring that the rents were truly living wage rents.

40.23 Councillor Mears raised a number of concerns and questions which were answered as follows:

- Delegated authority was in consultation with the two cross party boards. Under 2.2 (iii) noted that reserved matters would come back to the Committee for approval. Paragraph 3.30 outlined a full range of reserve matters that would have to come back to members; this included the business plan for the JV, any funding and any issues to do with governance as well as any disposals.
- The affordable housing brief was a means by which the council try and maximise the number of affordable housing in the city. The reason for doing this was to seek a significant number of rented homes. Size standards did link to the previous Homes and Community Association size standards and this was one of a number of options that were being considered to deliver new homes.
- In terms of whether there were enough sites for a 1000 homes, the purpose of the list officers shared confidentially with members was to review the sorts of sites that might be used. There were HRA sites included in that list: however, it was confirmed in this joint venture officers were absolutely not talking about HRA sites coming into the joint venture.
- Members were reminded that all sites that come forward for disposal or transfer to the joint venture would need to go through Housing & New Homes Committee.
- With regard to comments about the report changing since the last meeting it was explained that Bevan Brittan had been engaged for 6 months or so supporting the council. Bevan Brittan always tried to update the advice as the project had evolved. The papers had been updated to remove issues that were no longer on the table or to add more detail where there was more clarity.

- Paragraphs 4.16 to 4.18 of the draft heads of terms were highlighted. At the last committee members wanted more detail and more focus about what might happen at the end of the venture. Bevan Brittan had sought to capture the key principle that the council would have a lock in period during which it would know there would be certainty regarding the partners. In any event the council would have first right of refusal in the event that Hyde at some point in the future had an intention to walk away. The restriction on the use of the housing would always continue.
- The capital budget of £151,000 referred to in paragraph 8.3 was presented to committee last march. This was funding for legal and financial advice and was made up of strategic investment fund money and DCLG money carried forward.
- Officers had provided summaries of the models in the report. If an additional level of briefing was required that would be arranged.

40.24 Councillor Moonan echoed thanks to the officers for the work that had gone into the report. She welcomed the opposition's agreement in principal. The project was a sound and exciting proposal. Detail was important and Councillor Moonan welcomed the questions being raised and the examination of the detail. It was necessary to ensure all of those concerns were answered. Meanwhile, the proposals would boost the local economy by providing many local jobs as well as homes. The scheme was aimed at low income families and key workers who were struggling to pay private rents in a private rented sector. Through the scheme they would be provided with homes with a 40% discount which will make them much more affordable.

40.25 The Chair commented that this joint venture with Hyde Housing would allow the council to build up to 1000 affordable homes, as they would be based on the national living wage (by the time these homes are built) not the Brighton & Hove Living wage which was higher. This made the homes much more affordable. These homes would be more environmentally friendly, cheaper to heat, and more efficient on water consumption. That would save people another 40% on their fuel bills. On average each house could save up to £108 a week which would be life changing for many people.

40.26 The Executive Lead Officer for Strategy, Governance and Law stated that Councillor Bell had raised the issue of officers making appointments to outside bodies. He confirmed that under the council's constitution the appointment to outside bodies is reserved to full council.

40.27 The Committee voted on the Conservative amendments as amended so that they would be referred to PR & G Committee with an officer's report addressing the issues raised. Meanwhile officers would arrange a briefing before Policy, Resources & Growth Committee to which Housing & New Homes Committee members would be invited. The amendment to the amendment was unanimously agreed.

40.28 The Committee voted on the Green amendments and these were unanimously agreed.

40.29 The Committee voted on the main recommendations which became the substantive recommendation as amended and these were agreed by five votes in favour and four abstentions.

40.30 **RESOLVED:-**

- (1) That the Housing & New Homes Committee recommends the report to the Policy, Resources and Growth Committee as set out in paragraph 2.2, as amended.
- (2) That officers be instructed to take a report to Policy, Resources & Growth Committee addressing the issues raised in the Conservative draft amendment.
- (3) That officers arrange a briefing before Policy Resources & Growth Committee to which Housing & New Homes Committee members are invited to ensure members are fully briefed on the answers to the Conservative draft amendment.
- (4) That the following amendments be made to the recommendations listed under point 2, so that the document reads as follows:

2.2 That the Policy, Resources and Growth Committee:

- i) Support in principle the living wage joint venture proposal; and
- ii) Give delegated authority to the Executive Director of Economy, Environment and Culture following consultation with the Executive Lead Officer for Strategy, Governance & Law, the Executive Director of Finance & Resources, the Estate Regeneration Board and the Strategic Delivery Board to:
  - a) Develop and negotiate the deal with Hyde; in which the following are sought:
    - 1) 100% of nominations for Living Wage Rented Housing are provided only for households from the BHCC waiting list, for whom specifically, the market rent for housing in the private sector exceeds 50% of their income. This is estimated at an annual gross income of:- £36,000 for a three-bed- £31,000 for a 2 bed,-£22,500 for a one bed-£16,000 for a studio
    - 2) That 100% of nominations for shared ownership properties are achieved for residents with a local connection to Brighton and Hove, as defined in the Housing Allocations Policy
    - 3) That a 'first refusal' option is agreed in the event Hyde become bankrupt; and/or that in the event that Hyde should separately dispose of their stake in the partnership, that their stake be sold to the council or to a charitable housing association, with charitable objectives;
    - 4) That the rent levels set are reduced to the levels modelled in the 30% of living wage rent sensitivity test, (made possible by lowering the rate of return in the base model)

- (b) the final terms of the agreement be put forward and agreed by full meeting of Council, prior to the completion of the deal;
- iii) Note that the reserved matters (as detailed in 3.30) will come back to committee for approval including any business plans which are to be delivered through the Joint Venture, and the disposal of land/sites to the JV:
- iv) That reserved matters for the Joint Venture should include:
  - a) An option to veto any future rent increases that exceed increases in the National Living wage
  - b) An option to veto any future rents increases that raise combined rents and service charges above the Local Housing Allowance;
  - c) An option to increase allowances for maintenance of properties after year 10 in the model
- v) That should the business model exceed its projected rate of return, all surplus council monies be ring fenced exclusively to provide additional council owned emergency accommodation for homeless people and additional living wage rented housing.

#### 41 HOUSING DELIVERY OPTIONS - WHOLLY OWNED HOUSING COMPANY

- 41.1 The Committee considered a report of the Executive Director Economy Environment & Culture which set out a proposal to establish a wholly owned Special Purpose Vehicle or Housing Company. Following the September Committee meeting further work had been undertaken seeking to address key concerns of councillors through additional briefings offered to Housing Spokespersons and their lead members/political groups. Details of the briefings were outlined in the report.
- 41.2 The proposal was informed by outcome of the Housing Market Intervention options study presented to Housing & New Homes Committee in March 2016 who approved the report and agreed to the procurement of legal and other specialist advisers to pursue this work. The report was presented by the Head of Housing Strategy, Property and Investment, and the Programme Manager, Regeneration.
- 41.3 Councillor Mears proposed the following amendment which was seconded by Councillor Bell.

“That the recommendations on page 108 of the agenda be amended as follows:

#### 2. RECOMMENDATIONS:

##### 2.1 That Housing & New Homes Committee:

- i) Recommends the report to Policy, Resources & Growth Committee as **set** out at paragraph 2.2 **subject to the below details at 2.2 first coming back to a future meeting of this committee to be approved.**

ii) **Recommends the below details are provided to all members, and a final decision to proceed with a wholly owned council housing company be approved by a meeting of Full Council.**

2.2 That Policy, Resources & Growth Committee:

ii) Give **delegated** authority to the Executive Director of Economy, Environment & Culture in consultation with the Executive Lead Officer for Strategy Governance & Law and Executive Director of Finance & Resources to:

a. progress a wholly owned Special Purpose Vehicle or Housing Company to support the provision of additional homes in the city;

b. agree and authorise ~~execution~~ **the preparation** of documentation required to implement the model;

c. make the appointments to the management board; **which will include the Chair, Opposition Spokesperson and Minority Group Spokesperson of the Housing and New Homes Committee.**

iii) Note that future projects will come back to committee for approval including any business plans and the disposal of land/sites.”

41.4 Councillor Gibson asked officers if they could give some indication of timescales. When would the Housing Company be in a position to build some houses?

41.5 Head of Housing Strategy, Property and Investment replied that the intention was to progress as soon as possible. All project proposals would be considered by the Committee and the Cross Party Estate Regeneration Board.

41.6 The Executive Director, Economy, Environment & Culture informed Members that officers would move as quickly as possible but each of the projects took time.

41.7 Councillor Mears referred to the financial comments on page 113, paragraph 8.2. She asked if there was enough money to obtain legal advice. The Principal Accountant replied that there was enough money available at the moment. The cost might increase as the project progressed. All increases had to be approved and funds identified. At the moment the cost of appointed legal consultants was within budget.

41.8 At this point the Committee voted on the Conservative amendment outlined in paragraph 41.3 above. The amendment was unanimously agreed.

41.9 **RESOLVED:-**

(1) That Housing & New Homes Committee

(i) recommends the report to Policy, Resources & Growth Committee as out at paragraph 2.2 subject to the below details at (2) .first coming back to a future meeting of the Housing & New Homes Committee to be approved.

(ii) Recommends the below details are provided to all members, and a final decision to proceed with a wholly owned council housing company be approved by a meeting of Full Council.

(2) That Policy, Resources and Growth Committee:

(i) Give delegated authority to the Executive Director of Economy, Environment & Culture in consultation with the Executive Lead Officer for Strategy Governance & Law and Executive Director of Finance & Resources to:

a. progress a wholly owned Special Purpose Vehicle or Housing Company to support the provision of additional homes in the city;

b. agree and authorise ~~execution~~ **the preparation** of documentation required to implement the model;

c. make the appointments to the management board; **which will include the Chair, Opposition Spokesperson and Minority Group Spokesperson of the Housing and New Homes Committee.**

(ii) Note that future projects will come back to committee for approval including any business plans and the disposal of land/sites.

## 42 DRAFT HOUSING ALLOCATIONS POLICY

42.1 Prior to the consideration of the report, there was a 15 minute adjournment to enable members to receive advice from officers on the amendments received from the Conservative and Green Groups.

42.2 The Committee considered a report of the Executive Director Economy Environment & Culture which presented a new Allocation Policy for members to note and comment on further to the report being submitted for approval to the Policy, Resources and Growth Committee. City wide consultation was carried out from 1<sup>st</sup> December 2015 to 29<sup>th</sup> February 2016. It was reported that over the last 5 years the Housing Register had continued to grow and now stood at over 24,000 applicants.

42.3 Data demonstrated that numbers in current allocation Bands A & B were relatively static, whereas the increase in numbers was within Bands C & D on the register. This reflected the lower priority given. The report would be referred to the Policy, Resources & Growth Committee as there were significant financial implications which were set out in points 7.10 and 7.11 of the report. The report was presented by the Service Improvement Manager and the Head of Temporary Accommodation & Allocations.

42.4 Members were informed of a typographical error on page 127, paragraph 3.12. This should read that there needs to be a 5% tolerance in either direction (not 55%).

42.5 The Service Improvement Manager informed members that this report had been deferred at the last meeting in order to take the report and the consultation to the Area Panels. An Area Panel meeting was held on 20 October at Leach Court and was attended by 21 tenant's representatives where they were taken through all the main changes that were being proposed. There was a very good discussion and a number of questions were asked and were answered by officers. The tenants were pleased with the proposals but did have reservations around the one offer policy. The allocations plan had been inserted at paragraph 3.12. Financial comments had been updated and were included at paragraph 7.1.

42.6 Councillor Mears set out the following Conservative amendment:

“That the recommendations the recommendations on page 125 of the agenda are amended by inserting an additional recommendation 2.1.1 as follows:

**2.1.1 Recommends to Policy, Resources & Growth Committee that the proposed new policy on refusing a suitable and reasonable offer of accommodation (p. 194 of agenda) be amended to read:** *“Applicants will not qualify for social housing in Brighton & Hove and be (or remain) registered on the council’s housing register if they have refused ~~any~~ two offers of suitable accommodation within the last two years made or arranged by the council and there has been no material change in their circumstances so as to make the earlier offer(s) clearly unsuitable in the light of the applicant’s changed circumstances.”*

*Further that the words “**subject to the amendments in paragraph 2.1.1 above**” be added at the end of paragraph 2.2*

So that the amended recommendations read:

## **2. RECOMMENDATIONS:**

*That the Housing & New Homes Committee:*

2.1 Notes and comments upon the policy and agree to refer the policy to Policy Resources & Growth Committee (PR&G).

**2.1.1 Recommends to Policy, Resources & Growth Committee that the proposed new policy on refusing a suitable and reasonable offer of accommodation (p. 194 of agenda) be amended to read:** *“Applicants will not qualify for social housing in Brighton & Hove and be (or remain) registered on the council’s housing register if they have refused two offers of suitable accommodation within the last two years made or arranged by the council and there has been no material change in their circumstances so as to make the earlier offer(s) clearly unsuitable in the light of the applicant’s changed circumstances.”*

*That the Policy, Resources & Growth Committee:*

2.2 Notes the comments of Housing & New Homes Committee and agrees the Policy subject to the amendments set out in paragraph 2.1.1 above.

42.7 The above amendment was seconded by Councillor Barnett.

42.8 An amendment had been submitted by the Green Group which was subsequently amended. Councillor Gibson explained that following discussions with officers and the Conservative Group he was going to amend the amendment on the grounds that some issues would be forwarded to Policy, Resources & Growth Committee to give proper time for discussion, debate and clarification. Some elements of the amendment would be retained for this committee to vote and make a decision on and other matters would be referred to Policy, Resources & Growth Committee. The new amendment was as follow:

*That the Housing allocations policy be agreed by Housing & New Homes Committee and that*

2.1 ~~Notes and comments upon~~ **Agrees upon the policy, and agrees** to refer the policy to Policy, Resources and Growth Committee (PR&G) as set out at paragraph 2.2. It is further agreed:

- a) That the Housing Allocation plan is approved by the Housing and New Homes Committee,**
- b) that the initial Housing Allocations Plan set out on page 127 of the Committee papers be approved;**
- c) That future Housing Allocation Plans are approved by Housing and New Homes Committee on an annual basis, with any deviation of more than 5% of each allocation queue being reported to the committee**
- d) That this policy be reviewed at the end of the first Housing Allocations Plan cycle, and that this review will consider**
  - 1) any revisions to the Housing Allocations Plan**
  - 2) The possibility of reintroducing the positive local contribution category**
  - 3) Feedback from applicants involved in the system**

*That the following matters will all be referred to the Policy, Resources and Growth Committee for consideration.*

- a) Banding continues to be dependent upon assessment by a medical officer, as before;**
- b) That any applicants who have not bid in 12 months should be written to and asked if they wish to remain on the register, with a warning that failure to respond to the notification within 31 days will lead to their removal from the register;**
- c) That the income cap be reduced, to exclude those who are able to afford private renting of the appropriate sized property (those for whom renting consumes less than 50% of their income)**
- d) That the savings cap be increased, to enable individuals to retain sufficient funds to cover for 8 months rent for a property in the private rented sector – covering for 6 months rent in advance plus 2 months to cover damage, moving costs and charges**
- e) Rent arrears: That exclusion not be automatic should a person have a record of ‘failure to pay rent’, except where the person has outstanding debt liabilities to the council (excluding rent arrears) and is deemed not to be making satisfactory arrangements to repay those debts;**
- f) That the bidding time limit be set at 6 months rather than 3;**
- g) That the criteria for being a qualifying person include those who have lived in**



***the area continuously for five years preceding the date they make their application, and at least 2 years immediately preceding this date (with the same exceptions provided for in the draft policy)***

***h) That the policy explicitly state that 'there will be provision of a cooker and a sink in their home,' rather than referring only to 'access to cooking facilities,'***

***i) That whilst internet based applications are encouraged as default in the policy, that the policy will allow paper based applications, should these be requested by the applicant.***

***j) That Housing Allocations assist genuine and informed bidding by making fuller property information available to bidders (with images of aspects of the property)***

***k) That applicants excluded for refusing an offer be excluded for one year, not two.***

- 42.9 Councillor Mears asked the Committee Lawyer about the functions under the delegated functions of housing because under 2.b homelessness and the allocation of housing was a housing function. The Committee Lawyer referred to 7.10 and 7.11 of the legal implications stating that the Executive Director of Finance & Resources considered that this will have budgetary implications. Delaying the approval would also have budgetary implications and the council's constitution stated that in those circumstances it is a PR&G function rather than housing.
- 42.10 Councillor Mears formally seconded the Green Group's amendments as amended.
- 42.11 Councillor Barnett referred to the five year plan stating that people had to be in the city for five years before they were allocated any housing. She asked if there were going to be any exceptional circumstances. Councillor Barnett stated that 50% of working people always used to get a choice on housing allocation and that had been taken away now. She stressed that private landlords could specify who they did and did not want to house. Why was it not the same for the council?
- 42.12 The Service Improvement Manager explained that there were a number of exceptions to local connection. Page 189 listed the exemptions. One of such groups was military personnel. Others were homeless people for whom the council accepted a responsibility. The homeless local connection was different to the allocation policy. Members previously decided that they did not want to adopt the wider definition of local connection; they wanted a residents' connection. 50% was not for working households. It was for working positive contribution which included people who were doing volunteering for a certain amount of hours and some people with a disability making some form of contribution but not on a regular basis, because of that disability.
- 42.13 Councillor Atkinson thanked the officers for work on the policy. He stressed that this was about assisting those residents in most need that had a solid local connection to have a chance to obtain local housing. He stressed that the council now had a significantly reduced council housing stock due to properties being sold through the right to buy. It was necessary to use the council housing resource as carefully as possible.

The policy could also be of use to key workers in the city. A staff nurse for instance would be well within the financial assessment criteria.

42.14 Councillor Mears asked questions relating to the bullet points on page 127, paragraph 3.12. Councillor Mears stated that the council could legally only have one allocations policy, yet she believed that Adult Social Care had their own allocation policy. Councillor Mears asked officers to explain how the 10% plus Brookmead would be allocated.

42.15 The Head of Temporary Accommodation and Allocations explained that the about 700 properties a year were available for letting. Roughly half of them were one beds and studios. About 40% of the 700 would go to homeless households. Officers would work on a range of accommodation, so some would be family homes and others one beds. Adult Social Care generally wanted single person accommodation so the 10% that went to them would be for single person type accommodation. Family homes would be allocated to Children's Services. This needed to be profiled throughout the year which was why officers had asked for a tolerance of 5% either way in case the right size properties were not available.

42.16 The Service Improvement Manager explained that the policy in front of members allocated extra care through the process. Adult Social Care received referrals for any extra care accommodation in order to assess that eligibility. It was necessary for the Temporary Accommodation and Allocations team to work with Adult Social Care on this matter.

42.17 The Executive Director, Economy, Environment & Culture confirmed that the allocations to council housing would be through the allocations policy, but in accordance with the protocols that were agreed with the other departments.

42.18 Councillor Lewry asked what plus Brookmead meant on page 127, paragraph 3.12. The Head of Temporary Accommodation and Allocations explained that Brookmead was a new build development for extra care housing. Because it was for elderly people with dementia, it would be necessary for Adult Social Care to assess need for such accommodation.

42.19 Councillor Gibson made comments as follows:

- Although he accepted the reasons for the proposals he was saddened to have to make decisions that would lead to rationing and constraining a resource that was becoming more and more scarce and precious.
- More clarification was needed on many of the proposals. Therefore it was appropriate for them to go the PR& G Committee.
- It was vital that the Housing & New Homes Committee took responsibility for the Housing Allocations Plan on page 127, and that the committee review it.
- It was vital that points being raised were taken to PR&G Committee.
- The policy should be reviewed after a year.
- If the council was allowing people to find housing in the private rented sector then they should be allowed to have enough money to be able to pay six months' rent in advance.

- People needed the maximum amount of information about the property they are bidding for.

42.20 Councillor Bell welcomed the report. He asked how the allocations policy would work for people who wanted to transfer from out of the area. He also asked for an explanation on how down size would help people to find a home.

42.21 The Services Improvement Manager explained that the council still had the tenants incentive scheme to Band A with a financial sum for those giving up family sized accommodation, or an adapted property. There were no changes to that part of the policy. In terms of people coming from outside the area, the council were going to a closed register rather than an open register as at the present. The proposal was to introduce a reciprocal agreement whereby if the council come to an arrangement other local authorities, they could take someone from the Brighton & Hove list and Brighton & Hove could take someone from their list.

42.22 Members voted on the Conservative amendments, as set out in paragraph 42.6 above. The amendments were unanimously agreed.

42.23 Members voted on the Green amendments as amended above in paragraph 42.8. The items referred to PR&G were for consideration. The amendments were agreed unanimously.

42.24 Members voted on the substantive recommendation as amended. It was unanimously agreed.

42.25 **RESOLVED:-** That the Housing & New Homes Committee:

- (1) Agrees upon the policy, and agrees to refer the policy to Policy, Resources and Growth Committee (PR&G) as set out below.
- (2) That the following be agreed:
  - a) That the Housing Allocations Plan, is approved by the Housing and New Homes Committee;
  - b) that the initial Housing Allocations Plan set out on page 127 of the Committee papers be approved;
  - c) That future Housing Allocation Plans are approved by Housing and New Homes Committee on an annual basis, with any deviation of more than 5% of each allocation queue being reported to the committee
  - d) That this policy be reviewed at the end of the first Housing Allocations Plan cycle, and that this review will consider:
    - i) any revisions to the Housing Allocations Plan
    - ii) The possibility of reintroducing the positive local contribution category
    - iii) Feedback from applicants involved in the system

- (3) Recommends to Policy, Resources & Growth Committee that the proposed new policy on refusing a suitable and reasonable offer of accommodation (p. 194 of agenda) be amended to read: "Applicants will not qualify for social housing in Brighton & Hove and be (or remain) registered on the council's housing register if they have refused **two** offers of suitable accommodation within the last two years made or arranged by the council and there has been no material change in their circumstances so as to make the earlier offer(s) clearly unsuitable in the light of the applicant's changed circumstances."

That the Policy, Resources & Growth Committee:

- (1) Notes the comments of Housing & New Homes Committee and agrees the Policy subject to the amendments set out above.
- (2) That an officer report be presented to the Policy, Resources & Growth Committee considering the further Green amendments as follows:
  - a) Banding continues to be dependent upon assessment by a medical officer, as before;
  - b) That any applicants who have not bid in 12 months should be written to and asked if they wish to remain on the register, with a warning that failure to respond to the notification within 31 days will lead to their removal from the register;
  - c) That the income cap be reduced, to exclude those who are able to afford private renting of the appropriate sized property (those for whom renting consumes less than 50% of their income)
  - d) That the savings cap be increased, to enable individuals to retain sufficient funds to cover for 8 months rent for a property in the private rented sector – covering for 6 months rent in advance plus 2 months to cover damage, moving costs and charges
  - e) Rent arrears: That exclusion not be automatic should a person have a record of 'failure to pay rent', except where the person has outstanding debt liabilities to the council (excluding rent arrears) and is deemed not to be making satisfactory arrangements to repay those debts;
  - f) That the bidding time limit be set at 6 months rather than 3;
  - g) That the criteria for being a qualifying person include those who have lived in the area continuously for five years preceding the date they make their application, and at least 2 years immediately preceding this date (with the same exceptions provided for in the draft policy)
  - h) That the policy explicitly state that 'there will be provision of a cooker and a sink in their home,' rather than referring only to 'access to cooking facilities,'

- i) That whilst internet based applications are encouraged as default in the policy, that the policy will allow paper based applications, should these be requested by the applicant.
- j) That Housing Allocations assist genuine and informed bidding by making fuller property information available to bidders (with images of aspects of the property)
- k) That applicants excluded for refusing an offer be excluded for one year, not two.

### **43 PRIVATE RENTED SECTOR DISCRETIONARY LICENSING SCHEME: THE EVIDENCE AND NEXT STEPS**

- 43.1 The Committee considered a report of the Executive Director Economy Environment & Culture which presented the findings of independent research commissioned to seek evidence that would support, or reject, the need to implement a further discretionary licensing scheme across the whole, or part(s) of the private rented sector in Brighton & Hove; reviews the existing Brighton & Hove HMO licensing schemes; alerts members to new government consultation on extending mandatory HMO licensing; and sought member approval to carry out formal consultation on the preferred option for extending licensing across Brighton & Hove. The report was presented by Housing Strategy Manager.
- 43.2 The Housing Strategy Manager referred to paragraph 3.58 of the report which stated that the Government had recently launched consultation on reforms to HMO licensing, including extending the scope of mandatory HMO licensing. If the reforms were agreed they would be introduced next year. Meanwhile officers would carry out the consultation targeting all those affected, including landlords, tenants, neighbours and people in adjoining areas.
- 43.3 Councillor Bell referred to recommendation 2.2 (2) in relation to selective licensing. He would like to see the whole city included and asked if the scheme could be broadened. The Housing Strategy Manager explained that if selective licensing was covering more than 20% of the private rented stock it was necessary to specifically get permission for that scheme as the criteria was very strict. Researchers had found that there was strong evidence in the wards highlighted but not so much in the other wards. If the consultation supported extending selective licensing, that was something that could be considered but the council would need to get permission and the evidence had to be strong.
- 43.4 Councillor Moonan asked how key people such as landlords and tenants in the private rented sector were being targeted in the consultation. The Housing Strategy Manager explained that officers had to consult with all those affected including tenants, landlords, neighbours, estate agents and adjoining areas. The consultation would go out to a competitive exercise to procure experts in that field.
- 43.5 Councillor Hill stated that the Licensing Scheme would make a big difference in the city. What had been achieved so far had driven up standards, and it needed to be recognised that there were still many issues relating to HMOs. That was a reason to

continue HMO licensing and build on what had already been achieved so far, which had been focused on quality of the housing itself, and look more at some of the behavioural matters such as refuse and recycling and noise and maintenance. It also required more departmental working and working with other organisations and community groups across the city.

- 43.6 Councillor Hill stated that any landlord who was concerned about HMO Licensing should consider that although it was a big step from going from licensing HMOs to licensing every property, this was not as onerous as dealing with structural considerations. It was more light touch and this should be reflected in the fees.
- 43.7 Councillor Gibson welcomed the report and appreciated the work carried out. He asked if there were any statistics beyond 2011, and any idea of timescales.
- 43.8 The Housing Strategy Manager confirmed that there was no list of private rented properties so it was not possible to give definite answers with regard to numbers of private rented properties. However it was known that the numbers had increased particularly in areas such as Moulsecoomb and Bevendean. There was a 46% growth in the private rented sector between 2001 and 2011. It would be unlikely to be growing at that rate again due to rising house prices. The time scales for consultation were set out in paragraphs 3.55 and 3.56 of the report. Officers were planning to complete the consultation in the spring of 2017 with a report to the Committee in June 2017.
- 43.9 **RESOLVED:-**
- (1) That the findings of the Mayhew Harper Associates Ltd research that evidences the need for a citywide approach to discretionary licensing (Appendix 1) be noted.
  - (2) That approval be given to 12 weeks of consultation (to commence once a revised fee structure has been agreed by Members) on the preferred option for private rented sector discretionary licensing across Brighton & Hove with persons who are likely to be affected by the designation (Sections 3.36-3.44, Section 6).
    - (i) Citywide Additional HMO Licensing covering all properties defined as HMOs under the Housing Act 2004 that are not covered by mandatory licensing
    - (ii) Selective Licensing on all non-HMO private rented sector homes in the 12 worst affected wards (as currently delineated) where the evidence demonstrates a clear link between poor property conditions and anti-social behaviour with the private rented sector:
      - 1 St. Peter's & North Laine
      - 2 Regency
      - 3 Moulsecoomb & Bevendean
      - 4= Hollingdean & Stanmer
      - 4= Queen's Park
      - 6 Hanover & Elm Grove
      - 7= Brunswick & Adelaide
      - 7= East Brighton
      - 9 South Portslade
      - 10 Central Hove

11 Westbourne  
12 Preston Park

- (3) That the findings of the consultation and appropriate recommendations be brought back to a future committee for Member consideration.

#### **44 YOUNG PEOPLE'S HOUSING ADVICE AND SUPPORTED ACCOMMODATION TENDER**

- 44.1 The Committee considered a report of the Executive Director, Health & Adult Social Care following consultation with the Executive Director, Neighbourhoods, Communities & Housing & Executive Director, Families, Children & Learning which explained that the Council's Families, Children & Learning and Health & Adult Social Care directorates jointly commissioned services for the prevention of homelessness of young people between the ages of 16 & 25. These services were available to vulnerable young people who are homeless or at risk of becoming homeless, and need support to live safely and accommodation services required retendering in 2016-17. The existing contracts for these services come to an end in March 2017 and this provided an opportunity to focus resources in response to changing need.
- 44.2 The report was presented by the Commissioning & Performance Manager.
- 44.3 Councillor Mears referred to paragraph 2.2 in which it was recommended to grant delegated authority to the Executive Directors. She considered this was taking away members' authority and referred to paragraph 7.3 which stated that Housing & New Homes Committee had responsibility for exercising the council's functions for the commissioning of housing related support services. Councillor Mears requested a report back to Housing & New Homes Committee.
- 44.4 Councillor Mears referred to paragraph 3.6 and stated that she was pleased to see that there had been a very thorough procurement process. She was also pleased to see it acknowledged in the report that housing related support services was a function of the Housing & New Homes Committee.
- 44.5 The Commissioning & Performance Manager confirmed that she was happy to bring a progress report back to the Committee.
- 44.6 **RESOLVED:-**
- (1) That the proposals to procure new contracts for a Young People's Housing Advice service and a Family Mediation Service be approved.
- (2) That delegated authority be granted to the Executive Director of Health & Adult Social Care, following consultation with the Executive Director Neighbourhoods, Communities & Housing and Executive Director of Families, Children & Learning, to:
- (i) carry out the procurement and award of the new contracts referred to in 2.1 above each with a term of three years and an option to extend the term by up to a further two years;
  - (ii) grant the two year extension in relation to each contract referred to in 2.1 above, subject to performance of the relevant contractor.

- (3) That the proposals to procure a Dynamic Purchasing System (DPS) for the provision of supported accommodation for young people between the ages of 16 and 25 be approved.
- (4) That delegated authority be granted to the Executive Director of Health & Adult Social Care, following consultation with the Executive Director Neighbourhoods, Communities & Housing and the Executive Director of Families, Children & Learning, to:
  - (i) carry out the procurement of the DPS referred to in 2.3 above;
  - (ii) agree the term of the DPS;
  - (iii) award and let the DPS; and
  - (iv) award and let call-off contracts under the DPS.
- (5) That the set-aside of funding for the development and future commission of Peer Mentoring and Move On Facilitator roles be approved.
- (6) That it be noted that the commissioning and procurement plan for young people's advice and supported accommodation services will be aligned with objectives within the Brighton and Hove Pledge to Children and Young People in Care, the Housing and Support Commissioning Strategy for Young People 2013, the Homelessness Strategy 2014-19, the Rough Sleeping Strategy 2016, and the Council's priorities for the integration of social care and health through Better Care.
- (7) That a progress report be submitted to a future Housing & New Homes Committee.

#### **45 ITEMS REFERRED FOR FULL COUNCIL**

##### **45.1 RESOLVED:-**

The following item was referred to Full Council on 15 December 2016, for information.

Councillor Mears referred Item 40 – Housing Delivery Options – Living Wage Joint Venture.

#### **Part Two**

#### **46 LIVING WAGE JOINT VENTURE - EXEMPT CATEGORY 3**

- 46.1 The Principal Accountant presented the financial summary of the Living Wage Joint Venture proposal as detailed in appendix 4 to the report discussed at Item 40 in Part One of the agenda.

#### **47 PART TWO PROCEEDINGS**

##### **47.1 RESOLVED -**

That the appendix attached at Item 46 remains exempt to the press and public.



The meeting concluded at 10.03pm

Signed

Chair

Dated this

day of



<b>Subject:</b>	<b>Housing Fire Safety Policy</b>		
<b>Date of Meeting:</b>	<b>18 January 2017</b>		
<b>Report of:</b>	<b>Executive Director, Neighbourhoods, Communities &amp; Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Rachel Chasseaud</b>	<b>Tel: 29-1837</b>
	<b>Email:</b>	<b>Rachel.chasseaud@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The council is required to comply with relevant legislation and subsequent guidance to minimise the fire risk to occupants in council owned housing stock. This includes the Regulatory Reform (Fire Safety) Order 2005 and the Housing Act 2004.
- 1.2 Inquests into the deaths caused by fires in Shirley Towers and Lakanal House high rise blocks in Southampton and Southwark concluded in 2013 and resulted in both Coroners issuing Rule 43 Letters (Prevention of future deaths) with recommendations the council should consider.
- 1.3 The policy sets out Housing's commitment to provide a safe environment in which our residents are assured that the risk of injury or damage to their homes caused by fires is minimised.
- 1.4 This paper also sets out additional work we are undertaking to improve fire safety in the housing stock.

**2. RECOMMENDATIONS:**

- 2.1 That the Housing & New Homes Committee approve the Fire Safety Policy attached at appendix 1.
- 2.2 That the Housing & New Homes Committee note the additional fire safety work that is taking place.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Between 2011 and 2016 there have been 4,076 fires in the city resulting in five fatalities, 190 casualties and 62 rescues. During 2016 there have been 20 fires within the council owned stock, tragically with one fatality.
- 3.2 The policy is a concise document which overarches a number of more detailed procedures that Housing work to. The main objectives of this policy are to ensure the council has adequate measures in place:

- To safeguard all relevant persons from death or injury in the event of fire
  - To minimise the risk of fire and limit fire spread
  - To minimise the potential for fire to disrupt services, damage buildings and equipment or harm the environment.
- 3.3 The policy outlines the key preventative work we have undertaken to minimise fire risks. It outlines that as the responsible person we have a duty to carry out Fire Risk Assessments in relevant premises. It also outlines the measures we undertake to protect residents against fires including the provision of fire doors, suitable signage and smoke alarms.
- 3.4 The policy formally confirms the delayed evacuation procedure that we follow in purpose built blocks where residents if not directly affected by the fire should remain within their property until advised otherwise, usually by the emergency services.
- 3.5 The policy outlines the information and advice we provide to residents, which ensures we are meeting the recommendations of Rule 43 by providing fire safety information for our residents to help them to understand what to do in the event of a fire. We have produced fire safety leaflets, provided advice in both the autumn and winter 2016 editions of Homing in and produced posters for our blocks of flats.

### **Supporting fire safety work**

- 3.6 Alongside this policy we have also:
- updated our clear common ways procedure
  - started work on a vulnerable tenants and fire safety process. This will ensure that our most vulnerable tenants are assessed and an overall risk management plan and measures are put in place to support them and minimise fire risk
  - installed a sprinkler system in Somerset Point with further schemes subject to committee decision
  - agreed a cooker cut off pilot which will take place in one Seniors housing scheme.
  - reviewed mobility scooter storage options across the city
- 3.7 **Mobility scooters**  
A review of mobility scooters, across the city was started earlier this year, assessing the storage options available for those tenants continuing to park in common ways. Advice from ESFRS is that scooters should not be parked in the common ways of residential blocks where they would block escape routes.
- 3.8 To help resolve the current issues we have a series of recommendations going forward which will involve us working with tenants affected to find individual solutions. These are:
- provide a low cost option for bolts and chains to be supplied by the Estates Service to secure scooters to the exterior of the buildings

- tenants can request alterations, to install an individual external storage unit at their own expense
- continued use of scooter stores where well used and new schemes where there is sufficient demand could be considered through Estate Development Budget funds
- review the current Tenancy Agreement and revise the clause on storage of scooters.
- ensuring that residents understand that if they are thinking of buying a scooter that they will need to identify where they are going to store it first.

We will also undertake a citywide communications campaign about the storage of scooters.

3.9 Two further pieces of partnership work are being undertaken as a result of our involvement with the Community Initiative Partnership, which is a multi-agency partnership led by East Sussex Fire & Rescue Service (ESFRS) bringing agencies together to minimise risks to vulnerable people. These are:

**3.10 Hoarding protocol**

A project group is working on a protocol in respect of hoarding. The purpose is to enable targeted multi agency support to vulnerable residents of Brighton and Hove who are known to hoard. The group are formed of the fire service, mental health services, Adult Social Care, Housing, G.P's and others, to develop a unified approach to resolving high level hoarding cases. The fire risks to property, the person, neighbours and fire fighters are higher where hoarding exists. An agreed multi agency approach will ensure risks are minimised and support made available to begin resolving the hoarding, at the earliest opportunity.

**3.11 Resettlement initiative**

ESFRS and the Police are working with Housing to develop information and agree processes, to enable safe supportive resettlement of vulnerable high risk incoming tenants. There are instances where an incoming tenant will not have lived independently, possibly for years and instead received intensive support to manage their accommodation. For example those leaving supported housing, hostels or prison are to be provided with additional support and visited where required to enable safe independent living.

**4. COMMUNITY ENGAGEMENT & CONSULTATION**

4.1 This policy highlights the partnership work we undertake with East Sussex Fire and Rescue Service. It also highlights the community work we undertake to run awareness campaigns with residents and events.

4.2 This draft policy has been reviewed by the Fire Health and Safety Board and the Tenancy and Neighbourhood and Community Service Improvement Groups before being considered by Area Panels in November and December.

4.3 The report was presented to Area Panels in November/December 2016. Area Panels discussed and fed back on:

- The use of sprinkler systems and the proposed programme to explore its use in two additional blocks. Furthermore they discussed the merits and concerns with this approach.
- The importance of the council publicising fire safety advice widely and the need for clear signage in blocks of flats. We agree with this and are putting up new signs, distributing leaflets and promoting Home Safety Visits by ESFRS.
- The support that should be available for tenants that present a fire risk. We do offer additional support to those who may be at greater risk of fires and this is being developed as part of the procedures linked to the policy.
- A councillor asked whether a smoking ban could be part of the tenancy agreement. Advice has been taken from Legal Services who have advised that this would be considered an unfair contract term and, on balance, an unreasonable interference with a tenants right which they would otherwise be able to enjoy in their home.
- Some blocks still have possessions on communal ways and where to report this
- The mobility scooter solutions and how they should take account of the continued use of stores and that residents should have a range of options available to them. That in some cases the Equality Act may apply where residents are provided with a mobility scooter through the DLA/PIP motability scheme. It was suggested vacant stores could be publicised when advertising empty properties and that EDB funds should not be used for individual mobility stores. We are building this into our new procedures for officers.
- Problems with not having enough power sockets to meet modern day living and this can lead to 'daisy chain extensions' and cause overloading of sockets. Furthermore that power sockets should be installed at a level that vulnerable tenants can reach to switch off at night. Tenants were informed that additional sockets are being installed and at a higher level as rewiring, refurbishments and new builds are done. This is required to comply with building regulation in any event.
- Concerns in one block that a resident was abstracting electricity from the common ways which is dangerous. We asked to be informed of this as it is a crime as well as being dangerous. We will do a weekend spot check of the building.
- Whether a fire officer can give talks at specific tenant meetings. This can be agreed with ESFRS.

Explanations were also sought on compartmentation, who specifies what a fire risk is, the cooker cut off pilot and the safe use of candles in properties.

## **5. CONCLUSION**

- 5.1 The council has a statutory obligation to meet all relevant legislation. It should also follow subsequent guidance in relation to fire safety. This policy enables us to promote all relevant steps we are taking to meet this obligation.

## **6. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 6.1 There are no direct financial implications from the recommendations in this report. The fire safety measures covered in this report are met within existing Housing Revenue Account Revenue and Capital Investment Programme Budgets.

*Finance Officer Consulted: Susie Allen*

*Date: 07/12/16*

### Legal Implications:

- 6.2 Whilst there is no legal obligation on the council to have a Housing Fire Safety Policy, there is no legal reason why one should not be approved, as it will signal the importance that the council attaches to fire safety. In certain circumstances, failure to comply with the obligations under the Regulatory Reform (Fire Safety) Order 2005 is a criminal offence, with unlimited financial penalties.

*Lawyer Consulted: Name Liz Woodley*

*Date: 23/11/16*

### Equalities Implications:

- 6.3 An Equalities Impact Assessment is in progress and this policy has been developed to take account of equalities issues. Our continuing fire safety work will put in place support for our more vulnerable households whether this is due to age, disability, mental health issues or chaotic lifestyles to order to minimise fire risk to themselves and others.

### Sustainability Implications:

- 6.4 None

Any Other Significant Implications:

6.5 Risk and Opportunity Management Implications

This policy outlines how the council will minimise the fire risks to residents in council owned housing stock by complying with all relevant legislation and subsequent guidance. This will enable residents to live in a safe environment in which our residents are assured that the risk of injury or damage to their homes caused by fires is minimised. The fire safety work to support our more vulnerable households provides the opportunity for them to continue to live independently in their homes.

Corporate/Citywide implications

- 6.6 This policy supports the council's Corporate Plan 2015-2019 priority to improve the health and wellbeing of its residents. Furthermore by working in partnership it enables us to support East Sussex Fire & Rescue Service's key purpose to make communities safer.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Draft Fire Safety Policy

**Documents in Members' Rooms**

None

**Background Documents**

None



# Housing

## Tenancy Management Policy

DRAFT

# Fire Safety Policy

## **1 Introduction**

The majority of deaths and injuries from fire in the United Kingdom occur within units of accommodation. In England alone in 2014/15 there were 194 fatalities and 5903 injuries caused by, mainly accidental, fires in dwellings. 166 of the fatalities were due to accidental causes. The risk to occupants of death or injury from fire is particularly relevant in accommodation that has shared facilities or common ways.

Brighton and Hove City Council (BHCC) will make every effort to minimise the risk to occupants in council owned housing stock by complying with all relevant legislation and subsequent guidance. These include The Regulatory Reform (Fire Safety) Order 2005 (RRO) and The Housing Act 2004.

BHCC currently own 738 low rise blocks (1-2 floors), 426 medium rise blocks (3-5 floors and 43 high rise blocks (6 floors and above) alongside 23 Seniors housing schemes.

Our general needs housing currently comprises 10,674 dwellings (of which 6,358 comprise flats and 4,316 comprise houses and bungalows) and we have 2,935 leasehold properties (including Brighton and Hove Seaside Community Homes).

## **2 Scope**

- 2.1 This policy applies to all BHCC owned blocks of flats and to the communal parts of converted properties managed by the Housing department and applies to all tenancies. This policy sits beneath the council's standard for fire safety.
- 2.2 The main objectives of this policy are to ensure the council has adequate measures in place:
  - to safeguard all relevant persons from death or injury in the event of fire
  - to minimise the risk of fire and to limit fire spread
  - to minimise the potential for fire to disrupt services, damage buildings and equipment or harm the environment

## **3 Policy Statement**

- 3.1 The Housing department aims to provide a safe environment in which our residents are assured that the risk of injury or damage to their homes caused by fires is minimised.
- 3.2 We will foster and maintain good working relationships with partner services to help ensure the ongoing safety of our residents; this includes East Sussex Fire & Rescue Service (ESFRS).
- 3.3 In aiming to deliver this environment we will seek to identify, assess and reduce risks to ensure compliance with the Regulatory Reform (Fire Safety) Order 2005.
- 3.4 In discharging our obligations to fire safety we will:

- carry out our Fire Risk Assessments (FRA's) in accordance with the Regulatory Reform (Fire Safety) Order 2005
- facilitate fire risk audits with ESFRS
- carry out joint training exercises with ESFRS and other agencies as necessary to ensure readiness for emergencies.

3.5 We provide tenants and leaseholders with advice and information about fire safety in newsletters; leaflets; posters in blocks; website; the tenant handbook and at tenancy visits.

## **4 Fire Risks**

4.1 The Regulatory Reform (Fire Safety) Order 2005 (RRO 2005) places a duty on landlords to take general fire precautions to ensure, as far as is reasonably practicable, the safety of the people on the premises and in the immediate vicinity. The main fire risks identified in communal areas are:

- combustible materials, including rubbish and furniture
- faulty electrical installations
- smoking
- failures in compartmentation.

## **5 Fire Risk Assessments (FRA's)**

5.1 The RRO 2005 identifies BHCC as the responsible person and as such we have a duty to carry out a FRA in relevant premises and take reasonable steps to remove or reduce any risks that have been identified and act upon significant findings.

5.2 We will regularly review FRA's as follows:

- high rise blocks – annually, after a fire or following any significant changes
- Seniors schemes – annually, after a fire or following any significant changes
- low and medium blocks and converted properties i.e. houses converted into flats – every three years, after a fire or following any significant changes.

5.3 *Fire Risk Assessor*

The fire risk assessor's role will be carried out by a competent person who shall:

- carry out FRA's
- provide technical and expert advice
- ensure compliance with the requirements of the Regulatory Reform (Fire Safety) Order 2005

## **6 Fire Prevention**

6.1 Our fire preventative measures are designed to protect people, property and assets against the loss of life, injury and damage caused by fire.

6.2 Wherever possible we will undertake measures to prevent the risk of fire, this will include:

- ensuring that our common ways and storage areas are kept clear and by carrying out enforcement where breaches occur
- that staff are trained in order to identify and report any potential risks
- that we provide good information and advice to existing and new tenants and leaseholders about how to reduce the risk of fires with the help of ESFRS
- that we provide leaflets and posters to highlight the risks of fires and how to help prevent them
- ensuring we identify and work with our more vulnerable tenants who may be at greater risk should there be a fire
- carrying out individual risk assessments and putting in place control measures to manage risk where identified.

## **7 Fire Protection**

### *7.1 Evacuation routes and fire exits*

To ensure safe evacuation, routes will have adequate signage and be kept free of sources of ignition, flammable and combustible material and obstructions at all times. We will enforce this with tenants and residents where necessary by implementing the fire safety and clearance of common ways procedure. In high rise blocks of flats FRA's will be carried out to identify and deal with such issues alongside those identified during cleaning and estate inspections.

Fire exits will not be left open to ensure that security of the building is maintained. In high rise blocks of flats and in Seniors' schemes inspections will be carried out to identify and deal with such issues.

### *7.2 Evacuation plan*

*All high, medium and low rise blocks and Seniors schemes:*

The council operates a delayed evacuation procedure in purpose built blocks where residents if not directly affected by the fire should remain within their property until advised otherwise, usually by the emergency services.

The construction of a purpose built block gives a minimum of up to 30 minutes containment of a fire, with the fire doors and walls resisting before spreading into the common parts of the block. In addition residents in other flats will have 60 minutes protection when their own front door is taken into consideration.

*Converted properties (HMO's) and all other properties*

Delayed evacuation does not apply. Where fire is discovered residents must leave the building, alert others and call the fire service on 999. If possible and it is safe to do so, all windows and doors should be closed to prevent fire spread to other areas of the building.

### *7.3 When the fire service attends they may decide :*

- when and if to commence a full evacuation
- when to instigate a visual inspection
- when residents can return to their premises
- when to involve the Police and the Local Authority
- any other steps appropriate to the circumstances

#### 7.4 *Fire Doors – common areas and tenant/leaseholder doors*

Fire doors are provided to help prevent the spread of smoke and fire and must be kept closed or fitted with door holders which are designed to release when the fire alarm is activated. Fire doors in common areas are checked regularly during FRA's and by Estates Service to ensure they are operating correctly and are not damaged. Fire doors, including entrance doors to tenants'/leaseholders' flats, provide a minimum of 30 minutes fire resistance (the standard specification is FD30S). Doors should not be propped open, tampered with or compromised in any way, i.e. materials affixed to frame/door to prevent banging noises.

#### 7.5 *Signage*

Appropriate fire safety signage is displayed throughout communal areas indicating the fire exit/s for example. Fire action notices are also present in all communal areas. Fire doors are marked to keep shut and no smoking signs are affixed inside the block.

#### 7.6 *Smoke alarms*

Hard wired smoke alarms are being fitted when properties are empty or re-wired. Alternatively tenants can contact ESFRS for a home fire safety visit where they can check/fit smoke alarms as appropriate and also give a range of advice around home safety.

### **8. Partnerships**

#### 8.1 Housing works with the ESFRS on carrying out the following aspects:

- to facilitate an annual audit of the common ways in high rise blocks. The purpose of this inspection is to identify immediate risks and to ensure that actions from the previous inspection have been implemented.
- regular training exercises with the fire service to ensure procedures are in place and that they are familiar with block layouts in the event of a real fire
- training staff
- awareness campaigns for our residents
- trialling of sprinkler systems in designated blocks in partnership with ESFRS
- attending the Community Initiatives Partnership a multi-agency forum chaired by ESFRS

#### 8.2 *Fire Health and Safety Board*

The Fire Health and Safety Board hold monthly meetings attended by the council's Health & Safety Team, Housing staff and ESFRS. The board meets to discuss and take action against any issues related to fire and health and safety.

## **9 Publicising the Fire Safety Policy**

9.1 BHCC will publicise this policy in the following ways:

- BHCC website
- Tenant Handbook
- Leaseholder Handbook
- Fire safety leaflets
- Staff briefings and training

## **10 Policy review**

10.1 The Fire Safety Policy will be reviewed in the event of a fire, every three years, or where circumstances change significantly.

## **11 Related documents**

- Fire safety and clearance of common ways procedure
- Seniors housing fire safety procedure
- BHCC Fire Safety Standard
- Local Government Association: Fire safety in purpose built blocks of flats
- LACORS: Fire Safety Guide
- Housing fire safety leaflet

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<b>Subject:</b>	<b>Housing Revenue Account Budget and Investment Programme 2017/18 and Medium Term Financial Strategy</b>		
<b>Date of Meeting:</b>	<b>18 January 2017 – Housing &amp; New Homes Committee</b> 9 February 2017 – Policy, Resources & Growth Committee 23 February 2017 – Budget Council		
<b>Report of:</b>	<b>Executive Director of Finance &amp; Resources</b> <b>Executive Director of Neighbourhoods, Communities &amp; Housing</b>		
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<b>Wards Affected</b>	<b>ALL</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report presents the proposed Housing Revenue Account (HRA) revenue and capital budget for 2017/18 as required by the Local Government and Housing Act 1989. Members are required to consider the revenue budget proposals including savings and service pressures as well as changes to rents, fees and charges and also the capital programme. This report also sets out the Medium Term Financial Strategy and 30 year financial forecast.
- 1.2 The HRA contains the income and expenditure relating to the council's social landlord duties of approximately 11,520 properties and 2,849 leasehold properties. The income and expenditure relating to these properties is accounted for separately from the council's other services/activities which form part of the council's General Fund.

**2. RECOMMENDATIONS:**

- 2.1. That Housing & New Homes Committee recommend that Policy, Resources & Growth Committee:
- (a) approves and recommends to Council the updated HRA revenue budget for 2017/18 as shown in Appendix 1;
  - (b) approves a rent reduction of 1% in line with government legislation as detailed in paragraph 3.7;

- (c) approves service charges and fees as detailed in Appendix 2.
- (d) approves the capital programme expenditure and financing budget of £39.854 million for 2017/18 and notes the 4 year programme as set out in Appendix 3;
- (e) notes the Medium Term Financial Strategy and 30 year financial projections shown in Appendix 4.

### **3. HRA BUDGET STRATEGY**

3.1 The HRA Budget aims to balance the priorities of both the council and council housing residents within the context of the Housing Strategy 2015, and the Corporate Plan 2015-2019 which sets out the overall direction for the council over the 4 year period. The council's purpose and ambition as a local authority for the city is strong civic leadership, value for money, quality public services and to protect the vulnerable. The Housing Strategy priorities included in developing the HRA revenue budget and capital programme are:

#### **Priority 1: Improving Housing Supply**

- Provide more council housing, through the New Homes for Neighbourhoods programme, and use Right To Buy (RTB) receipts to fund new housing.
- Support the Housing and Budget Strategies through ongoing council housing stock reviews to deliver conversions of existing under-used or unused buildings or spaces into Temporary Accommodation.
- Commission new adapted homes and ensure best use of existing adapted / accessible housing in order to promote independent living demonstrated to deliver significant cost benefits.
- Support households wanting to downsize to increase supply of available family housing.
- Early intervention for families struggling with accommodation including money advice and tenancy support.

#### **Priority 2: Improving Housing Quality**

- Continue to promote the highest possible building, space and environmental standards in all new council homes being built to high sustainability levels.
- Continue to improve council housing sustainability standards and maintain 100% achievement of the council's housing stock meeting the Decent Homes Standard and invest in other priorities that promote the health and wellbeing of our residents.
- Continue the annual Warm Homes Healthy People Programme to support vulnerable households.

#### **Priority 3: Improving Housing Support**

- Ensure that as services are reviewed, they are accessible and safe for all.
- Improve front facing customer services at Council Housing Offices.
- Continued investment in specialist tenancy management and support services to support vulnerable council housing residents and work with Community Safety to resolve housing issues and harassment in a timely manner.
- Re-model seniors housing to ensure that it supports the right people and improves social networks and well-being.



- Ensure that adaptations are done at the right time to support people to stay in their homes when they want to.
- Support people to 'downsize' when they choose and provide a range of options for them, including accessible tools to support decision making.
- Continue to renovate seniors housing schemes to convert studios into one bed homes.
- Better links between seniors housing schemes and surrounding communities.
- Ensure new housing development includes community spaces.

## **HRA Asset Management Strategy**

Our HRA Asset Management Strategy acts as a link between our Housing Strategy priorities and investment programmes. In 2016 the HRA Asset Management Strategy was agreed following extensive consultation and work with residents.

The key priority objectives of the strategy are to:

- Invest in homes and neighbourhoods to provide safe, good quality housing and support services;
- Support new housing supply;
- Ensure financial viability within the Tenancy Strategy.

The proposed Capital Investment Programme supports all 3 of these objectives. For example, one of the key aims of the provisional investment programme is to continue to achieve full compliance with the Brighton & Hove Standard, as agreed with residents. This standard, developed with residents, helps to ensure that homes are safe, fit for use, have reasonably modern facilities, and supports occupiers to keep warm.

## **HRA REVENUE BUDGET PROPOSALS 2017/18**

- 3.2 The HRA is a ring-fenced account which covers the management and maintenance of council owned housing stock. This must be in balance, meaning that the authority must show in its financial planning that HRA income meets expenditure and that the HRA is consequently viable.
- 3.3 Although the HRA is not subject to the same funding constraints as the General Fund it still follows the principles of value for money and equally seeks to drive out inefficiencies and achieve cost economies wherever possible. Benchmarking of both service quality and cost with comparator organisations is used extensively to identify opportunities for better efficiency and service delivery.
- 3.4 The HRA budget for 2017/18 is shown in Appendix 1 with the main budget variations, proposed savings, service pressures and other changes. Savings of £0.932 million have been identified to mitigate the impact of service pressures and include a number of efficiencies, savings from the procurement of the gas servicing contract, a reduction in responsive repairs expenditure and additional income as detailed in Appendix 1 (note 3). Service pressures of £0.386 million are mainly from a requirement to increase resources to form a project team in respect of the preparation for the re-procurement of the repairs and improvement contract, aligning resources for prevention work and a reduction in rental income, detailed in

Appendix 1(note 4). The net revenue budget results in a surplus of £25.579 million which is shown as 'Direct Revenue Funding' (within expenditure) which will be used to support the capital programme.

- 3.5 Rents are calculated in accordance with government guidelines. Rent restructuring rules still apply and Target Rents for each property are calculated based on the relative property values, bedroom size and local earnings. Target Rents will be set at the grant of all new tenancies.
- 3.6 For a number of years government guidance in relation to annual rent increases was that increases should be limited to Retail Prices Index (RPI) + ½% + £2 per week in order to provide some protection to tenants whose actual rents were increasing to reach the calculated Target Rent. From April 2015 government guidance revised annual increases to Consumer Price Index (CPI) + 1%. This change removed the flexibility of social landlords to increase social rents each year by an additional £2 where rents are below target, resulting in lower annual rental increases over the long term.
- 3.7 In addition, from April 2016, the Welfare Reform and Work Act 2016 requires rents to be reduced by 1% per annum for 4 years, commencing from 2016/17. For 2017/18 this represents an average reduction of £0.85 per week, reducing the average weekly rent to £84.27 per week.
- 3.8 Rents are not calculated to take into account any service charges and only include all charges associated with the occupation of a dwelling, such as maintenance of the building and general housing management services. Service charges are therefore calculated to reflect additional services which may not be provided to every tenant or which may be connected with communal facilities rather than to a particular occupation of a house or flat. Different tenants may receive different types of services reflecting their housing circumstances. All current service charges are reviewed annually to ensure full cost recovery and also to identify any service efficiencies which can be offset against inflationary increases, to keep increases to a minimum. The proposed fees and service charges for 2017/18 are set out in Appendix 2 and include the introduction of a new service charge for door entry servicing and maintenance.
- 3.9 The projected level of HRA reserves at 31 March 2017 is also shown in Appendix 1.

#### **HRA CAPITAL PROGRAMME 2017/18**

- 3.10 The Housing Capital Programme seeks to provide substantial investment in the council's housing stock and improve the quality of residents' homes. The implementation of the proposed programme will take account of all relevant best practice guidelines and has been informed by the priorities agreed in the HRA Asset Management Strategy. The proposed programme for 2017/18 and the funding arrangements totalling £39.854 million are shown in Appendix 3. This programme does not include any re-profiling identified from the 2016/17 targeted budget monitoring.
- 3.11 The Capital Programme is a key part of implementing the main aims of the long-term asset management approach, which aims to maximise investment in homes and support reductions in responsive repair need whilst providing safe, good quality housing and support services, and also supporting new housing supply and

financial viability for the HRA. Other assets, such as car parks and garages, receive investment to ensure both health and safety compliance and best use of these assets.

3.12 The council is committed to having robust arrangements in place to help ensure the health and safety of all of those using and visiting the council's assets to a reasonable level. This is a key responsibility, and as such through the capital programme proposals it is ensured that the investment required is maintained and made available ahead of other investment decisions. This includes good practice procedures and resources to support the management of asbestos, fire risk, legionella, gas and electrical equipment, amongst others. As a result of proactive work with partners including the East Sussex Fire and Rescue Service, the Capital Programme includes increased funding for works to reduce fire risk. This budget will also help support the proposed projects to install sprinklers, as set out in previous committee reports.

3.13 The Capital Programme targets investments that will ensure that the HRA maintains, and improves, where possible, the quality of housing. The programme will support the delivery of the following commitments:

- To maintain 100% achievement of properties meeting the government's Decent Homes Standard and the local Brighton & Hove Standard over the medium term.
- To ensure that all homes are as suitable as practicable for the needs of their occupants, in line with council policy. For example, there is a substantial investment commitment to providing adaptations, and to reducing overcrowding in the programme.
- Following resident feedback, and analysis of responsive repairs, an increase in funding for both replacement door entry systems and entrance doors to blocks of flats has taken place. The programmes help ensure secure and reliable entry for residents.
- To continue working closely with residents to help increase levels of resident satisfaction with the quality of their home and to support the ongoing reduction in the level of responsive repair need

3.14 Additionally, based on feedback from residents on their priorities, the programme continues the commitment to invest in the modernisation of passenger lifts serving blocks of flats, where it makes sense to do so. This programme has been very effective in helping many residents to be able to rely on their lift to be safe, comfortable, and reliable. All lift project proposals are continually evaluated on a case-by-case basis to ensure value for money continues to be delivered through this programme.

3.15 Helping residents to live in well-insulated, efficiently heated, healthy homes remains a key long-term commitment, which is supported through the capital programme. Past progress on achieving this has been consistently good, with national Standard Assessment Procedure (SAP) energy rating performance monitoring being used to benchmark these. Key investments that contribute to these include installing high efficiency boilers, heating controls, efficient doors, windows, insulation and renewable or community energy schemes, where appropriate.

As outlined above, the Housing Asset Management Strategy acts as a link between the Housing Strategy and investment programmes including a priority of supporting

new housing supply. We will continue to focus on the key Housing Strategy priority to increase the numbers / make best use of affordable homes, including the following HRA Budget related measures:

- Housing Allocation Policy framework ensuring best use of existing council and Registered Provider resources through nomination of affordable housing to priority households.
- Our 'New Homes for Neighbourhoods' estate regeneration programme to deliver new affordable homes in the city. Overall 22 projects with c 288 homes at various stages of development. Currently we have 34 homes completed with 130 on site.
- Improving supply through best use of existing HRA assets including conversions / hidden homes programme. 8 projects delivering 27 new homes.
- Housing Market Intervention / direct delivery and other housing delivery options through a wholly owned council Special Purpose Vehicle.
- Ongoing work of Greater Brighton Housing & Growth Working Group to accelerate delivery of new homes, including seeking freedoms and flexibilities around HRA borrowing cap and use of RTB receipts

### **HRA MEDIUM TERM & 30 YEAR FINANCIAL FORECASTS**

- 3.16 The introduction of self-financing in 2012 provided additional resources from the retention of all rental income and, through greater control locally, enabled longer term planning to improve the management and maintenance of council homes.
- 3.17 The medium term and 30 year financial forecasts are provided in Appendix 4 along with the business planning assumptions used for income and expenditure.
- 3.18 Essentially although the financial plan shows that the HRA has healthy financial indicators to borrow to source funding for regeneration and development, it is restricted by the self-financing cap (or limit) on the amount of HRA borrowing permissible for capital investment by each local authority. This limit is currently set at £156.8m for Brighton & Hove and the outstanding debt reaches its peak in 2020/21 where the borrowing level is £144.1m leaving headroom of only £12.7m.
- 3.19 In addition to the debt cap, the reduction in rental income of 1% per annum (as detailed further in Appendix 4) will also restrict resources available for new build and regeneration so alternative options and delivery mechanisms for funding outside the HRA are being developed in the form of a wholly owned company and Joint Venture Model with Hyde Housing Association (as recommended at 8 December Policy, Resources & Growth Committee), alongside a review of priorities included in the financial plan.
- 3.20 As a result of the review carried out by government a decision was reached to not proceed with the Pay to Stay policy included in the Housing and Planning Act 2016. However, there are still some uncertainties due to other government legislation which may have a significant impact on the long term health of the financial plan, such as:
- The Housing & Planning Act 2016 included a requirement for local authorities with social housing to pay a levy to the government which is directly linked to the high value voids within the HRA. This levy would then be redistributed to Housing Associations. Consultation is still required on the specific regulations

before implementation so the financial implications are currently unknown, however, the levy will be introduced after 2017/18.

- The Welfare Reform and Work Act 2016 continues to be implemented with the reduction of the benefit cap to £20,000 per annum during the current financial year, the single room rates extended to people under 35 from and the roll out of universal credit in 2017, and reduction in tax credits expected to be implemented from October 2017. All these reforms are expected to impact on tenants' ability to pay their rent but it is difficult at this stage to accurately predict to what extent this will impact.
- Uncertainty of future rent policy after 2019/20. The Government has advised of 1% rent reductions up to 2019/20 but there is no information available to determine their future policies in this area.

3.21 The 30 year financial plan will continue to be updated in 2017 to reflect the 2017/18 budget proposals. This will enable a review of future opportunities for additional investment in existing housing stock and building new homes and also how the housing debt could be structured to accommodate these plans or possibilities.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 The budget process allows all parties to engage in the scrutiny of budget proposals and put forward viable alternative budget proposals to Budget Council on 23 February 2017. Budget Council has the opportunity to debate both the proposals recommended by Policy, Resources & Growth Committee at the same time as any viable alternative proposals.

4.2 The Welfare Reform and Work Act 2016 details a statutory requirement to set the rents at 1% less than the previous year for 2017/18. There are financial restrictions placed upon local authorities who do not follow this statutory requirement. The government annually sets a limit rent, set to include the 1% reduction, which is used to determine how much housing benefit subsidy is received from the Department for Work and Pensions. Rises above the limit rent would reduce the amount of subsidy receivable by the council.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 Involvement of our residents in service delivery and priorities is a key focus for Housing. Ongoing consultation with tenants and leaseholders takes place throughout the year in a number of forums and settings.

5.2 All Area Panel representatives and chairs have been sent a letter explaining the budget proposals. This summarised the various components including the details of the proposed savings and how the savings would be reinvested back into the service. It also included information on the 1% rent reduction and advice on contact details if further information or clarification was sought.

5.3 Residents and leaseholders helped develop and shape the Asset Management Strategy through a series of discussion events and the strategy was taken to Area Panels. As such, tenant views form a key part of the strategic direction of future services and investment.

5.4 Generally, feedback from the consultation sessions with residents included wanting to prioritise investment in the exterior repair of buildings and common

parts, such as decorations in stairwells and lighting, with the aim of achieving a more consistent standard across the city. This is now being reflected and supported through the capital programme proposals. Additionally, at a more strategic level, feedback was that generally the focus for investment should be mainly on improving the quality of the existing housing stock, and ensuring that all housing should be of a good standard, and well insulated, to help with fuel costs.

5.5 At the Housing & New Homes Committee held on 13 January 2016, these additional recommendations were agreed:

- (3) That a full consultation and engagement exercise be undertaken with residents, which is based on a programme agreed at an initial meeting with tenant only chairs, panel chairs and officers to be held in September 2016.
- (4) That the results and recommendations from the consultation exercise in (3) above be reported to the Committee with recommendations for the 2017/18 HRA revenue and capital budgets.

A meeting was held with councillors from the Housing & New Homes Committee, a number of tenant association chairs and Housing staff on 22 September 2016 to consider what a consultation exercise might look like. There were a variety of suggestions regarding what to consult on, with whom and how. Some of the suggestions can be used in future years, but for this year the focus has been on checking whether tenants agree with current proposals based on the outcomes of other consultations.

As a result of the September meeting, HRA budget consultation took place in November 2016 at the Citywide Conference. The conference focused on the HRA budget position 2016/17, feedback from consultation through the year, savings achieved over the last year, challenges and proposed areas of saving for 2017/18; it also sought views of the council's tenants and leaseholders. This information was also presented to Housing Area Panels in November and December, where their vote was taken and the voting results of the Citywide Assembly were shared. The outcome of the votes can be seen in the table below, where tenants agreed overall with the proposed increase or decrease in spend on the broad headings for capital programme expenditure.

	<b>Yes</b>	<b>Not sure</b>	<b>No</b>	<b>Number voting</b>
<b>Citywide conference</b> 17.11.06	48% (19)	23% (9)	30% (12)	40
<b>North Area Panel</b> 24.11.16	64% (9)	9% (1)	27% (3)	13
<b>East Area Panel</b> 28.11.16	83% (5)	-	17% (1)	6
<b>Central Area Panel</b> 30.11.16	57% (4)	14% (1)	29% (2)	7
<b>West Area Panel</b> 6.12.16	83% (5)	17% (1)	-	6
<b>Total number of votes</b>	(58%) <b>42</b>	(17%) <b>12</b>	(25%) <b>18</b>	<b>72</b>

- 5.6 A tenant satisfaction survey called STAR (Survey of Tenants and Residents) was undertaken in June 2016. A report, also being presented to this Committee, provides feedback from this. 828 tenants responded (i.e. 28%) which is an increase from 724 people (or 24%) the last time the survey was undertaken in 2014.

While overall satisfaction with Housing rose from 78% to 81% on this survey, the two areas that showed lower satisfaction were with the quality of the home, and with the neighbourhood as a place to live (see table in Appendix 5).

People living in properties built before 1945 were less satisfied than the average. The investment programme work continues across the city and work is planned in areas with lower satisfaction. For example, window replacement programmes are scheduled to take place in both Woodingdean and Hangleton. The council has published a four-year provisional capital investment programme to enable this longer term information to be readily available to residents. Tenants have told the council that we need to improve our communications on the planned work programme, and we are taking steps to enhance the quality and timeliness of this information.

- 5.7 All leaseholders have been, or will be, consulted about individual contracts carried out as part of the programme in full compliance with the Commonhold and Leasehold Reform Act 2002.

## **6. CONCLUSION**

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

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

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

*Finance Officer Consulted: Susie Allen*

*Date: 10/01/17*

### Legal Implications:

- 7.2 Paragraphs 3.2 and 6 of the report set out the legal requirements for the Housing Revenue Account under the Local Government and Housing Act 1989. In its role as landlord, the Council has statutory and contractual obligations to maintain the structure of, and installations in, its housing stock. The HRA Capital Programme and Funding

measures outlined in Appendices 1 and 3 will assist the council in fulfilling those obligations. The Council must take the Human Rights Act into account when making decisions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in the report.

*Lawyer Consulted:*

*Liz Woodley*

*Date: 10/01/2017*

Equalities Implications:

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

Sustainability Implications:

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

Any other Significant Implications:

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

## **SUPPORTING DOCUMENTATION**

**Appendices:**

1. Appendix 1: HRA Revenue Forecast Outturn 2016/17 and Budget 2017/18
2. Appendix 2: Fees and Service Charges 2017/18
3. Appendix 3: Capital Programme and Funding 2017/18 – 2019/20
4. Appendix 4: HRA Medium Term Financial Strategy & 30 Year Financial Forecast



5. Appendix 5: STAR tenants satisfaction survey table

**Documents in Members' Rooms**

None

**Background Documents**

None

## HRA Forecast Outturn 2016/17 &amp; Revenue Budget 2017/18

## Appendix 1

	2016/17	2016/17	Budget Changes				2017/18
	Forecast Outturn (1)	Adjusted Budget	Inflation (2)	Savings (3)	Service Pressures (4)	Other Changes (5)	Original Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>SUBJECTIVE ANALYSIS</b>							
<b>Expenditure</b>							
Employee (data a)	8,248	8,144	79	0	304	177	8,704
Premises - Repairs	9,747	10,594	105	(570)	0	(32)	10,097
Premises - Other	2,749	2,815	16	(48)	0	(212)	2,571
Transport	136	135	0	0	0	0	135
Contribution to Bad Debt Provision	242	474	0	0	0	0	474
Supplies & Services	2,508	2,521	18	(135)	0	(21)	2,383
Third Party Payments	157	157	3	0	0	(26)	134
Support Services (data b)	2,263	2,280	5	(78)	31	0	2,238
Direct Revenue Funding	23,585	23,585	0	0	0	1,994	25,579
Capital Financing Costs	8,238	8,363	0	0	0	(2,280)	6,083
<b>Total Expenditure</b>	<b>57,873</b>	<b>59,068</b>	<b>226</b>	<b>(831)</b>	<b>335</b>	<b>(400)</b>	<b>58,398</b>
<b>Income</b>							
Rents Dwellings *	(50,457)	(50,392)	0	0	43	0	(50,349)
Rents Car Parking / Garages	(854)	(892)	0	0	8	0	(884)
Commercial Rents	(554)	(548)	(11)	0	0	0	(559)
Service Charges	(7,118)	(6,886)	(20)	(101)	0	757	(6,250)
Other Recharges & Interest	(356)	(350)	(6)	0	0	0	(356)
<b>Total Income</b>	<b>(59,339)</b>	<b>(59,068)</b>	<b>(37)</b>	<b>(101)</b>	<b>51</b>	<b>757</b>	<b>(58,398)</b>
<b>DEFICIT / (SURPLUS)</b>	<b>(1,466)</b>	<b>0</b>	<b>189</b>	<b>(932)</b>	<b>386</b>	<b>357</b>	<b>0</b>
<b>OBJECTIVE ANALYSIS</b>							
Capital Financing	31,791	31,916	0	0	0	(286)	31,630
Head of Housing	3,884	3,904	9	(106)	138	7	3,952
Head of Regeneration	233	264	3	0	0	17	284
Housing Support	264	262	3	0	0	51	316
Income, Inclusion & Improvement	(46,583)	(46,260)	28	(181)	20	77	(46,316)
Property & Investment	7,364	8,325	108	(570)	150	549	8,562
Tenancy Services	1,581	1,589	38	(75)	78	(58)	1,572
<b>DEFICIT / (SURPLUS)</b>	<b>(1,466)</b>	<b>0</b>	<b>189</b>	<b>(932)</b>	<b>386</b>	<b>357</b>	<b>0</b>

**Notes:**

- (1) Significant variances in the Targeted Budget Management Forecast Outturn as at Month 7 for 2016/17 are shown in the table below:

<b>HRA Forecast Outturn as at Month 7</b>	<b>£'000</b>
Increase in staff costs including agency cover across Housing Services and the impact of service redesign being implemented part way during the year.	104
Estimated contract efficiency savings relating to new gas service contract which commenced on 1 April 2016.	(450)
This underspend relates to a reduction in responsive repairs and empty property works expenditure due to the increased capital investment in council dwellings.	(288)
Mainly Tenancy Management property costs forecast underspends of approximately £0.105 million relating to a reduction in utility costs offset by minor variations across the service.	(66)
The contribution to the HRA debt provision is forecast to be underspent by £0.157 million. The HRA contribution of £0.075 million to the Discretionary Housing Pot is unlikely to be called upon in 2016/17 as there is sufficient government allocation to cover council tenant's claims. The spend forecast is also lower than anticipated due to the delay in rollout of the reduced benefit cap levels.	(232)
Lower interest charges incurred during 2016/17 compared to the original budget forecast, as a result of re-profiling capital programme expenditure from 2015/16 to 2016/17.	(125)
Income from service charges to leaseholders for Major Works is forecast to overachieve by £0.300 million compared to the original budget forecast, as a result of works completed due for billing in 2016/17.	(300)
A combination of other small overspends and underspends across the HRA.	(109)
<b>TBM Month 7 Variance</b>	<b>(1,466)</b>

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

(3) Savings include:

<b>Savings</b>	<b>£'000</b>
Savings in gas service contract following procurement of this contract which commenced in 2016/17.	(450)
A further review of savings that can be made from responsive repairs and other procurement opportunities.	(120)
Reduction in Premises Other costs within Tenancy services (utility costs).	(30)
Reduction in Premises Other costs due to the under-utilisation of the redecoration scheme.	(20)
Reduction in supplies and services costs, within Income, Involvement, Improvement.	(80)
Savings as a result of a review of small contracts and services within tenancy services.	(25)
Reduction in liability insurance costs.	(45)
Reduction in General Fund Support Services charges.	(61)
Introduction of a service charge for door entry systems.	(101)
<b>Total Savings</b>	<b>(932)</b>

(4) Service Pressures include:

<b>Service Pressures</b>	<b>£'000</b>
Strengthen BHCC Client Side for re-procurement of the Repairs and Improvement Contract.	150
Senior Housing Scheme Manager increased costs as a result of grade evaluation.	47
Service redesign in the integrated Housing Adaptations Service through aligning resources to prevention through Council Housing project and commissioning work.	72
Further resource required for the review of all tenancy agreements.	35
Support Services - HRA Share of Apprenticeship Levy.	31
Net reduction in rental income for Dwellings.	43
Garages and Car parks reduction in rental income from disposals, voids and a change in mix of private and council tenancies.	8
<b>Total Service Pressures</b>	<b>386</b>

\*Dwellings rents were reduced due to 1% rent reduction (£0.502m) and an assumed level of disposals (£0.193m) in year. This has however been mitigated by the rents from new build schemes (£0.652m) completed over the last year.

(5) Other Significant Changes include:

<b>Other Changes</b>	<b>£'000</b>
Increase in Employee costs for annual increments and increase employers payroll contributions (pensions & NI).	147
Increase in Employee costs for Property & Investment relating to contract monitoring of new Gas Servicing & maintenance contract, funded from contract efficiencies.	32
Premises Repairs – contract efficiencies reducing gas servicing costs. Transfer budget to fund contract monitoring post.	(32)
Forecast reduction in utility budget (electricity & gas) to reflect reduction in unit prices and consumption.	(212)
Additional Direct Revenue Funding – increase in revenue surpluses to fund the capital programme.	1,994
Reduction in Capital Financing costs for the year reflecting repayment of debt in 2016/17.	(2,280)
Estimated reduction in Leaseholder Major works income reflecting major works programme.	500
Service Charge reductions for electricity communal ways and heating to reflect changes in unit prices and consumption.	212
Other changes.	(4)
<b>Total Other Changes</b>	<b>357</b>

#### PROJECTED RESERVES AT 31 MARCH 2017

<b>Description</b>	<b>Balance at 1 Apr 2016 £'000</b>	<b>Projected Balance at 31 Mar 2017 £'000</b>	<b>Projected Balance at 31 Mar 2018 £'000</b>	<b>Use</b>
Revenue Reserves - Working Balance	3,000	3,000	3,000	Minimum working balance requirement
Useable revenue reserves	3,166	4,361	3,861	Available for use.
Capital Reserves	952	1,002	202	Capital Programme funding.
EDB Reserves	599	510	213	Earmarked allocation carried forward
Restructure Redundancy Reserve	388	388	388	Earmarked reserve
HRA - Renewable Energy Projects	329	269	89	Capital Programme funding.
HRA Auto Meter Reads Reserve	45	45	45	Available to fund costs of AMR's

## Data – A - Employee Full Time Equivalent (FTE) Reconciliation

Staffing budgets have increased in 2017/18 (note 5 – other changes) by £0.179 million as a result of annual increments, increases in employers pay contributions and 1 FTE in Property Services. The table below shows the actual movements in FTE's in 2016/17. There are no proposals to make further savings to the HRA establishment during 2017/18.

	<b>FTE</b>
<b>Original FTE 2016/17 pre savings</b>	<b>290.16</b>
<b>Savings 2016/17</b>	
Head of City Development & Regeneration	(0.50)
Income Involvement Improvement	(5.00)
Property & Investment	(0.50)
Tenancy Services	(2.35)
<b>Original FTE 2016/17 with 16/17 savings</b>	<b>281.81</b>
<b>Service Redesign changes in year 2016/17</b>	
Head of Housing HRA	2.60
Income Involvement Improvement	(8.38)
Property & Investment	(0.43)
Tenancy Services	(3.37)
<b>Adjusted budget 2016/17 FTEs in 3 year savings pro-former</b>	<b>272.23</b>
<b>Savings 2017/18</b>	-
<b>Other changes in 2017/18 budget</b>	
Property & Investment (note 5)	1.00
<b>2017/18 FTEs after savings/changes</b>	<b>273.23</b>

### Data – B - Support Service Charge Analysis

The table below provides a breakdown of the support service charges for 2017/18 as per the budget figures within appendix 1.

<b>Charging Service</b>	<b>Budget 2017/18 £'000</b>
Communications	30
Finance	365
Human Resources	216
ICT	646
Property	130
Legal	280
Democratic	234
Director	16
Disabled Adaptations	41
Discretionary Community	148
Grants	31
Apprenticeship levy	
Tenancy Fraud	29
Homing in and Area Panels	28
Energy Efficiency Support	25
Other charges	19
<b>Total</b>	<b>2,238</b>

**HRA FEES AND SERVICE CHARGES 2017/18**

**APPENDIX 2**

All fees and service charges are reviewed annually to ensure full cost recovery and also to identify any service efficiencies that can be offset against inflationary increases to keep increases to a minimum. Proposed fees and service charges for 2017/18 are detailed below.

**Service Charges Eligible for Housing Benefit:**

<b>Eligible for Housing Benefit</b>	<b>Number of Tenants Affected</b>	<b>Approx. Number not Eligible for HB</b>	<b>2016/17 Average Weekly Charge</b>	<b>2017/18 Average Charge £</b>	<b>2017/18 Average increase/ (decrease) per week £ / %</b>	<b>Comments</b>
Grounds Maintenance	5,567	1,592	£0.67	£0.68	£0.01 1.5%	Contractual increase from City Parks.
Communal cleaning	5,264	1,759	£2.78	£2.80	£0.02 0.7%	Full cost recovery of service results in slight increase.
TV Aerials	5,618	1,645	£0.76	£0.76	£0.00	No change.
Seniors Housing – common ways	803	105	£9.46	£9.46	£0.00	No change. Full review carried out for 2016/17 weekly charges
Seniors Housing - laundry	803	101	£2.00	£1.65	(£0.35) (17.5%)	Reduction to reflect new contract prices.
Video Entry	15	1	£0.96	£0.96	£0.00	No change. To be reviewed during 2017/18.
Seniors Intensive Housing Management	826	102	£19.92	£20.12	£0.20 1%	1% inflationary increase, to cover costs which is mainly staffing related.
Electricity – communal ways	5,442	1,680	£1.08	£0.75	(£0.33) (30.5%)	Reduction in service charge to reflect unit prices and updated estimates for consumption. Tenants will see variable decreases, depending on consumption in their block.
Lift Servicing and maintenance	2,414	596	£0.77	£0.80	£0.03 (2.5%)	Increase reflects contract inflation of 2.5%.



**New Service Charge Eligible for Housing Benefit:**

Eligible for Housing Benefit	Number of Tenants Affected	Approx. Number not Eligible for HB	2016/17 Average Weekly Charge	2017/18 Average Charge £	2017/18 Average increase/ (decrease) per week £ / %	Comments
Door entry servicing and maintenance	4,170	1,809	0	£0.48	-	New charge for servicing, maintenance and repairs of Door entry systems to recover costs

**Service Charges & Fees Not Eligible for Housing Benefit:**

Not Eligible for Housing Benefit	Number of Tenants Affected	2016/17 Average Weekly Charge	2017/18 Average Charge £	2017/18 Average increase/ (decrease) per week £ / %	Comments
Communal heating – gas	1,185	£8.75	£6.02	(£2.73) (31%)	Based on estimated consumption for 17/18 and the new unit price for gas.
Communal heating – electric	78	£11.23	£10.32	(£0.91) (8%)	Based on estimated consumption for 17/18 and the new unit price for electricity.
Water	134	£3.86	£3.95	£0.09 (2%)	Based on recovery of costs and estimated increases by Southern Water of 2%.
Guest rooms	n/a	£15.00 per night	£15.00 per night	Nil	No increase.
Garages & Car Parking Residents Non Residents	2,409	£8.68	£8.85	£0.17 (2%)	Inflationary increase of 2%. Further review of car parks and garages charges due in 2017/18.
Mobility Scooter / cycle storage Storage	23	£2.50	£2.50	0.00	Same charge for mobility scooter and bicycle storage.

EXPENDITURE	Original Budget 2016/17	Proposed Budget 2017/18	Provisional Budget 2018/19	Provisional Budget 2019/20	Description
	£'000	£'000	£'000		
<b>Improving Housing Quality</b>					
Door Entry Systems & CCTV	677	939	810	683	A number of door entry systems across the city are now at the end of their serviceable life, and spare parts are difficult to source aligned to AMS priority to provide safe, good quality housing.
Water Tanks, Ventilation, Lighting & Lightening Protection & Fire Alarms	848	730	659	637	Projects help ensure safety and welfare for residents through a replacement and improvement programme.
Lifts	943	1,077	1,381	1,079	The lift replacement and upgrade programme is a long-term commitment to BHCC residents where it makes sense to do so subject to value for money assessment
Fire Safety & Asbestos Management	400	696	450	389	Effectively managing the risks of both fire and asbestos materials is an ongoing need. Includes a budget for sprinklers of £0.250m, Funding for proposed sprinkler schemes is 50% funded by ESFRS.
Minor Capital Works	221	402	407	389	Investment in smaller capital repairs across the HRA stock as well as car parks and garages.
Roofing	1,232	1,245	1,378	1,232	Helps to extend the life of assets, improves insulation and reduces responsive repairs.
Condensation & Damp Works	677	498	501	390	Health and welfare of our residents is assisted by tackling the causes of mould growth in properties
Major Structural works	3,181	3,590	3,018	2,229	To maintain the structural and general external integrity of properties to ensure longevity of our asset, meet our landlord obligations and assist in reduction of responsive repairs.
Major Empty Property works	258	124	125	129	Extensive refurbishment of empty homes prior to re-letting where significant works are required to return vacant homes back into use. .
Cyclical Decorations	3,923	3,314	2,379	2,076	External and common way repairs and decorations across the city help reduce ongoing costs and meet our landlord obligations.
Future Capital Projects	50	74	66	66	Specialist and other surveys to support future programmes.

EXPENDITURE	Original Budget 2016/17	Proposed Budget 2017/18	Provisional Budget 2018/19	Provisional Budget 2019/20	Description
<b>Brighton &amp; Hove Standard Works</b>					
Dwelling Doors	431	373	325	260	Replacing doors to properties with secure and efficient design helps residents feel safer.
Kitchens & Bathrooms	1,725	1,930	1,941	1,623	This budget helps to ensure homes comply with the Brighton & Hove Standard.
Rewiring - Domestic/Communal	1,786	1,831	1,816	1,583	Safe and reliable electrical installations and efficient lighting are supported from this budget.
Windows	1,355	1,370	1,441	1,169	Window replacement programmes improve energy efficiency, warmth and reduce ongoing repair costs.
<b>Sustainability &amp; Carbon Reduction</b>					
Home Energy Efficiency & Renewables	521	51	51	51	The installation of solar panels was completed in 2016/17. This programme budget allows the progression of home energy efficiency and renewable projects. (note that £0.400m approved in 2016/17 has been re-profiled to continue projects in 2017/18)
Domestic/Communal Heating Improvements	2,022	2,087	2,137	2,967	Efficient and modern replacement heating systems reduce carbon emissions and residents fuel costs
Insulation improvements (incl overcladding)	50	63	1,819	1,620	Also includes over-cladding major works in 2018-2020. Improving insulation levels in buildings reduces mould growth and heating costs.
<b>Tackling Inequality</b>					
Estate and Environmental Improvement	500	243	244	252	Residents are able to prioritise smaller projects through this continuing and well supported budget. Also utilising EDB earmarked reserves.
Disabled Aids & Adaptations	1,150	1,150	1,150	1,150	By supporting required adaptations to homes, residents can continue to live independently and enjoy their home for longer.
Conversions & Extensions	739	560	626	520	Tackling overcrowding across the city is of key importance to ensure good quality housing.
Conversions of existing bed-sits	1,216	460	405	273	Improving dwellings' layout in several seniors housing schemes will meet modern standards.

EXPENDITURE	Original Budget 2016/17	Proposed Budget 2017/18	Provisional Budget 2018/19	Provisional Budget 2019/20	Description
Converting Spaces in Existing Buildings		609	406	407	Hidden homes - A programme to deliver new homes by converting existing redundant spaces. The programme has delivered 3 new homes to date from budgets approved and carried forward from 2015/16 financial year. This new allocation of budget would enable a further 5- 6 to be built a year.
Stonehurst Court conversion		1,045	-	-	Recommendations for refurbishment included in separate report at H&NH Committee January 2017
Oxford Street conversion		1,120	-	-	Recommendations for refurbishment included in separate report at H&NH Committee January 2017
Housing ICT Budget	50	80	80	80	Supports Housing IT projects
<b>Total Investment in existing Housing Stock</b>	<b>23,955</b>	<b>25,661</b>	<b>23,615</b>	<b>21,254</b>	
<b>Building New Council Homes</b>					
Brooke Mead extra care	4,355	-	-	-	Started on site in 2015/16, total scheme budget is £12.0m, due for completion 2017/18 within existing budgets re-profiled from 2016/17.
Infill sites - Manor Place	1,292	-	-	-	Scheme completed 2016/17.
Garage Sites - Guinness	1,095	-	-	-	The majority of Garage Site schemes started on site in 2015/16, schemes due for completion in 2017/18 funded from re-profiled 2016/17 budgets.
Findon Road ( Former Library)	8,100	5,000	-	-	Scheme approved in 2015/16, total scheme budget £14.1m, due for completion in 2017/18
Design competition	1,000	500	1,000	-	Competition complete, contracts being finalised, with further report to H&NH Committee in March.
Feasibility & Design - Housing Investment	250	-	-	-	Allows progression of future development projects. Re-profiling of some 2016/17 budget to support NHFN programme in 2017/18.
Selsfield Drive	2,000	2,617	2,258	-	Re-design underway, estimated due for completion June 2018.
Wellsbourne	1,000	6,076	-	-	On-site and estimated due for completion April 2018.
<b>Total Building New</b>	<b>19,092</b>	<b>14,193</b>	<b>3,258</b>	<b>-</b>	

EXPENDITURE	Original Budget 2016/17	Proposed Budget 2017/18	Provisional Budget 2018/19	Provisional Budget 2019/20	Description
Council Homes					
<b>Total Programme</b>	<i>43,047</i>	<b>39,854</b>	<b>26,873</b>	<b>21,254</b>	
<b>Programme Funding</b>					
Revenue Contribution to Capital	<i>23,585</i>	25,579	25,300	24,914	Funding from revenue surpluses.
Borrowing	<i>12,962</i>	7,073	-	-	Borrowing required mainly for new build development.
HRA reserves	<i>771</i>	1,300	700	500	Useable revenue and capital reserves.
Capital Receipts	<i>4,349</i>	5,597	978	-	Retained RTB receipts for New Build.(£4.258m) and Capital receipt from Seaside Homes final batch (£1.339m)
HCA Grant (Brooke Mead)	<i>1,200</i>	-	-	-	HCA Grant for Brooke Mead.
ESFRS Contribution	<i>0</i>	125	-	-	Funding due from East Sussex Fire and Rescue Service, 50% contribution towards sprinklers budget
Energy Grants/FITs	<i>180</i>	180	100	100	Funding received to support sustainability and carbon projects.
<b>Total Funding</b>	<i>43,047</i>	<b>39,854</b>	<b>27,078</b>	<b>25,514</b>	
	<i>0</i>	<b>0</b>	<b>(205)</b>	<b>(4,260)</b>	Forecast balance available to support future programmes.

**Medium Term**

The Medium Term Financial revenue position provides a cumulative surplus of £75.528 million that can be used to support the delivery of the capital programme during this period. When compared to last year's MTFs the surpluses are broadly similar over the same period. The 1% reduction in rents results in a total reduction of £7.6m over a 3 year period from 2017/18 to 2019/20. However, this has been partly mitigated by accumulated efficiency savings identified over the same period totalling of £1.532 million (which are £0.932m in 2017/18, £0.350m in 2018/19 and £0.250m in 2019/20) as well as the additional rent from the completed new build schemes over the same period of time.

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Expenditure</b>			
Management & Service Costs	15,442	15,246	15,148
Repairs and Maintenance	10,097	10,198	10,300
Other Costs	1,197	1,209	1,221
Borrowing costs	6,083	6,852	6,636
<b>Total Expenditure</b>	<b>32,819</b>	<b>33,505</b>	<b>33,305</b>
<b>Income</b>			
Rental Income	(50,349)	(50,544)	(49,875)
Service Charges (Tenants)	(3,282)	(3,315)	(3,348)
Other Income	(4,767)	(4,814)	(4,863)
<b>Total Income</b>	<b>(58,398)</b>	<b>(58,673)</b>	<b>(58,086)</b>
<b>Net (Surplus) / Deficit</b>	<b>(25,579)</b>	<b>(25,168)</b>	<b>(24,781)</b>

## 30 YEAR FINANCIAL FORECAST

### Introduction

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

Since then the government has imposed two changes to the rent calculation which both result in significant reductions in future rental income. From April 2015, government guidance revised annual increases to Consumer Price Index (CPI) + 1%. This change removed the flexibility of social landlords to increase social rents each year by an additional £2 where rents were below target, resulting in lower annual rental increases over the long term. From April 2016, the Welfare Reform and Work Act 2016 details that rents should be reduced by 1% per annum commencing in 2016/17. This required reduction in rents by 1% per annum will reduce resources by £7.6m over a three year period (2017/18 -2019/20) with a cumulative reduction in resources of £206m over 30 years when compared to previous business planning assumptions.

The current financial plan projections shown below continue to provide a balanced business plan but there is less opportunity than before for regeneration and new investment within the HRA due to the significant reductions in rental income projections. The current plan projections should also be viewed with caution due to the uncertainties from government legislation not yet modelled in the plan. As a result of the review carried out by government a decision was reached to not proceed with the Pay to Stay policy included in the Housing and Planning Act 2016. However, there are still some uncertainties due to other government legislation which may have a significant impact on the long term health of the financial plan, such as:

- Housing & Planning Act 2016 – This act includes a requirement to pay a levy to central government based on the number of void high value homes the HRA has. These properties are likely to be those that contribute most financially to the overall surpluses over 30 years. The full details of this scheme, including the formula for calculating the levy and the definition of high value are not yet available to inform business planning but will be implanted after 2017/18.
- Welfare Reform – The roll out of universal credit, reduction in tax credits, single room rates for under 35's in social housing and reduction in benefit cap to £20,000 per annum will all impact on tenant's ability to pay their rent. The assumptions used for bad debts and voids may need increasing resulting in a loss of projected income.
- Uncertainty of future rent policy after 2019/20. It is not clear at this stage whether the rent policy will revert to the previous policy of increases capped at CPI + 1% or something entirely different.

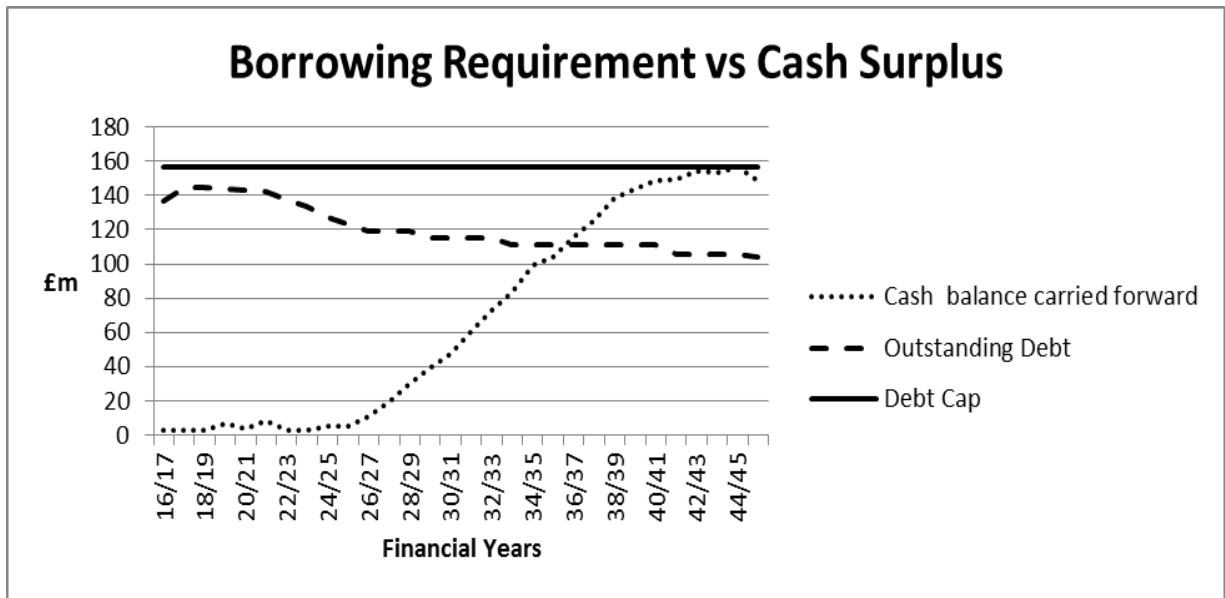
The 30 year financial plan will continue to be updated to reflect the impact of the changes resulting from government legislation and the 2017/18 budget proposals. This will enable a review of future opportunities for additional investment in existing housing stock and building new homes both within the HRA and through alternative delivery models.

## Forecast

The net position of the financial forecast is shown in the graph below. The cash surplus over the period of the financial plan totals £149.5m. Assuming that no additional borrowing repayments are made over the life of the plan aside from those planned in the current loan schedule, the debt outstanding in year 30 is £104.2m. The cash surpluses equal outstanding debt by year 20 and this provides an indication that in the long term, based on current assumptions, the HRA maintains a balanced position with some surpluses.

Essentially, although the financial forecast shows that the HRA has healthy financial indicators to borrow to source funding for regeneration or development it is restricted by the self-financing debt cap (or limit). This is a government restriction on the amount of HRA borrowing permissible for capital investment by each local authority. The cap for Brighton & Hove is £156.8m. The outstanding debt reaches its peak in 2020/21 where the borrowing level is £144.1m leaving headroom of only £12.7m. Therefore, alternative delivery models outside of the constraints of the HRA may need to be considered in the future alongside a review of priorities included in the financial plan.





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

- A general inflation of CPI assumed as an average of 1.6% for years 2 to 10 and 2% thereafter.
- Revenue repairs and maintenance costs are assumed to increase by 2.5% throughout the plan.
- Right to buy sales are assumed to continue at an average of 40 sales per annum.
- The forecast currently includes approved schemes only, totalling approx. 240 new homes. There is no allowance for any future regeneration schemes or new build schemes.
- Rents are assumed to decrease by 1% per annum for the next three years and then increase at CPI thereafter. Previously it was assumed that rents would increase by CPI plus 1% after the three years, however as there is uncertainty over future rent policy, the assumptions in the 30 year forecast have been revised. The CPI assumptions used provides total inflationary increases of an average of 1.2% for years 5-10 and 2% per annum for years 11-30. This has reduced the overall forecast surplus over the 30 years to £149.5 million.

The following table provides a summary of the 30 year income and expenditure flows.

<b>30 Year forecast</b>	<b>Years 1-5</b>	<b>Years 6-10</b>	<b>Years 11-20</b>	<b>Years 21-30</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Revenue expenditure:</b>					
Management costs	60,800	62,958	137,765	157,773	419,296
Service costs	16,476	17,605	41,403	52,560	128,044
Repairs and maintenance	54,709	59,879	140,494	173,316	428,398
Other costs	3,179	3,322	7,612	9,280	23,393
Bad debt provision	2,206	1,968	3,955	3,866	11,995
Capital repayments	35,849	52,890	59,875	51,047	199,661
<b>Total Expenditure</b>	<b>173,219</b>	<b>198,622</b>	<b>391,104</b>	<b>447,842</b>	<b>1,210,787</b>
<b>Revenue income:</b>					
Rental income (net of voids)	250,117	255,307	569,559	669,453	1,744,436
Service charges	16,864	17,612	41,420	52,583	128,479
Other income	9,056	9,463	21,687	26,436	66,642
Leaseholder income	15,858	16,047	36,778	44,832	113,515
<b>Total income</b>	<b>291,895</b>	<b>298,429</b>	<b>669,444</b>	<b>793,304</b>	<b>2,053,072</b>
<b>Net revenue income</b>	<b>118,676</b>	<b>99,807</b>	<b>278,340</b>	<b>345,462</b>	<b>842,285</b>
<b>Capital expenditure</b>					
Capital investment	124,780	102,983	179,567	300,575	707,905
New build schemes	40,497	0	0	0	40,497
<b>Total capital expenditure</b>	<b>165,277</b>	<b>102,983</b>	<b>179,567</b>	<b>300,575</b>	<b>748,402</b>
<b>Capital funding</b>					
Other capital income	10,781	0	0	0	10,781
Borrowing	37,348	4,443	0	0	41,791
Revenue contribution to capital	118,676	99,808	278,340	345,463	842,287
<b>Total funding</b>	<b>166,805</b>	<b>104,251</b>	<b>278,340</b>	<b>345,463</b>	<b>894,859</b>
Opening HRA reserves	3,000	0	0	0	3,000
<b>Cash surplus at year 30</b>	<b>4,528</b>	<b>1,268</b>	<b>98,773</b>	<b>44,888</b>	<b>149,457</b>

## STAR tenants satisfaction survey results 2016

Survey undertaken in June 2016 sent to 3,000 tenants. 828 tenants responded (i.e. 28%) which is an increase from 724 people (or 24%) last time we did the survey in 2014. See full report 'STAR' tenant satisfaction survey 2016' also on this Housing & New Homes Committee Agenda.

	<b>% satisfied 2014</b>	<b>% satisfied 2016</b>	<b>Trend</b>	<b>Benchmark position</b>
Satisfied overall with the service from Housing	78%	81%	↑	2 <sup>nd</sup> quartile
The overall quality of your home	80%	79%	↓	3 <sup>rd</sup> quartile
Your neighbourhood as a place to live	84%	80%	↓	2 <sup>nd</sup> quartile
Satisfaction with the last completed repair	76%	81%	↑	3 <sup>rd</sup> quartile
That your rent provides value for money	84%	86%	↑	1 <sup>st</sup> quartile
Standard of customer service	81%	85%	↑	Not available
Listen to views and acts upon them	64%	70%	↑	1 <sup>st</sup> quartile



<b>Subject:</b>	<b>HRA Stock Review: delivering Temporary Accommodation – Stonehurst Court</b>		
<b>Date of Meeting:</b>	<b>18 January 2017</b>		
<b>Report of:</b>	<b>Executive Director Neighbourhoods, Communities and Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Simon Pickles</b>	<b>Tel: 29-2083</b>
	<b>Email:</b>	<b>simon.pickles@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>Hanover and Elm Grove</b>		

## **FOR GENERAL RELEASE**

### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to update members on the progress made with the closure of the seniors housing scheme, called Stonehurst Court, over the last 12 months and make a recommendation for the site's long term future use.
- 1.2 The HRA Asset Management strategy, aligned to the overall Housing Strategy, has been reviewed (following detailed consultation) and now expressly supports the provision of new homes through ongoing stock review and investment as well as improving the quality of existing homes. This has manifested itself through conversions and the hidden homes programme as well as identifying opportunities for the New Homes for Neighbourhoods programme. The Housing Strategy sets out the detailed housing challenges across the City. It has 3 key priorities: improving housing supply; improving housing quality and improving housing support.
- 1.3 This report also supports objectives of the Fairness Commission to increase the availability of affordable housing and address homelessness.
- 1.4 When members considered the de-commissioning report in September and November 2015 support was expressed for the site's future use as Temporary Accommodation for people to whom we have a duty to accommodate.
- 1.5 Our Neighbourhoods, Communities and Housing Budget Strategy includes the potential development of new Temporary Accommodation through commissioning a council housing stock review to deliver conversions of existing under-used or unused buildings or spaces into Temporary

Accommodation. This will achieve savings against the costs of procuring more expensive accommodation from the private market either through existing dynamic purchasing frameworks or spot purchase. This approach has already commenced on a pilot basis at the largely vacant Stonehurst Court and a business case is currently being developed to roll out further with savings being delivered in 2018/19.

## **2 RECOMMENDATIONS**

That the Housing & New Homes Committee:

- 2.1 Agrees that the core part of the scheme be converted from 20 studio flats into 10 x 2 bedroom family houses, for initial use as good quality Temporary Accommodation for households to whom we have a duty to accommodate, with the potential in the future to use the homes as general needs stock to meet the needs of families waiting on the housing register.
- 2.2 Agrees that the 6 flats which are part of the street frontage on Down Terrace be reclassified as general needs housing, while ensuring the existing tenants (3) continue to receive support from Carelink and mobile sheltered support as necessary.
- 2.3 Notes that a budget of £1.044 million is included in the Housing Revenue Account Budget and Investment Programme 2017/18 and Medium Term Financial Strategy report, also being reported to this Committee.

## **3 CONTEXT/ BACKGROUND INFORMATION**

- 3.1 At the September 2015 Housing Committee, members approved that tenants of the seniors housing scheme at Stonehurst Court be consulted on its closure, because the scheme did not provide suitable or viable sheltered housing (poor accessibility and layout).
- 3.2 At the November 2015 meeting, members approved the recommendation to close the scheme. Members also approved a recommendation, which tenants had suggested during consultation, that tenants could choose to remain in, or move to, the flats which are part of the street frontage along Down Terrace (6 of the 26 studio flats on the site).
- 3.3 At the November 2015 meeting, members also agreed to make short term use of the vacated flats for households to whom we have a duty to accommodate.

3.4 There are significant housing pressures facing the Council, which means it is imperative to make the best long term use of this available site, in the shortest period of time. A number of options are considered in this report.

3.5 The properties themselves are in a generally reasonable condition. A photograph and map are included at Appendices 1 and 2.

**3.6 The process of closing the scheme over the last 12 months:**

Through intensive one to one support, disturbance payments and priority access to empty council properties becoming available, all the moves have now taken place, in accordance with tenant preferences. The final move took place on 16<sup>th</sup> October 2016.

Three tenants have chosen to move to or stay on the street fronting part of the scheme (6 flats on Down Terrace), which will not be affected by future options for this site.

**3.7 Temporary Accommodation:**

In order to meet demand for Temporary Accommodation (TA) 10 empty flats have been prepared and let to households to whom we have a duty to accommodate.

**4. FUTURE LONG TERM OPTIONS FOR STONEHURST COURT**

**4.1 The development options to meet housing needs at this scheme in the future**

The following options are considered in this report for the long term future use of the scheme (excluding Down Terrace):

Option 1	Demolish the buildings and redevelop the scheme with 11 new homes for use as general needs housing or Temporary Accommodation.
Option 2	Demolish the buildings and redevelop the scheme with 14 new homes for use as general needs housing or Temporary Accommodation.
Option 3	Retain the buildings, converting them into 10 x 2 bedroom houses for use as general needs housing or Temporary Accommodation
Option 4	Retain the buildings, bringing the 20 studio flats (including one communal facility) up to Decent Homes standard for use as general needs housing or Temporary Accommodation for people to whom we have a duty to accommodate.
Option 5	Disposal of this HRA asset on the open market: this option is <b>not</b>

	pursued within this report given the pressures that exist to deliver additional Temporary Accommodation and general needs housing in support of the Housing Strategy. The current asset value of each unit is £119,500 (open market value), as per the valuation carried out for the 2015/16 statement of accounts. This figure would be significantly reduced if selling on an existing use basis. If this option were being considered it would require an independent valuation if the site.
Option 6	Disposal of this HRA asset to a Registered Provider (Housing Association) partner to redevelop the site: this option is <b>not</b> pursued within this report given the capability and control the council has, as a provider, to make the best use of this site. In the current market Housing Associations will consider development but are unlikely to wish to pay the value of the asset.

#### 4.2 Options 1-4 are now considered in more detail below:

	Content	Financial summary	Pros and cons
<b>Option 1:</b>	11 new homes	Total Scheme Costs: £2.839m  <b>Funded by:</b> Borrowing: £2.904m  HRA Surplus:£0.065m  Total Cost per unit: £0.258m  Rent levels assumed at LHA rates.	<b>Pros:</b> There is a design and construction partnership already in place to deliver such a project.  TA service and Homemove need more family-sized accommodation.  <b>Cons:</b> Delivery timescale, including planning application.  High cost compared to conversion options.  Reduction in existing number of units.
<b>Option 2:</b>	14 new homes	Total Scheme Costs: £3.081m  <b>Funded by:</b> Borrowing: £3.254m HRA Surplus:£0.173m  Total Cost per unit: £0.220m Rent levels assumed at LHA rates.	<b>Pros:</b> There is a design and construction partnership already in place to deliver such a project.  TA service and Homemove need more family-sized accommodation.  <b>Cons:</b>



			<p>Delivery timescale, including planning application.</p> <p>High cost compared to conversion options below.</p> <p>Reduction in existing number of units.</p>
<b>Option 3:</b>	10 converted homes	<p>Total Scheme Costs: £1.044m</p> <p><b>Funded by:</b> Borrowing (net rent): £0.935m</p> <p>HRA Subsidy: £0.109m</p> <p>Total Cost per unit: £0.104m</p> <p>Rent levels assumed at current council tenant rates (the Council rent regime for existing properties applies to residential conversion projects).</p>	<p><b>Pros:</b> Short contract duration.</p> <p>There is a design and construction partnership already in place to deliver such a project. Low cost compared to the demolition and rebuild options.</p> <p>TA service and Homemove need more family-sized accommodation with garden, creating savings for the General Fund.</p> <p>Subject to written confirmation from the planners, it is not expected that planning consent is required.</p> <p>Should the need for TA family homes ever reduce significantly, the converted homes could be made available to general needs applicants.</p> <p><b>Cons:</b> Reduction in existing number of units.</p>
<b>Option 4:</b>	20 existing studios	<p>Total Scheme Costs: £0.550m</p> <p><b>Funded by:</b> Borrowing (net rent): £1.694m</p> <p>HRA Surplus: £1.144m</p>	<p><b>Pros:</b> Speed of delivery - there is a repairs and maintenance partnership already in place to deliver such a project.</p>

		<p>Total Cost per unit: £0.028m</p> <p>Rent levels assumed at current council tenant rates (the Council rent regime for existing properties applies to conversion projects).</p>	<p>Low cost compared to all other options.</p> <p>Retaining existing number of units.</p> <p>No requirement for Planning Consent.</p> <p>Savings to General Fund (from use as TA)</p> <p><b>Cons:</b> High concentration of small TA units may be hard to manage.</p> <p>Does not meet need for family sized accommodation.</p>
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## 5 COMMUNITY ENGAGEMENT & CONSULTATION

5.1 The surrounding community will be consulted as part of any Planning Application that is required.

5.2 Ward members have been kept informed of the process of closure and attended the tenant consultation meetings.

5.3 The Central Area Panel was consulted on 30<sup>th</sup> November 2016. One view was that we could provide a mixture of two bedroom houses and studios. In response, another view supported the proposal because studios were already provided on Down Terrace (the street-fronting part of the scheme).

## 6 CONCLUSION

The proposed conversion into 10 x 2 bedroom houses, offers good value, the opportunity to deliver modernisation of the homes, and a relatively swift solution to meet the pressing need for good quality, family sized Temporary Accommodation for the households to whom we have a duty to accommodate.

## 7 FINANCIAL IMPLICATIONS

7.1 Paragraph 4.2 includes the financial modelling for the first four options considered in this report. The last two options have not been considered because the demand for the provision of Temporary Accommodation or affordable housing is too great.

7.2 For all options considered in this report the council cannot utilise any Right to Buy receipts. The Right to Buy pooling guidance only allows funding for the provision of additional affordable units. None of the options stated are increasing the number of affordable units available for let.

7.3 As per the recommended option in 2.1 to convert the existing 20 units back to their former use as 10 x 2 bedroom houses to be let as Temporary Accommodation or General Needs, financial viability modelling was undertaken. There is an estimated total cost of £1.044 million and the net rental income from this option supports borrowing of £0.935 million. This leaves a small subsidy requirement from existing HRA tenants of £0.109 million. As with previous conversions carried out by the HRA the rent levels have been assumed to be at the same rate as existing council tenants' rents. The required budget £1.186 million is included in the capital programme in the Housing Revenue Account Budget and Investment Programme 2017/18 and Medium Term Financial Strategy report, also being reported to this committee.

7.4 Making use of the site as Temporary Accommodation will reduce cost pressures in the general fund as these units will have a nil cost to the general fund because housing benefit (where applicable) will cover the rental costs. The net cost to the general fund for other forms of Temporary Accommodation currently ranges in price from some small surpluses per week for privately leased accommodation (these are becoming increasingly difficult and more expensive to procure) through to an average of £213 per week for the most expensive emergency accommodation. Therefore annually this option could reduce General Fund costs by up to £0.111m. The General Fund budget for Temporary Accommodation is currently under pressure and is forecast to overspend in 2016/17 by £0.711m (as at month 7).

7.5 The shortage of supply of affordable accommodation in the City together with the implementation of further welfare reforms mean that the pressure on the Temporary Accommodation budget will continue for 2017/18, so any extra low cost units of accommodation will help mitigate this pressure.

*Finance Officer Consulted:* Craig Garoghan, Accountant. Date: 04/11/16

## **8 LEGAL IMPLICATIONS:**

8.1 The council has wide powers under the Housing Act 1985 to provide housing accommodation by erecting houses or converting buildings.

8.2 Options 1 – 4 are clearly within the council's powers. Any option which involves the disposal of the land will require approval by Policy, Resources and Growth Committee.

*Lawyer consulted:* Liz Woodley

Date: 23/11/16

## 9 OTHER IMPLICATIONS:

### 9.1 Equalities Implications:

The converted or new properties will conform to the accessibility standards set in the Building regulations.

### 9.2 Sustainability Implications:

The converted or new properties will conform to the sustainability standards set out in the Building Regulations.

### 9.3 Risk and Opportunity Management Implications:

There is a range of options for meeting new housing needs on this site. Modernisation of the dwellings will include installation of modern fire protection and early warning systems appropriate for the accommodation design and use.

### Enclosures:

Appendix 1: aerial photograph of the scheme.

Appendix 2: Localview map of the site

## Appendix 1

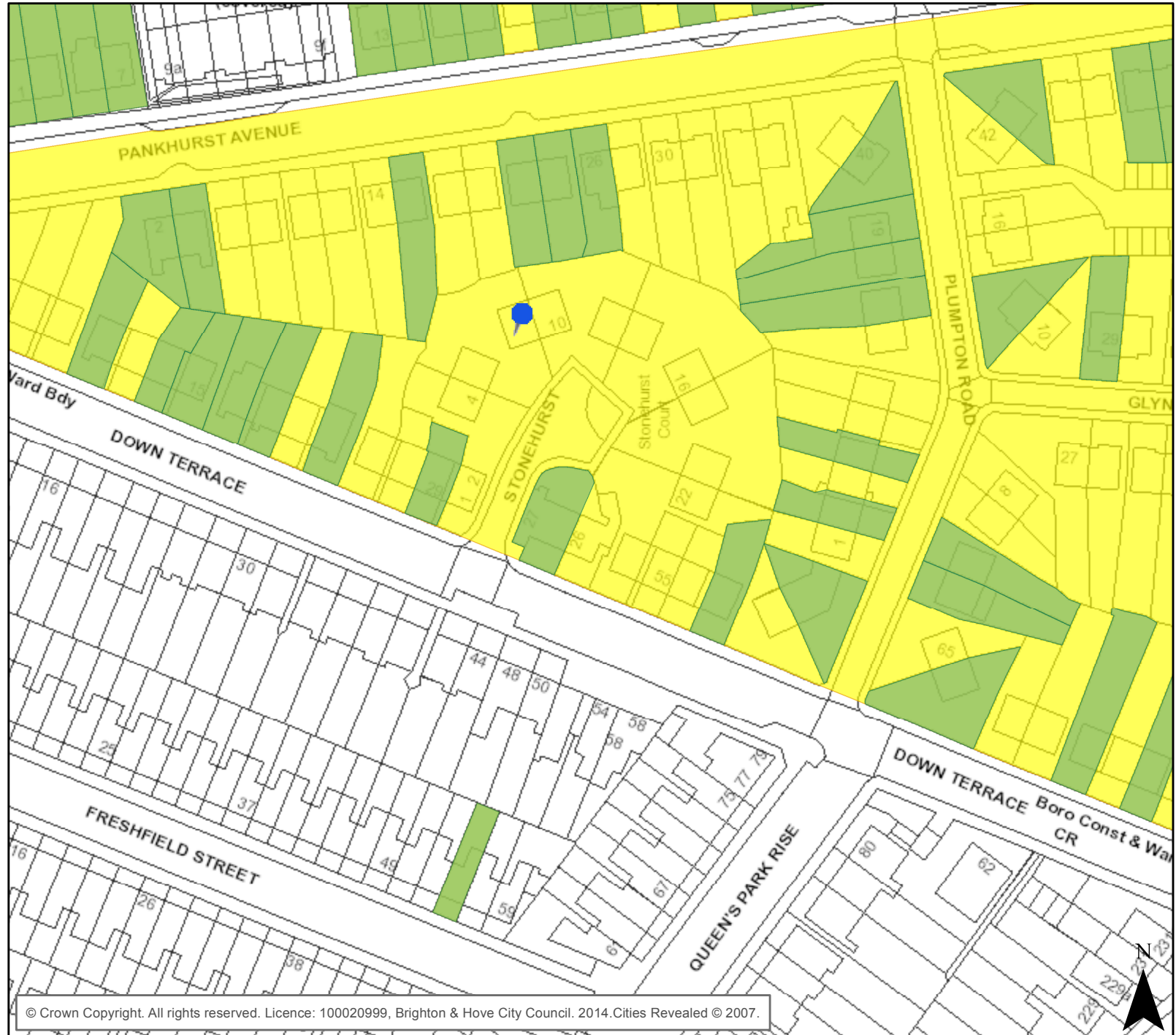


This aerial photograph shows the core part of the scheme (5 buildings in a semi-circle) and the Down Terrace element along the street front (6 studio flats which do not form part of the future proposals, as promised at the tenant consultation stage).



# Stonehurst Court Legend

- BHCC Sold Sept 14
- BHCC Freehold Sept 14



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<b>Subject:</b>	<b>HRA Stock Review: Delivering Temporary Accommodation – former Oxford Street housing office</b>		
<b>Date of Meeting:</b>	18 January 2017		
<b>Report of:</b>	Executive Director Neighbourhoods, Communities and Housing		
<b>Contact Officer:</b>	<b>Name:</b>	Simon Pickles	<b>Tel:</b> 29-2083
	<b>Email:</b>	<a href="mailto:simon.pickles@brighton-hove.gov.uk">simon.pickles@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	St Peter's & North Laine		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Improving housing supply in the City, in particular the supply of affordable homes for rent is a key element of our city-wide Housing Strategy. Our Housing Asset Management Strategy acts as a link between our Housing Strategy and investment programmes including a priority of supporting new housing supply. Neighbourhoods, Communities & Housing (NCH) Budget Strategy includes savings to be achieved through the potential development of new Temporary Accommodation (TA) through commissioning a council housing stock review to deliver conversions of existing under-used or unused buildings or spaces into TA.
- 1.2 At its meeting on 11 November 2015 the Housing & New Homes Committee considered a range of high level future options for this Housing Revenue Account (HRA) owned former Oxford Street housing office. Members agreed that a further, fully costed report be brought back to the Committee for consideration, focussing on options which would make best use of the asset, meet housing needs in the city and/or generated a financial return for the Council, whether revenue or capital.
- 1.3 This report reviews in more detail (including financial models, valuations and social benefit) the following options, subject to Planning approval:

Option 1: Disposal on the open market.

Option 2: Disposal to a Registered Provider (Housing Association) partner, providing affordable accommodation.

Option 3: Development by the Council, providing affordable accommodation.

Option 4: Conversion by the Council into a supported housing scheme for older former street homeless persons with disabilities.

Option 5: Conversion by the Council into Temporary Accommodation, which also provides significant savings for the General Fund.

- 1.4 The recommended option is Option 5 because it provides a high financial return for the council and best meets our strategic objectives.

## **2. RECOMMENDATIONS:**

That the Housing & New Homes Committee:

- 2.1 Notes the range of future options for this HRA owned former operational property at 20-22 Oxford Street in sections 3 and 4.
- 2.2 Agrees the preferred option 5, that the Council refurbishes and converts this property into 12 accessible studios and flats for use as Temporary Accommodation for people to whom we have a duty to accommodate.
- 2.3 Notes that a capital budget of £1.186 million for option 5 is included in the Housing Revenue Account Budget and Investment Programme 2017/18 and Medium Term Financial Strategy report, also being reported to this committee.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The former Oxford Street housing office is located off the London Road and is a three-storey (plus basement) end of terrace building. It fronts directly onto a public footpath on Oxford Street. Photographs are attached at Appendix 1, and a Localview map at Appendix 2.
- 3.2 The Council bought the property on 28 September 1995 for £0.283 million, excluding refurbishment costs.
- 3.3 The consideration of future options for the use of this HRA asset needs to be in the context of: the City wide Housing Strategy agreed by Council in March 2015; the HRA Asset Management Strategy agreed by Committee in March 2016; and NCH Budget Strategy 2017 / 20 reported to Policy Resources & Growth Committee in December 2016.

The Housing Strategy sets out the detailed housing challenges across the City. It has 3 key priorities: improving housing supply; improving housing quality and improving housing support.

This review of options also addresses the requirement to make the best use of the Council's HRA assets.

The key priority objectives of the Asset Management Strategy are: investing in homes and neighbourhoods to provide safe, good quality housing and support services; supporting new housing supply; ensuring financial viability within the Tenancy Strategy.

NCH Budget Strategy includes the potential development of new Temporary Accommodation through commissioning a council housing stock review to deliver conversions of existing under-used or unused buildings or spaces into Temporary Accommodation. This will achieve savings against costs of procuring more expensive accommodation from the private market either through existing dynamic purchasing frameworks or spot purchase. This approach has already commenced on a pilot basis at the largely vacant Stonehurst Court and a business case is currently being developed to roll out further with savings being delivered in 2018/19.

To summarise the five options under consideration:

**3.3.1 Option 1 Disposal on the open market:** The capital receipt could be used to subsidise the housing capital programme or repay HRA debt. Any disposal would be subject to Policy, Resources & Growth committee's agreement and advice from the Council's Property & Design Team to ensure the Council obtains 'best consideration'.

To date the council's Housing Strategy has not supported disposal of HRA assets on the open market. Open market disposal would not allow any control or benefit from any resultant residential accommodation to be secured for the Council other than through Planning obligation should the scheme be greater than 10 units and therefore subject to provision of up to 40% affordable housing required under Planning Policy. Any affordable housing provision may include shared ownership homes as well as any rented homes that may be deliverable subject to developer viability considerations.

**3.3.2 Option 2 Disposal to a Registered Provider, creating a mixed use of affordable homes and commercial units:** The capital receipt could be used to subsidise the housing capital programme or repay HRA debt. Any disposal would be subject to Policy, Resources & Growth committee's agreement and advice from the Council's Property & Design Team to ensure the Council obtains 'best consideration'.

This option would ensure Housing Strategy priorities are met, in particular addressing the shortage of family homes for rent available to those on the Housing Register. A Registered Provider (RP) taking on the property will 'de-risk' the delivery of Affordable Homes from a Council perspective and not impact on Council borrow.

Indications are that RP partners are either not interested or would only accept the disposal at nil or minimal value, running counter to a 'best consideration' disposal of assets.

Over recent years we have seen a significant drop in RP delivery of affordable homes, in particular rented homes, in the City linked to:

- Developers successfully demonstrating, via independent viability review, lower than policy affordable housing offer (in terms of unit mix / numbers / % of overall housing);
- Changes to Government funding of affordable homes - there is no longer funding for affordable delivery if part of a S106 / Planning Gain contribution from developers and until Autumn Statement there was no funding for general needs rented on RP sites not part of S106;
- Impact of Welfare Reform, including roll out of universal credit, on RP appetite to deliver rented homes owing to bad debt risk.

**3.3.3 Option 3 Conversion by the Council, creating a mixed use of affordable homes and commercial units:** This option will ensure Housing Strategy priorities are met, in particular addressing the shortage of family homes for rent available to those on the Housing Register, and would not require additional HRA subsidy.

The building would be retained by the Council as an appreciating asset under this option.

There is a range of 1 & 2 bed units that could be delivered under this option, with and without ground floor commercial units, all subject to Planning.

**3.3.4 Option 4 Conversion by the Council into supported move on accommodation for older former street homeless persons with disabilities:** This option could support the Council's Rough Sleeping strategy for accommodation for older homeless people with complex needs. This could provide an opportunity to utilise HCA 'Homelessness Change' grant funding available to the Council. The Council has a capital grant allocation from the HCA of £0.569 million (subject to meeting the grant conditions and being able to sign the grant agreement) to support the creation of additional homes for older former street homeless people with disabilities. This funding is not formally linked to the former housing office at Oxford Street. Refurbished accommodation at Oxford Street, subject to Planning, could offer up to 12 self-contained affordable rent studios designed for people with physical disabilities. However, in reviewing this option there remain financial considerations to be resolved (outlined in Finance paragraphs 7.13 & 7.14 below) and concerns as to whether this is likely to be an appropriate location for such move on accommodation.

Officers are actively exploring other more suitable locations and are working with the government (via the HCA) to make better use of this grant allocation.

**3.3.5 Option 5 Conversion by the Council into Temporary Accommodation:** This option is for conversion into 12 studios and flats for applicants to whom we have a duty to house, needing good quality Temporary Accommodation, all

subject to Planning. In addition to meeting strategic housing needs, this aligns with NCH Budget Strategy reported to Policy, Resources & Growth Committee as there would be potential savings to the General Fund as detailed in the financial implications, were the Temporary Accommodation option to be taken forward.

This option would not require additional HRA subsidy. The council will be able to use £0.356 million of retained RTB receipts towards funding the cost of conversion.

#### 4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Table 1 below is a summary of five options for the future use of the former Oxford Street housing office. A more detailed options table can be found at Appendix 3.

4.2 Table 1: Summary of five options.

Table 1:

	Provides affordable housing	Provides an ongoing HRA revenue income stream	Provides a capital receipt that can be invested in the HRA	Does not involve borrowing against HRA capital headroom	The Council retains control of an appreciating asset	Levers in funds from the HCA/or RTB receipts
<b>Option 1:</b> Disposal on the open market			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<b>Option 2:</b> Disposal to a Housing Association, creating a mixed use of affordable homes and commercial units	<input checked="" type="checkbox"/>		Please see Footnote	<input checked="" type="checkbox"/>		
<b>Option 3:</b> Conversion by the Council, creating a mixed use of affordable homes and commercial units	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
<b>Option 4:</b> Conversion by the Council into supported move on accommodation for older former street homeless persons with disabilities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

<b>Option 5:</b> Conversion by the Council into Temporary Accommodation in line with Budget Strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> And makes savings for the General Fund			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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*Footnote: Indications are that Registered Provider partners are either not interested or would accept the disposal at nil or minimal value, running counter to a 'best consideration' disposal of assets.*

## 5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Engagement with the community is pending agreement of the preferred option and will take place before any Planning application is submitted.
- 5.2 Ward members have been notified of the current review of future options. One ward member has offered to support any community engagement exercise.
- 5.3 Subject to committee agreement we will consult with external stakeholders and partner organisations about the use of the site.

## 6. CONCLUSION

- 6.1 In support of the council's Budget Strategy to reduce expenditure on Temporary Accommodation, the preferred option is to refurbish and convert this property into Temporary Accommodation for people to whom we have a duty to accommodate.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### 7.1 Financial Implications:

- 7.1.1 Appendix 3 includes financial information for the five options in this report. Valuations for option 1 were supplied by the council's valuers, Cluttons, in December 2015 and provide a guide of a market value that could be achieved if the property was old on the open market. Financial viability modelling has been undertaken for options 3 to 5, where the proposals are to develop/ convert the property at Oxford Street into living accommodation.
- 7.1.2 Option 3 is conversion by the Council, creating a mixed use of affordable homes and commercial units. The estimated cost of these options range between £0.911 million to £1.263 million and can be funded using a mixture of retained RTB receipts and borrowing which would be supported by the net rental income streams from this development option. The results of the initial financial viability modelling for this option demonstrate that a subsidy would not be required as

the funding available from the use of RTB receipts and the net rental income stream exceed the estimated cost.

- 7.1.3 Option 4 is for the conversion of Oxford Street into a supported housing scheme for older former street homeless people and has an estimated total scheme cost of £1.5 million. To support the creation of additional homes for older former street homeless people the HCA has agreed a grant allocation of £0.569 million to the council (subject to meeting the grant conditions and being able to sign the agreement), the funding is not formally linked to the Oxford Street conversion. The remaining funding requirement would be met through HRA borrowing of approximately £0.925 million. The tenure proposal for this option means that the cost of borrowing will need to be supported by income received through the leasing of the property to the housing and support provider. The income from the lease will need to be in the region of £55,000 to £65,000 per annum to cover the HRA borrowing costs, subject to the final lease terms regarding conditions of the lease for repairs and maintenance.
- 7.1.4 The lease terms and amounts for Option 4 have not yet been drawn up and will need to be agreed between Housing and Adult Social Care/ housing and support provider. ASC had previously identified a support budget of £0.150 million per annum to fund the support costs for this project, which has been confirmed that this is still available. There may be a risk that the lease payments required to support the borrowing are not deemed reasonable for this type of development or are too high for the housing and support provider. This risk needs to be considered.
- 7.1.5 Option 5 is to convert Oxford Street into Temporary Accommodation with estimated total scheme costs of £1.186 million. The latest viability modelling shows that financially this option provides a high return to the HRA and will help to reduce costs pressures in the General Fund. The cost of the development can be met by using net RTB receipts of approximately £0.356 million with the balance being met through HRA borrowing supported by the net rental income streams. Rent has been assumed to be the LHA rate for a 1 bed property of £153 (inclusive of service charges). The current estimate of borrowing available supported by this rental income exceeds the required amount and therefore will make a contribution to the HRA.
- 7.1.6 A budget of £1.186 million for the recommended option 5 is included in the HRA Capital Programme in the Housing Revenue Account Budget and Investment Programme 2017/18 and Medium Term Financial Strategy report, also being reported to this Committee.
- 7.1.7 Making use of the site as Temporary Accommodation will reduce cost pressures in the general fund as these units will have a nil cost to the general fund because housing benefit (where applicable) will cover the rental costs. The net cost to the general fund for other forms of Temporary Accommodation currently ranges in

price from some small surpluses per week for privately leased accommodation (these are becoming increasingly difficult and more expensive to procure) through to an average of £213 per week for the most expensive emergency accommodation. Therefore annually this option could reduce costs by up to £0.132m. The budget for Temporary Accommodation is currently under pressure and is forecast to overspend in 2016/17 by £0.711m (as at month 7). The shortage of supply of affordable accommodation in the City together with the implementation of further welfare reforms means that the pressure on the Temporary Accommodation budget will continue for 2017/18 therefore any extra low cost units of accommodation will help mitigate this pressure.

*Finance Officer Consulted: Susie Allen*

*Date: 9/12/2016*

## 7.2 Legal Implications:

7.2.1 Section 9 of the Housing Act 1985 provides that a local housing authority, such as the Council, may provide housing accommodation by converting buildings. It is therefore within the Council's powers to convert the existing office accommodation into move on or Temporary Accommodation.

7.2.2. The Council can only dispose of HRA land with the consent of the Secretary of State. Consent may be given either i) generally to all local authorities, or ii) in relation to particular land. Under the General Consent 2013, issued under i), there is power to dispose of land for a consideration equal to its market value. If a disposal to a Registered Provider is the preferred option, consideration will need to be given to the precise terms of the transaction to determine whether the arrangement falls within the Consent regime.

Under the Council's constitution, the disposal of any land, or an interest in it, must be referred to Policy, Resources and Growth Committee for determination.

*Lawyer Consulted: Liz Woodley*

*Date: 24/08/16*

## 7.3 Equalities Implications:

The development of the preferred option would enable the council to house people in Temporary Accommodation more cost effectively, meeting both housing needs and strategic budgetary pressures.

## 7.4 Sustainability Implications:

Any future development would meet the code for sustainable homes (albeit now subsumed by Building Regulations). Warm and well insulated homes will have beneficial impacts on issues such as health, fuel poverty, and reduced occupiers' costs of running the home and reduced CO2 emissions. Any conversion or newbuild project would comply with Building Regulations.



## **SUPPORTING DOCUMENTATION**

**Appendix 1:** External photographs

**Appendix 2:** Localview site map

**Appendix 3:** Options table



Enclosure 1.

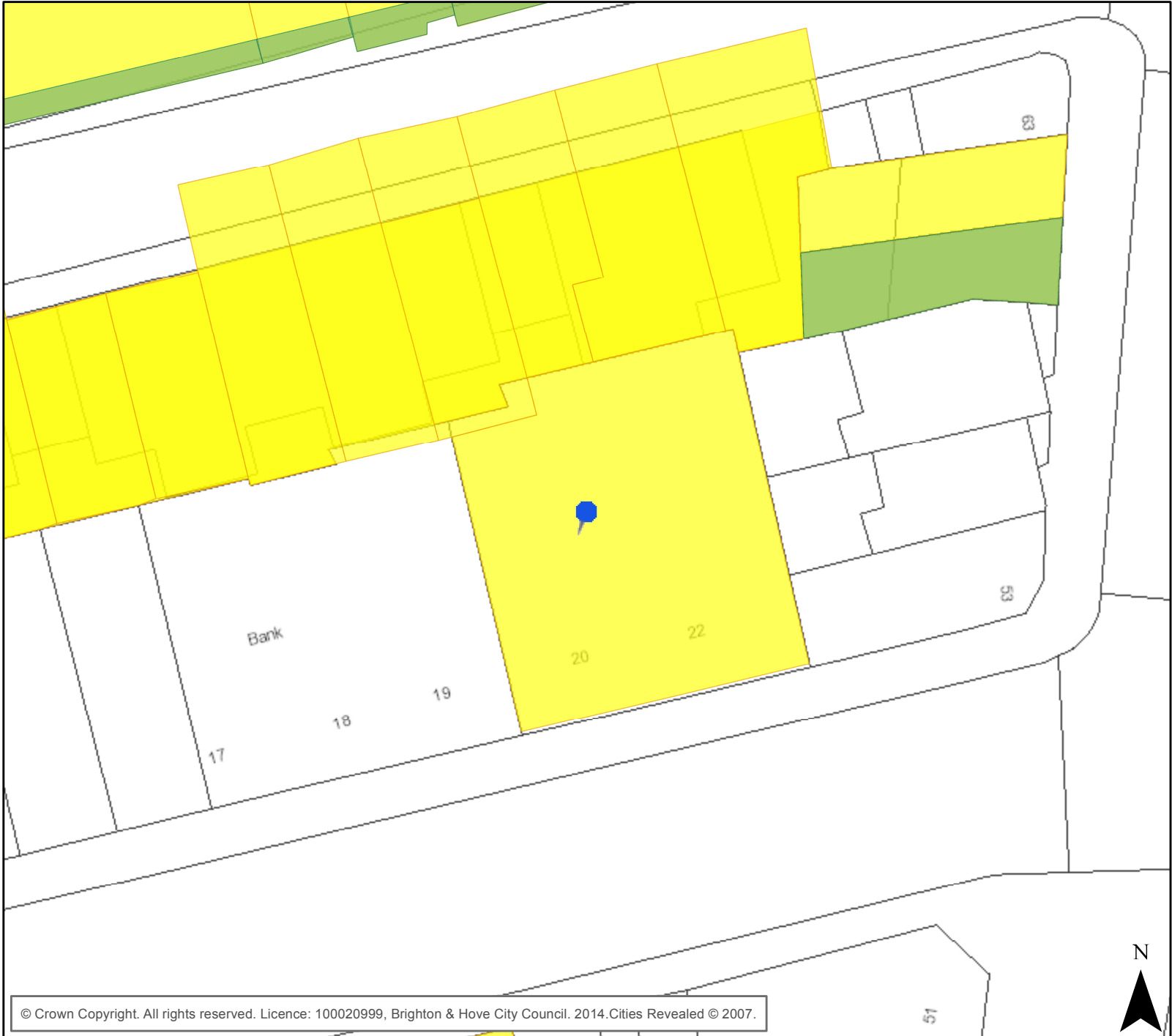




# Ex Oxford Street Housing Office, George Cooper House

## Legend

- BHCC Sold Jan 15
- BHCC Freehold Jan 15



101





### Enclosure 3: Options for future use of Oxford Street

Option	Financials		Social benefits and opportunities	Risks	Risk mitigation
<p><b>1. Dispose on the open market and generate a capital receipt</b></p> <p>Models a. and b. assume the adding of one storey. All models include a lift.</p> <p>All valuations have been carried out on the basis of RICS 'red book' in December 2015. In the low inflationary environment and slightly uncertain property market any movements since December 2015 would be insignificant. Despite the highest 'red book' valuation of £390,000, according to an open market appraisal (by a reputable estate agent) the council could receive an indicative capital receipt of £650K without and £720K with Planning Permission.</p>	<b>Model a.</b>		<p>The capital receipt could be used to subsidise the housing capital programme or repay HRA debt.</p>	<p>To date our Housing Strategy has not supported disposal of HRA assets on the open market.</p>	<p>Open market disposal would not allow any control or benefit from any resultant residential accommodation to be secured for the council other than through Planning obligation should the scheme be greater than 10 units and therefore subject to provision of up to 40% affordable housing required under Planning Policy.</p>
	6 flats and 2 commercial units – with Planning	£390,000			
	6 flats and 2 commercial units – without Planning	£295,000			
	<b>Model b.</b>				
	7 flats with Planning	£250,000			
	7 flats without Planning	£190,000			
	<b>Model c.</b>				
	4 flats and 2 commercial units – with Planning	£130,000			
	4 flats and 2 commercial units – without Planning	£100,00			
	<b>Model d.</b>				
5 flats with Planning	£70,000				
5 flats without Planning	£55,000				

Option	Financials		Social benefits and opportunities	Risks	Risk mitigation
<p><b>2.Dispose to a Registered Provider (RP) to develop affordable housing</b></p> <p>On the basis of best offer received from an RP for provision of homes for Affordable Rent on the site with the RP seeking Planning Consent.</p> <p>100% nominations on first lets, and 75% on subsequent lets (in line with partnership agreement).</p> <p>Notes: Affordable Rents are defined as the lower of 80% of market rents or LHA rates.</p>	<p>The results of the soft market-testing exercise have shown that Housing Association partners are either not interested or would accept the disposal at nil or minimal value, running counter to a 'best consideration' disposal of assets.</p>	<p>To provide 8 flats at affordable rents: 2 x 1 bed flats; 6 x 2 bed flats; 2 x commercial units</p>	<p>Mixed use development providing much needed residential accommodation, services and employment.</p> <p>This option will ensure Housing Strategy priorities are met, in particular addressing the shortage of family homes for rent available to those on the Housing Register.</p> <p>An RP taking on the property will 'de-risk' delivery of Affordable Homes from a council perspective and not impact on council borrowing. Potential for the RTB receipts to be transferred to the RP as long as the redevelopment of the site included affordable housing.</p>	<p>1. Viability does not work out for the HA on such a small site (the reasons the other 4 RPs declined to make an offer)</p> <p>2. The HA decides to sell on the land to generate a capital receipt</p>	<p>1. This will be managed by the RP and their board. Disposal of the site should not be allowed to take place until the RP's board has approved the business case and financial model</p> <p>2. Disposal to the RP would be subject to future social use for housing</p>



Option	Financials		Social benefits and opportunities	Risks	Risk mitigation
<p><b>3.Retain and develop for affordable housing</b></p> <p>Models a. and b. assume the adding of one storey.</p> <p>All models include a lift.</p>	<p><b>Model a.</b></p> <p>Total Scheme Cost (TSC)</p> <p><b>Funded by:</b></p> <p>Borrowing Supported</p> <p>RTB Receipts</p> <p><b>Subsidy / (Surplus)</b></p> <p>Actual Borrowing</p>	<p><b>6 x Flats</b></p> <p><b>2 x Commercial Units</b></p> <p>£1.262m</p> <p>£2.349m</p> <p>£0.284m</p> <p><b>(£1.371m)</b></p> <p>£0.978m</p>	<p>This option will ensure Housing Strategy priorities are met, in particular addressing the shortage of family homes for rent available to those on the Housing Register.</p> <p>This HRA asset would be retained by the Council under this option.</p>	<p>The costs of development are indicative at this stage and may increase.</p> <p>The commercial units in models a. and c. do not generate the proposed rental income included within the modelling.</p> <p>This option would require borrowing ranging between approximately £ £0.638 - £0.978m,</p>	<p>The initial viability modelling for each scheme shows that the borrowing available from the net rental streams alongside the use of RTB receipts exceeds the indicative scheme costs and therefore would not require additional subsidy from the HRA.</p> <p>Borrowing will only be taken out up to the level required to pay for the scheme, any surplus from the net rental income after borrowing costs will go to the HRA.</p> <p>The cost of borrowing has reduced and based on current interest rates being achieved 2.09%</p>
	<p><b>Model b.</b></p> <p>TSC</p> <p><b>Funded by:</b></p> <p>Borrowing Supported</p> <p>RTB Receipts</p>	<p><b>7 x Flats</b></p> <p>£1.116m</p> <p>£1.577m</p> <p>£0.335m</p>			

Option	Financials		Social benefits and opportunities	Risks	Risk mitigation
	<b>Subsidy / (Surplus)</b>	<b>(£0.796m)</b>			
	Actual Borrowing	£0.781			
	<b>Model c.</b>	<b>4 x Flats 2 x Commercial Units</b>			
	TSC	£0.923m			
	<b>Funded by:</b>				
	Borrowing Supported	£1. 908m			
	RTB Receipts	£0.182m			
	<b>Subsidy / (Surplus)</b>	<b>(£1.167m)</b>			
Actual Borrowing	£0.741m				
<b>Model d.</b>	<b>5 x Flats</b>				
TSC	£0.911m				
<b>Funded by:</b>					

Option	Financials		Social benefits and opportunities	Risks	Risk mitigation
	Borrowing Supported	£1.136m			
	RTB Receipts	£0.273m			
	<b>Subsidy / (Surplus)</b>	<b>(£0.498m)</b>			
	Actual Borrowing	£0.638m			
<p><b>4.Retain and convert into a supported housing scheme for older, disabled former homeless single people</b></p> <p>This model assumes the creation of 12 accessible studio flats, including an additional storey and a lift</p> <p>Assumes tenure is lease to Housing and Support provider</p>	<p>TSC</p> <p><b>Funded by:</b></p> <p>Borrowing Supported</p> <p>HCA Grant</p> <p><b>Subsidy / (Surplus)</b></p> <p>Actual Borrowing</p>	<p>£1.492m</p> <p>£0.925m</p> <p>£0.569</p> <p><b>(£0.002m)</b></p> <p>£0.923m</p>	<p>This option supports the Council's Rough Sleeper Strategy by increasing the supply of move on accommodation and freeing up spaces in front line high needs hostels.</p> <p>The hostel will assist in improving the health and independence of the tenants.</p>	<p>Concerns from the surrounding community.</p> <p>The costs of development are indicative at this stage and may increase.</p> <p>Right to Buy receipts cannot be utilised for this option.</p> <p>A future supported housing revenue funding shortfall.</p> <p>Potential repayment of HCA grant if the original use is changed to another client group.</p> <p>Risk that lease requirement amount will be too high for Housing and support provider.</p>	<p>Developing a robust stakeholder consultation strategy and good links with the community safety and policing teams.</p> <p>HCA funding of £0.569m to contribute towards the cost of conversion.</p> <p>There is a robust exit strategy, meaning the 12 flats could easily be let to general needs or TA tenants (details in option 5).</p> <p>Repayment would not be required as long as the building is used for affordable housing purposes (confirmed by the</p>

Option	Financials	Social benefits and opportunities	Risks	Risk mitigation												
				HCA) The rents can support an adequate loan.												
<p><b>5. Retain and convert into a block of temporary accommodation flats</b></p> <p>This model assumes the creation of 12 accessible studio flats, including an additional storey and a lift</p>	<table border="1"> <tr> <td data-bbox="539 504 775 587">TSC</td> <td data-bbox="775 504 967 587">£1.186m</td> </tr> <tr> <td colspan="2" data-bbox="539 603 967 639"><b>Funded by:</b></td> </tr> <tr> <td data-bbox="539 671 775 746">Borrowing Supported</td> <td data-bbox="775 671 967 746">£1.940m</td> </tr> <tr> <td data-bbox="539 767 775 815">RTB Receipts</td> <td data-bbox="775 767 967 815">£0.356m</td> </tr> <tr> <td data-bbox="539 836 775 911"><b>Subsidy / (Surplus)</b></td> <td data-bbox="775 836 967 911"><b>(£1.110m)</b></td> </tr> <tr> <td data-bbox="539 932 775 1007">Actual Borrowing</td> <td data-bbox="775 932 967 1007">£0.830m</td> </tr> </table>	TSC	£1.186m	<b>Funded by:</b>		Borrowing Supported	£1.940m	RTB Receipts	£0.356m	<b>Subsidy / (Surplus)</b>	<b>(£1.110m)</b>	Actual Borrowing	£0.830m	<p>This option will support the Council's Housing and Homelessness Strategies; and ease financial pressure on the General Fund of up to £0.132 million pa and provides a return to the HRA</p>	<p>There are no obvious major risks, given the level of demand.</p> <p>One risk will be the strategic consequences of not taking forward one of the other options set out in this report.</p>	<p>Full consideration of all options at committee.</p>
TSC	£1.186m															
<b>Funded by:</b>																
Borrowing Supported	£1.940m															
RTB Receipts	£0.356m															
<b>Subsidy / (Surplus)</b>	<b>(£1.110m)</b>															
Actual Borrowing	£0.830m															

<b>Subject:</b>	<b>New Homes for Neighbourhoods – Small Site Strategy – Housing Co-operative Pilot</b>	
<b>Date of Meeting:</b>	<b>18 January 2017 – Housing &amp; New Homes Committee</b> 19 January 2017 – Policy, Resources & Growth Committee	
<b>Report of:</b>	<b>Executive Director Economy, Environment and Culture</b>	
<b>Contact Officer:</b>		
	<b>Name:</b> Carol Jenkins	<b>Tel:</b> 29-3832
	<b>Email:</b>	<a href="mailto:carol.jenkins@brighton-hove.gov.uk">carol.jenkins@brighton-hove.gov.uk</a>
<b>Ward(s) affected:</b>	<b>Hanover and Elm Grove</b>	

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

- 1.1 On 5 March 2014 Housing Committee agreed to three pilots to deliver much needed new homes on small, challenging council owned sites under a small site strategy for the New Homes for Neighbourhoods programme. One was a pilot for development of a small site by a housing co-operative represented by Co-operative Housing in Brighton & Hove (CHIBAH).
- 1.2 Extensive soft-market testing in 2013 had revealed a lack of interest amongst potential partners in helping the council develop four of eight small former or underused council housing garage sites which Housing Committee had agreed on 6 March 2013 should be developed for new housing. One of these is a former garage site off Plumpton Road on the Queens Park estate, Brighton. Although just large enough for two houses, it has a long, kinked and extremely narrow access (less than 4m wide), making it unsuitable for many forms of construction. A plan is at Appendix 1.
- 1.3 On 23 September 2015 the Housing & New Homes Committee noted progress with the co-operative pilot and that members of a self-build co-operative nominated by CHIBAH were preparing a feasibility study for development of two family houses on this Plumpton Road former garage site. The Estate Regeneration Member Board has also had regular updates on progress with this proposal.
- 1.4 This report now seeks approval to lease the Plumpton Road former garage site to Bunker Housing Co-operative in order to self-build two family homes for rent, which will be let within affordable rent levels to applicants from the Homemove register and to which the council will be able to nominate future tenants.

## **2. RECOMMENDATIONS:**

That Housing & New Homes Committee recommend to Policy, Resources and Growth Committee that:

- 2.1 The land at Plumpton Road, Brighton BN2 9YL be made available for leasing.
- 2.2 There be delegated authority to the Executive Directors for Economy, Environment & Culture, Finance and Resources and Neighbourhoods, Communities & Housing (in consultation with each other) to enter into the necessary contracts with Bunker Housing Co-operative Limited to lease the former council housing garage site at Plumpton Road, Brighton BN2 9YL, to secure the building of two new homes for rental by the co-op. The granting of the lease is subject to Bunker obtaining planning consent, funding and entering into a nominations agreement with the council.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 A co-operative pilot was agreed by Housing Committee in March 2014 as part of a small site strategy under the New Homes for Neighbourhoods programme to achieve development of new homes on small, challenging council housing sites. Housing Committee had previously agreed in March 2013 to the procurement of a delivery partner for the development of new housing on the Plumpton Road site and seven other small former or underused council housing garage sites. Initial design and feasibility studies had been carried out for these sites with Homes & Communities Agency funding. However, approaches to potential partners (including Registered Providers, developers and large construction firms) to procure a development partner had proved unsuccessful for this and three other sites. More innovative solutions were required to develop such small, challenging sites and meet the target of 500 homes on Housing Revenue Account (HRA) land.
- 3.2 The co-operative pilot that Housing Committee agreed is for development of a small site by a housing co-operative represented by Co-operative Housing in Brighton & Hove (CHIBAH). This is in keeping with the commitments in the council's Housing Strategy 2015 to support community housing development. It also supports Housing Recommendation 1 (f) of the council's Fairness Commission 2016 to offer brownfield sites to local organisations such as co-ops to develop affordable social housing for local people. Following meetings and site visits, in March 2015 CHIBAH nominated a small self-build co-op, Bunker Housing Co-operative Limited, to develop a proposal for the former garage site at Plumpton Road.  
  
*Plumpton Road former garage site*
- 3.3 This small, overgrown site has been empty for many years and is a focus for dumping of bulky and other rubbish. However it is very challenging for development, not only due to its size, but also because of a long, very narrow and angular access, which rules out most construction methods. A plan is at Appendix 1. Self build appears the most viable approach to bring the land into use to deliver a pair of new homes, subject to planning consent.

#### *Project management and support*

- 3.4 Bunker Co-op has the full backing and support of CHIBAH, including project management support. A statement in support of the co-op is at Appendix 2. The co-op is also drawing on the expertise of the UK Confederation of Co-operative Housing and working with a network of organisations and individuals, including a local development sub-group. Co-op members with their experienced project manager, supporting project group and architects have prepared a feasibility study, business plan and project management documents for development of two three bedroom family houses on the site.
- 3.5 Council officers have worked with the co-op to help ensure their proposals and supporting documentation are as accurate and realistic as they can be at this initial stage, and that they comply with the council's allocations and nominations policy and procedures.

#### *Co-op constitution and membership*

- 3.6 Bunker Co-op is a non-profit making, fully mutual housing co-operative registered with the Financial Conduct Authority under the Co-operatives and Community Benefit Societies Act 2014 on model rules. It is governed by general meeting of all its members. All members must be tenants or prospective tenants of the co-op and all tenants must be members. Tenants cannot assign their tenancy to anyone other than the co-op and have no right to buy their home or succession rights. If the co-operative were ever dissolved, the assets must be passed to another co-operative or to a not for profit organisation with similar aims and principles.
- 3.7 The co-op currently comprises nine members, which satisfies quorum arrangements under its rules and the requirements of its prospective funder. All members are currently registered on the Homemove housing register.

#### *Proposed new homes and construction*

- 3.8 Initial design proposals have been drawn up by architects for two three bedroom houses on the site, with both private and communal garden space. Construction would be by wall and roof panels manufactured in a factory and delivered for assembly on site, and making the most of green technologies. Co-op members would project manage the build and expect to have hands-on involvement in site clearance and second fix work, such as external cladding, landscaping, decorating, plumbing and carpentry under the supervision of relevant professionals who would 'sign off' the work. They expect to complete the total construction within one year.

#### *Planning advice*

- 3.9 Pre-application planning advice was provided on the initial design in January 2016. Planning's opinion is that 'two dwellings on the site can be supported in principle, subject to improvements to soften the appearance of the first floor southern elevation and the removal of the first floor terraces'. The co-op and architects are confident that these improvements can be achieved and details of parking and landscaping will also be submitted at application stage. Bunker will apply for planning permission after it has the council's agreement to lease the land.

### *Funding proposals*

- 3.10 The co-op has powers under its rules to borrow funding and issue loanstock in order to fund the construction. It plans to fund some £170,000 of the project costs with a loan from a building society with a track record of lending to housing co-ops. A representative of the building society has visited the site and is ready to progress a formal application for mortgage facilities once the lease of the land and planning consent are confirmed. Construction costs including a contingency provision will be firmed up after planning consent, with more detailed quotes from contractors. Bunker also plans to raise £43,000 in loanstock from other co-ops (local and further afield). It has already received £15,500 worth of pledges from individuals within Brighton & Hove and requests for loanstock from other UK housing co-ops are underway to achieve the remaining £27,500. The Manager of Redditch Co-operative Homes which has created many co-ops has advised that around £43,000 in loanstock is a prudent figure to budget for.
- 3.11 Bunker has already obtained a £5,000 grant from 'Seedbed', a local charity, which was used to pay the first round of architects' costs. Other avenues will be pursued using co-operative housing contacts to find a further £5,000 once all the documents are completed.

### *Financial plan*

- 3.12 The co-op proposes to charge an initial rent of £175 per week, rising by 2% p.a. in line with the assumed rate of inflation for its business model. The co-op has calculated this as the 'cost rent' required to service the debts, maintain the properties and to keep the co-op financially in the black as a going concern. This currently represents 46% of average market rent for a three bedroom home in the city. It represents 76% of the Local Housing Allowance (LHA) Housing Benefit rate for a three bedroom property (£230.28 pw), which is used in the council's definition of 'affordable rent' for its Tenancy Strategy and its own new homes. The discount on the LHA rate represents the 'sweat equity' of co-op members/tenants in constructing, managing and maintaining the homes. The proposed rent levels also exceed those of older established co-ops with homes on land leased from the council.
- 3.13 Forty year financial projections using realistic expenditure assumptions, and the fact that Bunker as yet has no assets, indicate that the co-op would not be in a position to pay an up front lease premium for the site. However, it would be able to pay the council an annual ground rent of £500 p.a. from the start of Year 3, after the homes are completed and it has income from tenants' rents. The ground rent payment would be reviewed from Year 20 and thereafter five yearly, by which time the co-op is projected to be accumulating surpluses after repaying the loan stock and having built up an appropriate extraordinary maintenance provision.
- 3.14 If the Committees agree the proposals, Bunker will conduct a detailed cash flow analysis for the construction stage, leading to a cash flow statement, a cash flow budget and a projection of the future deposits and withdrawals. They will focus on the timing of the flows ensuring that they maintain their working capital, the money need to facilitate business operations and transaction, to provide a good view of the liquidity of the business during the build period.



*Allocations policy and procedures*

- 3.15 With feedback from the council's Head of Temporary Accommodation & Allocation and Service Improvement Manager, the co-op has ensured its allocations policy and procedures meet the council's requirements. Bunker has confirmed that tenants will need to comply fully with its allocations policy, which is also in line with the council's Community Housing Nominations procedure for properties where the council has an interest.
- 3.16 This procedure recognises involvement in the actual build of self-build schemes as a positive contribution to the city, and permits the people who have been actively involved in the build process to be housed in the first instance. However, applicants must meet the following criteria:
- All successful applicants should be registered on the Housing Register
  - Applicants should live / work in the city or have a local connection
  - Size of property must be suitable for the person housed (no over or under occupation)
  - Standard earning limits etc. should be applied within the co-op's lettings policy
  - The co-op must provide confirmation of the successful applicant/s to the council.

Future vacancies must be advertised through Homemove, with the statement that applicants will need to demonstrate they are suitable for co-op living as assessed by the co-op. Interested applicants will bid as usual and be shortlisted by the council then interviewed by Bunker.

*Best consideration*

- 3.17 A Valuer from the council's Property Estates team has advised on the proposed heads of terms for the lease and supporting documents. They were negotiated with the co-op both to achieve viable development of new affordable, rented homes on this very small, constrained site and to ensure the council achieves best consideration for leasing this Housing Revenue Account (HRA) land. There has been soft market testing and little interest in the site. The Property Estates team advises the terms are the best agreement available.
- 3.18 An external valuation has advised that the land has a nil value for development of affordable rented homes with nomination rights to the council, assuming planning permission is granted for their development. This confirms the proposal will achieve best consideration to the council for development of affordable rented housing on this site. External legal advice has also confirmed that best consideration can comprise an annual ground rent, in lieu of a capital payment at the start of the lease.

*Legal agreements*

- 3.19 The way forward would be an agreement for lease, subject to planning, whereby the lease would only be granted on the condition that planning permission was granted, funding is available to the co-op to construct the homes and to a nominations agreement with the council. Once the lease has been granted this will enable development to commence and the co-op to draw down its funds. The final structure will be subject to discussion with the co-op's lender.

## 4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The Plumpton Road former garage site, with its very restricted access and small size, did not attract any interest from potential development partners when soft-market testing was undertaken in 2013 to develop new council homes on this land. Hence it was included in the pilot projects under the small sites strategy in order to explore alternative options. It is unsuitable for traditional construction methods because of the very narrow access. Self-build appears the most likely and viable way to be able to develop new affordable rented homes on this very constrained site.
- 4.2 As stated above, the site has a nil value for development of affordable rented housing. It would not be financially viable for development of affordable rented housing or even shared ownership homes by usual means. If the council were to dispose of this site on the open market, the external valuer considered it might have a value of £50,000 for residential development which is not restricted to affordable rented housing and £25,000 for open storage (both subject to planning).
- 4.3 In comparison with potential sale of the site on the open market, this co-op pilot proposal under the umbrella of the council's New Homes for Neighbourhoods programme offers the following benefits:
- A steady income to the HRA in ground rent of at least £500 per annum over 97 years, to be reviewed in Year 20 and five yearly thereafter
  - Increases the stock of affordable rented homes in the city and ensures they remain in the affordable rented sector
  - Delivers two new affordable rented homes to which the council will have future nomination rights at no cost to the Housing Revenue Account
  - Ensures tenants are from the Homemove register and that future lettings are through Homemove
  - 99 year lease enables the council to retain the freehold and the land to return to the council at a future date
  - Enables the council to test alternative methods to achieve development of affordable rented homes on very small, constrained HRA sites without council finance
  - Enables the council to monitor the costs, timescale and quality of a self build pilot on a small site and potential for other co-operative and/or self build housing developments on council land
  - Delivers the commitments in the council's Housing Strategy 2015 to support community housing development
  - Supports the local community housing network's learning on development of new homes. Their goal is to use the Bunker pilot to create a local tool-kit to help the other co-ops in Brighton & Hove who are planning projects over the next few years
  - Supports Housing Recommendation 1 (f) of the council's Fairness Commission 2016 which states *"The council should offer council-owned and other publicly owned land, including sites on the city fringes and brown field sites, to mechanisms such as housing co-operatives, self-build groups and community land trusts to develop affordable social housing with the guarantee it will go to local people"*.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The Estate Regeneration Team prioritise engagement and consultation with local ward councillors, council tenant and resident associations and local residents in the neighbourhood of each site handed over to the team for development under the New Homes for Neighbourhoods programme. Local ward councillors have been consulted on the co-op proposal and updated on progress. They have raised no objections.
- 5.2 The Estate Regeneration Project Manager discussed the possible co-operative pilot on site with some neighbouring residents and wrote to residents of all fifteen houses bordering the site in May 2015 to inform them, inviting them to a meeting held at the local community centre on 2 June 2015. Their response was generally positive and concerns raised about possible wildlife on the site were allayed by an ecologist's survey in June 2015 which found no badger sett or fox earth or other evidence of wildlife which would restrict development of the site.
- 5.3 The Community Development Worker and Queens Park Community Association were also informed and raised no concerns or objections. Council tenants adjoining the site whose fencing needed replacing after a storm have had new, secure fencing erected and those of one property agreed to a reduction in their garden size in exchange for the new fencing and removal of a tree and some rubbish, which widens the worst pinch point in the long, narrow access into the site. Other council tenants have been visited to confirm the boundary of their garden and the site and answer any questions.
- 5.4 If the lease proposals are agreed, the Estate Regeneration Project Manager will update and facilitate further engagement with the local community, including a meeting to which local residents will be invited to meet with Bunker members. Bunker is committed to inform, consult, involve and collaborate with the local community and become active and valued members of it.

## **6. CONCLUSION**

- 6.1 This housing co-op pilot proposal will deliver two large family homes within affordable rent levels at no cost to the HRA to which the council will have nomination rights for future lettings. Leasing the land for self build would achieve both affordable rented homes on this small, very challenging and otherwise financially unviable site and best consideration to the Housing Revenue Account. It fits with the council's Housing Strategy objectives to increase housing supply and support community housing development, meets a key recommendation of its Fairness Commission and helps achieve the council's aim to deliver at least 500 new homes on council land under the New Homes for Neighbourhoods programme.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 As the main body of the report states, it is unviable to develop housing on the site via the traditional building methods, due to the various constraints around the site. The recommendation in 2.1 is to allow the site to be leased to Bunker

Housing Co-operative Limited over a 99 year period to build two new homes. Council officers have reviewed Bunker Housing Co-operative Limited's financial model and business plan and are satisfied that both these support the report's recommendations and include realistic and reasonable assumptions at this point in time.

- 7.2 The construction of the two homes will be at a nil cost to the council with Bunker Co-op taking on all of the risks associated with the development of a self-build project, as detailed in their financial modelling and business plan. At the end of the 99 year lease agreement all costs associated with the potential handing back and making good the site to the council will be met by Bunker Housing Co-op.
- 7.3 An external valuation of the site has been carried out to ensure that the council is receiving best consideration for the site. The £1,500 cost of the external valuation has been met by the professional fees budget held by the Estate Regeneration Team. The result of the valuation was that the site has a nil value for the development of affordable homes with nomination rights given to the council; advice from the council's Property Estates team has been sought and based on this advice entering into a lease with an annual ground rent of £500 per annum represents best consideration for the site. The Property Estates team confirms that this is the best agreement available.
- 7.4 External legal advice has also confirmed that best consideration can take the form of an annual ground rent instead of an initial capital payment. The alternative option of selling the site on the open market would not guarantee that affordable homes would be built and would forgo the benefits outlined in paragraph 4.3 of the main report.
- 7.5 The HRA has not received any income for the garages at the Plumpton Road site for a number of years. The proposed lease agreement will generate income of £500 pa, over the first 20 years of the lease and is subject to review at year 20 and every 5 years thereafter. The review will propose to adjust the rent to a market ground rent discounted to reflect the council's nomination agreement and the site's continued use for affordable housing. Bunker Co-op has mitigation procedures (detailed in their Business Plan) in place to ensure that the lease commitment is continually met. As per the paragraph 3.6 of the main report if the co-op were to cease operations the lease would be passed to another similar organisation ensuring the lease income would still be received by the council.
- 7.6 The Estate Regeneration team will be charged for the Property Estates Team's time spent on providing valuation advice and the Heads of Terms for the lease; this will be met by the capital feasibility budget for 2016/17.
- 7.7 There are costs which have been incurred as a result of widening the access point to the site. They were replacing a tenants' fallen fencing which runs parallel to the access point at a cost of £1,950 and the removal of a tree and rubbish at a cost of £2,876. The capital feasibility budget for 2016/17 will be used for this.

*Finance Officer Consulted: Craig Garoghan, Accountant*

*Date: 21/12/2016*

#### Legal Implications:

- 7.8 The grant of a lease amounts to a disposal of land, and Section 32(2) of the Housing Act 1985 prohibits disposals without consent of the Secretary of State. The Secretary of State has given authority to dispose of vacant land under the General Housing Consents 2013 at A3.2. The council can therefore grant the necessary lease to Bunker Housing Cooperative Ltd.
- 7.9 As a general point, the disposal of land is complex in terms of the legislation. There are a number of factors that need to be considered in any disposal around areas such as best consideration. Each decision has to be site specific. The decision on the Plumpton Road site takes in to account the specific factors outlined in the report. While the proposals are lawful in relation to Plumpton Road, the same principles may not apply to other locations. This advice should not be treated as a general consent for other comparable proposals.
- 7.10 The council's constitution provides that the disposal of land must be referred to Policy, Resources and Growth Committee for determination.

*Lawyer Consulted: Simon Court*

*Date: 19/12/16*

#### Equalities Implications:

- 7.11 An Equalities Impact Assessment has been carried out for the New Homes for Neighbourhood programme and actions are built into the Estate Regeneration project management procedures.
- 7.12 Bunker Housing Co-op has produced an allocations policy which includes non-discrimination and equal opportunities and has an equal opportunities monitoring form. At interview all applicants will be expected to show that they possess a good understanding and commitment towards equal opportunities.

#### Sustainability Implications:

- 7.13 In order to obtain planning consent the new homes will be required to meet sustainability standards for energy and water efficiency equivalent to Code for Sustainable Homes Level 4. Bunker aims to be as self-sustaining as it can, making the most of all available green technologies including solar panels, wind generators, grey water management, ecologically sensitive and sustainable materials, buried water heating systems and bio-mass heaters. Being a co-operative housing development and including shared garden space will also help encourage a sustainable lifestyle.

#### Crime & Disorder Implications:

- 7.14 This small unused former garage site attracts the dumping of bulky rubbish, which the Housing Revenue Account has had to pay to remove. Development of the site is an opportunity to provide new homes and to help regenerate and improve the neighbourhood, deterring crime and disorder.

### Risk and Opportunity Management Implications:

- 7.15 There are a number of risks associated with developing new homes on small, challenging sites, including of relatively higher construction and development costs per home. Self build will reduce the build cost to achieve viable development and the co-op has developed a risks log including mitigation measures it will adopt, particularly around cost control for the development phase. It will use connections with the co-op movement for support, including financial support, for the project. The 40 year business plan indicates the co-op's long term viability but there is scope for rent levels to rise to secure that, if that were necessary.
- 7.16 The lease and other legal documents will help protect the council's interests and minimise risk that the homes are not built, including dates by which a full planning application must be made and a longstop date for completion of the new homes.

### Public Health Implications:

- 7.17 Making best use of unused or underused council owned garage sites and land supports the council's duty to promote the public health and wellbeing of people in its area. Development of this overgrown, unused site which has been used for dumping of rubbish will reduce the risk to public health and improve the neighbourhood. Energy efficient homes which are easier and cheaper to heat will help support the health of households.

### Corporate / Citywide Implications

- 7.18 The New Homes for Neighbourhoods programme of building new homes on council land supports the council's priorities for the economy, jobs and homes. 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.
- 7.19 Every new home built on small sites helps meet the city's pressing housing needs and deliver the first priority in the council's [Housing Strategy 2015](#) of improving housing supply. New homes also bring benefits to the council in the form of New Homes Bonus payments and new council tax income.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

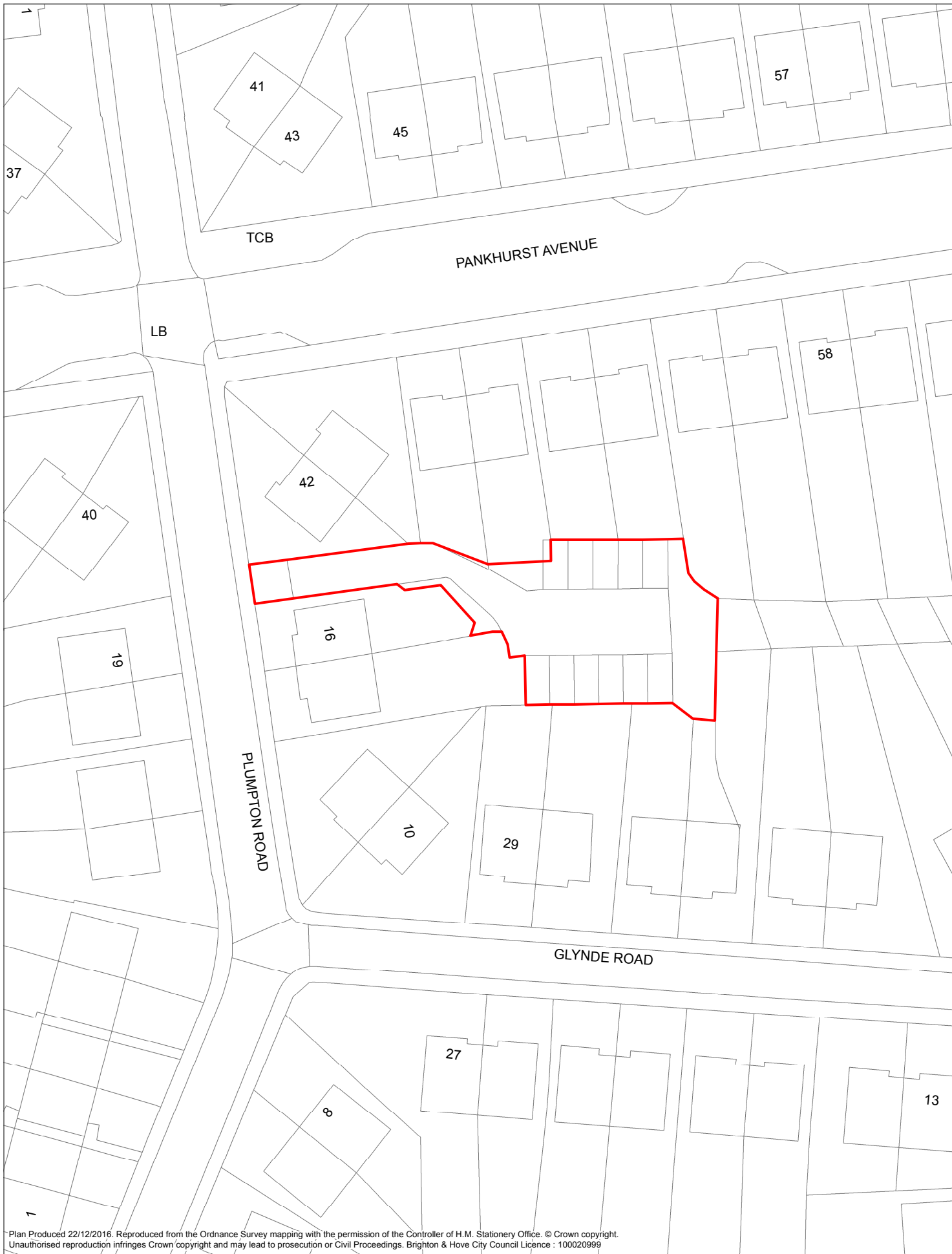
1. Plan of former garage site at Plumpton Road, Brighton
2. CHIBAH statement in support of Bunker Housing Co-operative Ltd.

### **Documents in Members' Rooms**

None

### **Background Documents**

1. [New Homes for Neighbourhoods - Small site strategy report to Housing Committee 5 March 2014](#)
2. [New Homes for Neighbourhoods - Small sites strategy report to Housing & New Homes Committee 23 September 2015](#)



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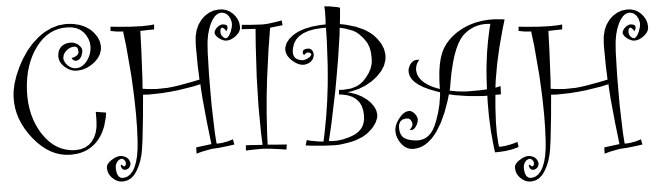
# Plumpton Road

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119









CO-OPERATIVE HOUSING IN BRIGHTON AND HOVE

### **Statement in support of Bunker Housing Co-operative Ltd.**

Whilst Bunker is a relatively new member of CHIBAH, joining the network in 2014, the Co-op's members have between them several years of association with other housing co-ops in the city. There is a tendency among the Brighton co-ops to engage in informal osmosis, and much of the ethos of co-op living and ways of working were already engrained in Bunker's members before they formed their new Society.

Bunker is a pioneer among CHIBAH's members in undertaking the first development of new build co-op housing for over two decade. Where all previous new builds were supported by the services of a co-operative development agency, Bunker is relying on goodwill support, the expertise of a Project Manager, and peer support from other co-ops which have recently acquired property and have become familiar with creating business plans and finance spreadsheets. This demonstrates not only the 'head for figures' necessary to conceive a new build project, but the stamina and capacity for learning such a project requires.

In tandem with this demanding work, Bunker members have found the energy and time to attend national housing co-op events, and participate in CHIBAH's general activities.

CHIBAH is able to support Bunker by having an established relationship with the council, drawing on in-house expertise in housing management and having links to national experts such as Carl Taylor, Manager of Redditch Co-operative Homes, and Blase Lambert, Chief Officer at the Confederation of Co-operative Housing. CHIBAH will

February 2016

also facilitate a network of practical support from other co-ops during the development phase and whilst on site.

Bunker members have quickly raised the bar in terms of negotiating with lenders and council housing staff, housing design, policy development and team work. It is of great importance to CHIBAH that Bunker receives as much support as members can give, in order to establish a financing and land acquisition model which other co-ops might follow.

CHIBAH firmly believes that Bunker will produce a little gem of a scheme, nestled in a tiny plot of derelict land, which will be credit to the City's foresight in enabling its creation.

Helen Russell  
Secretary  
CHIBAH

<b>Subject:</b>	<b>Housing Adaptations Framework Re-Let</b>		
<b>Date of Meeting:</b>	<b>18 January 2017</b>		
<b>Report of:</b>	<b>Executive Director Neighbourhoods, Communities and Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Alex Dickie</b>	<b>Tel:</b> 293293
	<b>Email:</b>	<b>alex.dickie@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks approval to procure a new framework agreement for the provision of housing adaptations for disabled people in council properties and private sector dwellings
- 1.2 The Housing Adaptation Service completed a total of 388 major adaptations in 2015/16.
- 1.3 In addition to delivering housing adaptations the Housing Adaptations Service, an integrated team of housing occupational therapists and technical officers, work with housing teams to commission new affordable accessible homes and to make the best use of the existing adapted and accessible council homes. Research suggests the investment in timely adaptations can support people to remain independent in their own homes – reducing or delaying the need for care and support and improving the quality of life of residents
- 1.4 The intention is for the proposed framework agreement to:
  - Deliver value for money through a competitively procured schedule of rates, with scope for good economies of scale;
  - Provide six specialist adaptations contractors to allow for a responsive service with good capacity;
  - Ensure consistency and continuity over the term of the agreement;
  - Allow for contractors to be assessed on quality as well as cost to ensure a high standard of work and customer service; and
  - Ensure delivery of housing adaptations in the shortest possible time, avoiding lengthy individual tenders.

**2. RECOMMENDATIONS:**

That Housing & New Homes Committee:

- 2.1 Approves the procurement of a framework agreement for the provision of housing adaptations for a term of three (3) years, with the option to extend that framework agreement for a period of up to one (1) year subject to satisfactory performance.
- 2.2 Authorises the Executive Director for Neighbourhoods, Communities and Housing:
- (i) to carry out the procurement of the framework agreement referred to in 2.1 above including the award and letting of that framework agreement;
  - (ii) to approve the extension to the framework agreement referred to in 2.1 above, if required, dependent on satisfactory performance.
  - (iii) to award any call-off contracts under the framework agreement referred to in 2.1 above should he/she consider it appropriate at the relevant time.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Currently, major adaptations in council homes are ordered and managed directly with framework contractors who have a place on the council's existing framework agreement by staff in the Housing Adaptation Service. Call off contracts are allocated to the supplier with the lowest cost for each job until that supplier reaches capacity, then the next cheapest will be selected, and so on. Call off contracts normally last from 4 -10 weeks. The Housing Revenue Account (HRA) funds major and some minor adaptations in council homes. In 2015/16 the HRA invested £1.067m including the delivery of 258 major adaptations (i.e. those costing over £1000) through the current framework agreement.
- 3.2 The Housing Adaptations Service is an integrated team of occupational therapists and technical staff. This promotes good communication and improves outcomes. The team also works proactively with colleagues across Housing to:
- Advise on accessibility of new build projects
  - Advise on redevelopment of sheltered scheme studios to 1 bed flats
  - Advise when appropriate to install accessible bathrooms in voids
  - Accompany lettings staff on Homemove viewings to ensure new properties will be suitable for tenant.
  - Make best use of the existing adapted and accessible social housing stock through the accessible housing register
  - Promote housing options as alternative to major adaptations
  - Advise in the improvement of access to blocks
  - Liaise with Homemove staff to consider housing options where proposed works exceed £0.010m.
- 3.3 The council's current framework agreement for the provision of housing adaptations for disabled people was let in October 2013. The option of a one year extension was taken up in October 2016, so that this current framework agreement will end in October 2017.
- 3.4 After the initial term, a reduction of cost was negotiated by officers with the contractors on the existing framework agreement for the one year extension on some of the most frequently ordered items on the schedule of rates. This will

represent a saving of approximately £0.020m for the Housing Revenue Account (HRA) during the extension period and a similar amount for grant assisted adaptations in the private sector.

- 3.5 The current framework agreement is primarily used to procure the delivery of adaptations in council homes and allows third party access for DFG applicants up to a limited value of £0.650m.
- 3.6 Local authorities have a statutory duty under the 1996 Housing Grants, Construction & Regeneration Act to administer the Disabled Facilities Grant (DFG), a mandatory housing grant available to disabled people, subject to a means test. 180 DFG assisted major adaptations were completed in private sector properties in 2015/16 (adaptations in council properties are funded through an equitable scheme from HRA monies).
- 3.7 Support with the DFG application process and technical issues is provided through a partner Home Improvement Agency (HIA), currently Mears Home Improvement Ltd. Grant applications and approvals are administered by the Housing Adaptations Service. For 2016/17, the current capital budget for Disabled Facilities Grant adaptations is £1.125m. This is held within Housing General Fund.
- 3.8 The partner HIA has third party access to the current framework agreement prices, on behalf of DFG applicants. This was introduced for the first time under the current framework agreement, jobs having previously been individually tendered. This has resulted in savings of approximately 20% and has speeded up delivery, reducing the time to grant approval significantly (currently an average of 9 weeks from occupational therapist's recommendation to grant approval).
- 3.9 Timely adaptations can keep people independent and safe in their homes for longer, avoiding expensive care and hospital costs. The cost benefit of timely adaptations is well documented nationally. The Audit Commission (2009) 'Building Better Lives – getting the best from strategic housing' found that spending between £2,000 and £20,000 on adaptations that enable an elderly person to remain in their own home can save £6,000 per year in care costs

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

The following options have been considered:

- 4.1 Do nothing – let the current framework agreement lapse. While DFG applicants could fall back on the previous methods of procurement, though with higher cost and additional delays, continued provision of adaptations in council properties would still be necessary. This would mean tendering every job (in order to comply with the council's contract standing orders) which would make the process slower and more expensive and quality would be harder to manage. Benefits of economies of scale would be lost.

- 4.2 Provision of works through existing council contracts. There are no other council contractors that can provide or have experience of the specialist adaptations that are required.
- 4.3 Join an existing adaptations framework with other public sector bodies. Yorkshire Purchasing Organisation (YPO) has a disabled adaptations framework agreement, for example. While this option might be efficient in terms of staff time in the procurement process there are the following disadvantages if joining an existing framework:
- it may provide a wider range of services than the council requires;
  - it may increase subcontracting as suppliers on a framework may not have a local presence or have all required capabilities;
  - it may prevent the council being able to determine its own contract terms as they are already prescribed in the framework structure (i.e. local engagement, apprenticeships);
  - it may not allow third party access for the council's HIA partner for DFG work.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 A representative of the Housing Adaptations Service attends the Tenant's Disability Network (TDN) and the team are therefore able to continually respond to feedback and concerns raised.
- 5.2 A member of TDN will be invited to join the assessment panel evaluating the tenders received for the new framework agreement.
- 5.3 Customer satisfaction data is sought after all works are completed under the existing framework agreement. This feedback will inform revisions of the specification for the new framework agreement.

## **6. CONCLUSION**

- 6.1 Current arrangements using the council's framework agreement for the provision of housing adaptations are providing adaptations to a high standard and competitive cost and have improved delivery times for the client. While some minor refinements to the existing terms are planned, the success of the council's current framework agreement for the provision of housing adaptations suggests that the procurement of a revised and updated framework agreement for the provision of disabled adaptations is the most appropriate course of action.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 This report recommends that the council procures a new three year adaptations framework agreement for the delivery of adaptations to council and private sector homes. The estimated size of this contract over a three year period is £5.1m. This procurement exercise will help to ensure good value for money is obtained through a competitive schedule of rates. Evidence suggests that the current framework has worked well, with extra savings being delivered once the partner HIA had third party access to the framework agreement prices, on behalf of DFG applicants. For 2016/17, the capital budget for adaptations to council homes (HRA) is £1.150m and there is a further capital budget held within the general fund for disabled facilities grant funded adaptations of £1.125m. Not all of the adaptations expenditure is spent through the framework agreement, for example lifts and hoists are tendered for separately.

*Finance Officer Consulted: Name: Monica Brooks Date: 05/01/17*

### Legal Implications:

- 7.2 The council's contract standing orders require that authority to enter into a contract valued at £500,000 or more be obtained from the relevant committee before inviting expressions of interest from potential bidders which in this instance is Housing and New Homes Committee.
- 7.3 The procurement of the proposed framework agreement must comply with all relevant European and UK public procurement legislation as well as the council's contract standing orders.
- 7.4 The Housing and New Homes Committee is authorised to exercise the council's powers both as a landlord and in relation to housing grants. It is therefore within its powers to approve the recommendations at section 2 above.
- 7.5 As indicated in paragraph 3.6, the Housing Grants, Construction and Regeneration Act 1996 imposes a duty on the council to administer Disabled Facilities Grants in its area. Approval of such grants is mandatory where the proposed work is necessary and appropriate to meet a disabled person's needs, and the work is reasonable and practicable. The grant is means tested.
- 7.6 Under section 8 of the Housing Act 1985, every local housing authority must consider housing conditions in their district and the needs of the district with respect to the provision of further housing accommodation. In discharging that duty, Section 3 of the Chronically Sick and Disabled Persons Act 1970 requires the authority to have regard to the special needs of chronically sick or disabled persons. Making arrangements to facilitate disabled adaptations in council properties is compatible with that duty.

*Lawyer Consulted: Name Liz Woodley Date: 06/01/2017*

Equalities Implications:

- 7.7 The nature of housing adaptations is to promote the equality of disabled people and empower them to be as independent as possible within their own home and to be able to access the local community.
- 7.8 Provision is made in the specification to ensure communication with residents is appropriate to their needs.

Sustainability Implications:

- 7.9 Timely provision of adaptations allows disabled people to maintain their independence and contributes towards the council's vision for sustainable communities.
- 7.10 Every effort is made to source sustainable and recycled materials and close attention will be paid to contractor working practices during the evaluation process

Any Other Significant Implications:

None

**SUPPORTING DOCUMENTATION**

**Appendices:**

- 1. Standard appendix

**Documents in Members' Rooms**

- 1. None

**Background Documents**

- 1. None



Crime & Disorder Implications:

- 1.1 None identified

Risk and Opportunity Management Implications:

- 1.2 Construction work does include inherent risks however the Housing Adaptation Service carries out its duties under HSE Construction (Design and Management) regulations.
- 1.3 Health and Safety is a standing item on all contractor review meeting agendas.

Public Health Implications:

- 1.4 As noted in 3.9 of main report, timely adaptations can avoid falls leading to serious injuries and can avert or slow deteriorations in long-term health conditions. They also improve independence which promotes wellbeing.
- 1.5 DFG funding is allocated from central government to the Better Care Board which sets budgets. The Housing Adaptations Service is represented on this group and works collaboratively towards keeping people well and improving Better Care Integrated Outcomes.

Corporate / Citywide Implications:

- 1.6 Economy, jobs and homes. Work going to local firms will stimulate the local economy and create jobs. Investment will make local housing stock more accessible.
- 1.7 Children and young people. The framework will be used to provide adaptations for children and young adults.
- 1.8 Health and wellbeing. There are obvious benefits, as described in main report section 3.9 and above in public health implications.
- 1.9 Community safety and resilience. Some adaptations are carried out in the common parts of a building or to improve access to a block which benefits all residents. Ability to access community following access adaptation contributes towards community resilience.
- 1.10 Environmental sustainability. Environmentally sustainable products are used wherever possible. Contractors are scored on sustainability.



<b>Subject:</b>	<b>STAR tenant satisfaction survey 2016</b>		
<b>Date of Meeting:</b>	<b>18 January 2017</b>		
<b>Report of:</b>	<b>Executive Director Neighbourhoods, Communities &amp; Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Ododo Dafe</b>	<b>Tel: 29-3201</b>
	<b>Email:</b>	<b>ododo.dafe@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report provides feedback from a satisfaction survey of a sample of council tenants carried out in June 2016.
- 1.2 The survey results provide an up-to-date and statistically significant indication of customer satisfaction on a range of council housing services.

**2. RECOMMENDATIONS:**

- 2.1 That the Housing & New Homes Committee note and comment on the contents of this report.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Housemark, a national housing organisation, has consulted widely with social housing providers to produce a set of questions that organisations prefer and that enable comparison, but with the freedom for each organisation to add local questions as they wish. This survey is called STAR (Survey of Tenants and Residents) and is undertaken by landlords on a voluntary basis. Housing last carried out a STAR survey of tenant satisfaction in 2014.

Housemark's recommended standard questions were adopted, along with some of our own. We will be in a position to compare ourselves against other housing providers as many of them undertake this survey and upload their results onto Housemark.

- 3.2 The survey was undertaken in June 2016, using a postal survey, with a randomly selected sample of 3,000 tenants, as recommended by Housemark. Tenants were also offered the opportunity to complete the survey online and an email reminder was sent to help boost responses. The survey achieved a response rate of 28% with 829 tenants taking part (up from 724 tenants or 24% in 2014). The majority of completions were in paper, but 12% of respondents took part online which is an increase from the 7% who took part online in 2014.

- 3.3 The results have been analysed by APR Research, an independent research company and their full report is available in the Members Room. The table below shows the results of key indicators in this survey compared with the STAR survey in 2014 and the comparison benchmarking ranking.

	<b>% satisfied 2014</b>	<b>% satisfied 2016</b>	<b>Trend</b>	<b>Benchmark position</b>
Satisfied overall with the service from Housing	78%	81%	↑	2 <sup>nd</sup> quartile
The overall quality of your home	80%	79%	↓	3 <sup>rd</sup> quartile
Your neighbourhood as a place to live	84%	80%	↓	2 <sup>nd</sup> quartile
Satisfaction with the last completed repair	76%	81%	↑	3 <sup>rd</sup> quartile
That your rent provides value for money	84%	86%	↑	1 <sup>st</sup> quartile
Standard of customer service	81%	85%	↑	Not available
Listen to views and acts upon them	64%	70%	↑	1 <sup>st</sup> quartile

- 3.4. This benchmarking data is a comparison with our usual performance benchmarking group of nine other stock retained authorities with stock sizes of over 10,000 properties. It should be noted that these results have only recently become available so benchmarking data from 2014 was used in the full report.

### 3.5 Overall satisfaction

- 3.5.1 Overall satisfaction with Housing rose from 78% to 81%. This reversed the trend from 2014 where satisfaction had dropped by 5%.
- 3.5.2 Some of the positive reasons for this increase include satisfaction with the last completed repair (up from 76% to 81%), how Housing listens to and acts on residents views (up from 64% to 70%), and that rent provides value for money (up from 84% to 86%).
- 3.5.3 When analysing these results by equality strands there are no significant differences by sexuality and disability. However there was a significant difference in gender with males more satisfied than females (83% and 80% respectively). Older respondents were more satisfied than those that were younger (89% of over 65s, compared to 66% of those aged 34 or less). Whilst younger than average Lesbian, Gay and Bi-sexual tenants gave higher than average scores across most questions, which is the opposite of that reported in 2014. That said, care should be taken in interpreting results for this group due to the relatively small sample size.

## 3.6 Home and neighbourhood

- 3.6.1 Satisfaction with the quality of their home is 79% compared to 80% in 2014. Satisfaction varied with age, with older tenants significantly more satisfied than their younger peers - with 91% of over 65s satisfied, compared to 65% of those aged under 35.

Satisfaction also varied by property type, and was significantly higher for those in properties built between 1975 and 1990 (87%). In contrast, those living in properties built before 1945 were significantly less satisfied than average (73%).

We have undertaken further analysis on this to understand the correlation between older properties and the quality of the home, and identified areas of the city where satisfaction was lower. We are continuing with our investment programme across the city and work is planned in areas with lower satisfaction. For example windows replacement programmes are scheduled to take place in both Woodingdean and Hangleton. We have published our four-year provisional capital investment programme to enable this longer term information to be readily available to residents. Tenants have told us that we need to improve our communications on the planned work programme and we are taking steps to enhance the quality and timeliness of this information.

- 3.6.2 Satisfaction with the neighbourhood as a place to live has fallen to 80% (down from 84%). This is the first fall since 2008 and is likely to be related to a reduction in satisfaction with the grounds maintenance service, which at 64% is down five percentage points from 2014 and down ten percentage points from our result in 2011.
- 3.6.3 This is an area of concern and to address this we have started a review of our grounds maintenance contract with the Business & Value for Money service improvement group. Key outcomes from this will be a revised service level agreement, introduction of key performance indicators, improved contract management, and new initiatives to improve the local environment - including a pilot to introduce resident 'green champions'. The recent redesign of Tenancy Services and the new area based teams will also help ensure we have a renewed focus on the environment and improvements we can make on our estates.
- 3.6.4 Satisfaction with the ability to move or swap homes has increased slightly (46% up from 42%). Since the last survey we have made a number of changes to support this, including the introduction of a mutual exchange incentive scheme and running the popular Swap Shops which have resulted in 50 moves for council tenants since 2014. The majority of responses were of an ambivalent nature with around a third selecting the 'neither' option (35%). This, along with a lack of response to this question, indicates this is an area that the majority of tenants have little or no experience of.
- 3.6.5 93% of respondents from Seniors housing were satisfied with the Seniors housing service up from 90% in 2014.

3.6.6 There has been a slight improvement in how tenants feel Housing Services deal with anti-social behaviour (63%, up from 62%). However, it should also be highlighted that 135 tenants in the sample chose not to answer this question which most likely indicates a lack of contact with this service.

### **3.7 Repairs and maintenance**

3.7.1 Just over three quarters of respondents were satisfied with the repairs service as a whole (77%), half of whom were 'very satisfied' (39%).

It is also positive to find increased satisfaction with the last completed repair (81% up from 76% in 2014), a result which is a significant improvement. Customer comments were mixed, ranging from '*Keep up the good work*', '*I'm very happy with the service I received I have no complaints*' to '*Sometimes the standard/quality of works carried out is not great*' and '*Things seem to drag on forever with nothing ever being properly finished and leaving mess for us to clear up*'.

93% of tenants were very satisfied with how easy it was to report their repair, which is indicative of the work that has taken place with the repairs helpdesk to reduce call waiting times. The customer experience of reporting repairs will be further enhanced with the introduction of online repairs reporting which we plan to introduce in 2017.

3.7.2 Further work we will undertake to improve the customer's experience of the service include making sure tenants are kept informed about progress of repairs and that delays are minimised especially for repairs that require more than one visit. We have worked with Mears to improve tracking of these repairs. We are also reviewing the Contractors Code of Conduct with the Home service improvement group so we have clear standards in place.

3.7.3 Four out of five respondents who had received some planned maintenance work were satisfied with it (81% down from 85% in 2014).

3.7.4 Respondents who had some planned work completed were asked if there was anything else that could be done to improve the process. Comments included '*We need better communication, we were not informed about planned works*', '*We need more advice about preparing for works*' and '*Keep tenants informed of delays and changes*'.

### **3.8 Value for money**

3.8.1 There was a slight increase in satisfaction with the value for money for rent (86% from 84%), the majority of whom were 'very satisfied' (49%). It is also encouraging that 74% of tenants were satisfied with their service charge (up from 71% in 2014).

3.8.2 When respondents were asked to give their views on the help and support Housing services provide, nearly four out of five respondents were satisfied with the advice and information they received on managing their finances including rent payments (78%).

3.8.3 Individual comments acknowledged the positive work that was undertaken to support tenants but other comments included *'Help people with low income so they can eat and live'* and *'BHCC website is very clunky, would be good to pay directly on an app rather than being taken to the payment site that doesn't have your account number'*. The council's online payments system is under review due to the difficulties customers report in easily making a payment.

### **3.9 Customer Service**

3.9.1 85% of respondents said the standard of customer service they receive is good (up from 81% in 2014), alongside a slight increase of tenants being satisfied with how enquiries are dealt with generally (81%) and 86% being satisfied with ease of accessing services (up from 84%)

3.9.2 Individual comments on the service we provide and what we could do to improve included *'Listen and act and stop passing me from one person to another'*, *'When someone contacts you about a problem, a response would be nice'* and *'All the services are well organised and the staff are attentive and polite. Well done'*.

3.9.3 Our focus on simplifying access to the service and dealing with the majority of enquiries at the first point of contact will be reasons for the improvement. The changes we have made have helped us to reduce handoffs between officers; and introducing case management across Tenancy Services will ensure we are more accountable to tenants.

### **3.10 Resident involvement**

3.10.1 The proportion of tenants who say we listen to their views and act on them has increased significantly since 2014 (up from 64% to 70%). Indeed, satisfaction has steadily improved with every successive survey from a base of 60% in 2008.

3.10.2 However younger residents are less satisfied with opportunities to get involved, with 45% of under 35s satisfied compared to 74% of over 65s. Engagement with younger residents is recognised as an area for improvement in the Resident Involvement Review with the proposal to focus on increasing methods of engagement and involvement.

### **3.11 Health & wellbeing**

3.11.1 This is a new section in the STAR survey which asks a group of questions about various aspects of tenants' health and general wellbeing, specifically the affordability of essentials such as food. Results revealed that 21% of respondents had skipped a meal or reduced portion size because they couldn't afford to buy enough food (37% of under 35s, compared to 8% of over 65s). When asked if they would have enough money to meet basic living costs, only 52% of respondents agreed.

3.11.2 We have used the survey this time around to get a better understanding of the position for tenants, and will hope to use this question next time so that we can monitor change over time.

3.11.3 We will continue to support action plans against food poverty and have started to use Homing In to share ideas for healthy recipes at affordable cost. We also use one-to-one conversations with tenants who are struggling to pay their rent to advise them about sources of support in the city in relation to food poverty.

3.11.4 We are also developing a 'Better Start' guide or pre tenancy package that helps tenants prepare for the financial and other aspects of managing a tenancy and budgeting.

### **3.12 Information and communication**

3.12.1 Of all respondents to this survey, 66% indicated that they had access to the internet (up from 58% in 2014). We will continue to provide support to residents who do want to get online. We have rolled out digital champions training to Housing staff and have an action plan in place in support of the Digital Brighton & Hove partnership. Valuable feedback was also received on our website and the changes that need to be made to improve the customer experience of it.

3.12.2 Tenants also reminded us to '*...stop thinking that everyone has access to the internet*'. We will continue to provide alternative ways to contact the service. We know that the telephone is still the most popular method to be kept informed (preferred by 74%) and Housing Customer Services will continue to remain the first point of contact.

3.12.3 Three quarters of tenants (76%) said Housing is good at keeping them informed about things that may affect them, remaining the same as 2014. 89% of respondents said that they read the magazine 'Homing In', and those that did felt significantly more informed.

## **4. COMMUNITY ENGAGEMENT & CONSULTATION**

4.1 The report was presented to Area Panels in November/December 2016. All panels noted the contents of the report and the results. They discussed and fed back the following:

- Confirmation of some dissatisfaction with 'your neighbourhood as a place to live' and how improvements could be made to neighbourhoods.
- Query regarding higher satisfaction scores compared to the last survey for the 'standard of customer care', when a tenant has experienced delays contacting someone in Housing, and when some people have not had a response to their queries.

4.2 The findings have been subject to discussions with service managers and our repairs partner, Mears, and these discussions will continue. Future actions to address increased resident satisfaction with Housing services will feature in service business plans. The results also provide a platform for further engagement of residents in service improvement.

4.3 A full copy of the report will be made available on the council's website, and the results will be included in the spring 2017 edition of Homing In.



## 5. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 5.1 There are no direct financial implications from the recommendations in this report. The cost of the star survey and the actions/reviews contained in paragraph 3 will be met within existing Housing Revenue Account Budgets

*Finance Officer Consulted Name: Susie Allen Date: 07/12/16*

### Legal Implications:

- 5.2 Although there is no legal obligation on the council to undertake the STAR tenant satisfaction survey, the council's wide powers under the Housing Act 1985 to manage its housing stock provide sufficient authority for carrying out the same.

*Lawyer Consulted: Name Liz Woodley Date: 23/11/16*

### Equalities Implications:

- 5.3 Equalities implications have been considered throughout the report. Most groups within equalities strands are well represented within the survey respondent group and there are some variations in levels of satisfaction that we now need to consider how to address.

### Sustainability Implications:

- 5.4 Greater use of the consultation portal to complete the survey (12% compared to 7% last time) is a welcome change this time. Moving increasingly to this approach will offer a long term saving in paper, printing and postage costs.

### Any Other Significant Implications:

- 5.5 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents in Members' Rooms**

1. STAR Tenant Satisfaction Survey 2016 report

### **Background Documents**

None



<b>HOUSING &amp; NEW HOMES COMMITTEE</b>	<b>Agenda Item 61</b>  Brighton & Hove City Council
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<b>Subject:</b>	<b>Housing Management Performance Report Quarter 2 2016/17</b>		
<b>Date of Meeting:</b>	<b>18 January 2017</b>		
<b>Report of:</b>	<b>Acting Executive Director Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Ododo Dafé</b>	<b>Tel: 01273 293201</b>
	<b>Email:</b>	<b>ododo.dafe@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

## FOR GENERAL RELEASE

### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Housing Management performance report covers Quarter 2 of the financial year 2016/17. The report is attached as Appendix 1.

### 2. RECOMMENDATIONS:

- 2.1 That the Housing & New Homes Committee notes and comments upon the report, a summary version of which went to Area Panels in November and December 2016.

### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

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

### 4. COMMUNITY ENGAGEMENT AND CONSULTATION:

- 4.1 A summary version of the performance report went to Area Panels in November and December 2016 and was noted and commented upon. No amendments were requested to contents of the report.

### 5. FINANCIAL & OTHER IMPLICATIONS:

#### Financial Implications:

- 5.1 The area of performance with the most significant financial impact is the ability to collect rents from tenants. For the second quarter 2016/17, the collection rate has decreased by 0.06% to 98.85% when compared to the first quarter. This collection

rate still compares favourably when benchmarked with other Councils. This continues to be monitored to ensure that appropriate action can be taken to minimise arrears as the effects of welfare reform unfold. Any reduction in the amount of rent collected has a direct impact on the resources available to spend on the management and maintenance of tenants' properties.

*Finance Officer Consulted: Monica Brooks*

*Date: 19/12/16*

Legal Implications:

- 5.2 There are no legal implications to draw to Members' attention.

*Lawyer Consulted: Liz Woodley*

*Date: 09/12/16*

Equalities Implications:

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

Sustainability Implications:

- 5.4 The increase in the energy efficiency rating of homes reflects an improvement towards the council's sustainability commitments, among other objectives such as financial inclusion and reducing fuel poverty.

Crime & Disorder Implications:

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

Risk and Opportunity Management Implications:

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

Public Health Implications:

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

Corporate or Citywide Implications:

- 5.8 There are no direct corporate or city wide implications arising from this report. However, two performance indicators featuring in this report ('dwellings meeting Decent Homes Standard' and 'energy efficiency rating of homes') are among those used to measure success against the Corporate Plan principle of increasing equality.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**







1. Appendix 1. Housing Management Performance Report Quarter 2 2016/17.

### **Background Documents:**

1. None

## Housing Management Performance Report (Quarter 2 2016/17)

This Housing Management performance report covers Quarter 2 of the financial year 2016/17. It uses the 'RAG' rating system of red, amber and green traffic light symbols to provide an indication of performance, and also trend arrows to provide an indication of movement from the previous quarter.

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








Explanations of performance have been provided for indicators which are red or amber. A total of 47 performance indicators are measured against a target, of which 34 are on target (green), six are near target (amber) and seven are below target (red).

The Quarter 4 2016/17 report will include benchmarking data from Housemark.

The icons used throughout the report are sourced from [www.flaticon.com](http://www.flaticon.com) and were designed by 'Freepik.'

## 1. Rent collection and current arrears

Indicators marked with an \* are accumulative throughout the year and their targets are set for the year end. Therefore, the status and trend symbols will be applied in the Quarter 4 report, once performance for the year is known.


	<b>Rent collection and current arrears indicators</b>	<b>Target 2016/17</b>	<b>Previous quarter</b> Q1 2016/17	<b>Current quarter</b> Q2 2016/17	<b>Status against target</b>	<b>Trend since last quarter</b>
1.1	Rent collected as proportion of rent due for the year (projected rate)	98.50%	98.91% (£50.57m of £51.13m)	98.85% (£50.52m of £51.11m)		
1.2	Total current tenant arrears	£780k	£557k	£586k		
1.3	Tenants served a Notice of Seeking Possession*	No target	154	359	-	-
1.4	Tenants evicted because of rent arrears*	Under 20	1	3	-	-
1.5	Rent loss due to empty dwellings	1%	0.91% (£461k of £50.94m)	1.00% (£509k of £50.96m)		
1.6	Former tenant arrears collected*	25%	7.79% (£50k of £641k)	17.80% (£103k of £580k)	-	-
1.7	Rechargeable debt collected*	20%	3.21% (£6k of £185k)	7.15% (£11k of 148k)	-	-

**Rent collection and current arrears indicators****Target  
2016/17****Previous  
quarter  
Q1 2016/17****Current  
quarter  
Q2 2016/17****Status  
against  
target****Trend  
since last  
quarter**


1.8	Universal Credit – affected tenants	No target	0.3% (32 of 11,420)	0.4% (42 of 11,408)	-	-
1.9	Removal of the Spare Room Subsidy – affected tenants (under occupiers)	No target	6.2% (709 of 11,420)	6.1% (691 of 11,408)	-	-
1.10	Benefit Cap – affected tenants	No target	0.1% (8 of 11,420)	0.1% (9 of 11,408)	-	-
1.11	Arrears related to Universal Credit	No target	2% (£13k)	3% (£15k)	-	-
1.12	Arrears related to Removal of the Spare Room Subsidy	No target	6% (£36k)	7% (£41k)	-	-
1.13	Arrears related to Benefit Cap	No target	0.3% (£2k)	0.1% (£0.4k)	-	-




















### 1.14 Area breakdown of rent collected

 Rent collection area	Previous quarter Q1 2016/17	Current quarter Q2 2016/17	Trend since last quarter
North (includes Seniors Housing)	99.25% (£14.42m of £14.53m)	99.19% (£14.40m of £14.52m)	↓
West	99.11% (£10.33m of £10.43m)	99.07% (£10.33m of £10.43m)	↓
Central	98.89% (£9.08m of £9.18m)	98.83% (£9.09 of £9.19m)	↓
East	98.51% (£16.74m of £16.99m)	98.45% (£16.71m of £16.97m)	↓
All areas	98.91% (£50.57m of £51.13m)	98.85% (£50.52m of £51.11m)	↓

### 1.15 Tenants in arrears by amount

 Amount of arrears (Q1 2016/17)	All tenants
No arrears	75% (8,570)
Any arrears	25% (2,838)
... arrears of £0.01 to £99.99	13% (1,472)
... arrears of £100 to £499.99	10% (1,090)
... arrears of £500 and above	2% (276)
Total tenants	11,408

## 2. Customer services and complaints

	<b>Customer services and complaints indicators</b>	<b>Target 2016/17</b>	<b>Previous quarter Q1 2016/17</b>	<b>Current quarter Q2 2016/17</b>	<b>Status against target</b>	<b>Trend since last quarter</b>
2.1	Calls answered by Housing Customer Services Team (HCST)	92%	94% (7,239 of 7681)	93% (9,148 of 9,859)		
2.2	Customer satisfaction with HCST ('very satisfied' or 'fairly satisfied')	91%	86% (March 2016)	53% (50 of 94)		
2.3	Ease of effort to contact HCST ('very easy' or 'fairly easy' to contact)	92%	92% (March 2016)	85% (81 of 95)		
2.4	Stage 1 complaints responded to within 10 working days – housing management	80%	69% (24 of 35)	75% (24 of 32)		
2.5	Stage 1 complaints upheld – housing management	33% or under	14% (5 of 35)	19% (6 of 32)		
2.6	Stage 1 complaints escalated to Stage 2 – housing management	10%	9% (3 of 35)	9% (3 of 32)		
2.7	Stage 2 complaints upheld – housing management	15% or under	0% (0 of 3)	0% (0 of 3)		
2.8	Housing Ombudsman Complaints upheld – housing management	20% or under	0% (none)	0% (0 of 1)		

## **Customer services and complaints commentary**

Five indicators are on target, one is near target and two are below target.

The indicators below target are:

### **Customer satisfaction with Housing Customer Services Team (HCST)**

This result for this indicator comes from the Customer Satisfaction Surveys, which are carried out by the HCST every six months. The most recent survey is from September 2016, and there has been a significant drop in overall satisfaction – from 86% to 53% -- since the previous survey was done in March. A key reason behind this is that although a large majority of respondents (86%) agreed that ‘the person I spoke to was helpful and polite’, comparatively fewer (59%) agreed that their enquiry ‘was dealt with satisfactorily.’ Many comments to this effect regarded the quality and timeliness of follow-up work referred to other teams. Since October, improvements have been made to IT processes for capturing and monitoring cases referred by HCST to specialist teams within Housing. Another reason for the drop in overall satisfaction is greater difficulty accessing the service, which is explained in further detail in the commentary for the ‘Ease of effort to contact HCST’ indicator below.

### **Ease of effort to contact HCST**

The Customer Satisfaction Survey also indicates a drop in perceived ‘ease of effort’ to use the HCST, with the proportion of respondents expressing favourable views decreasing from 92% in March to 85% in September. The HCST has needed to adjust to a recent increase in the call volume, with the overall number of direct dial calls increasing by 28% between Quarter 1 and Quarter 2 (from 7,681 to 9,859 respectively). At the same time, the number of calls that weren’t answered increased from 442 to










711, even though the proportion answered remained at a similar level (94% and 93% respectively). Therefore, the increased call volume has made it less easy for some customers to access the HCST.

The indicator near target is:

### **Stage 1 complaints responded to within 10 working days – housing management**

Performance stands at 75% against a target of 80%. A total of 32 Stage 1 complaints were responded to, of which 24 were done within 10 working days and of which eight took longer. Although the target was missed, performance has continually improved over the most recent three quarters – from 59% (Q4 2015/16) to 69% (Q1 2016/17) to 75% (Q2 2016/17).


















### 3. Empty home turnaround time and mutual exchanges


















	Empty home turnaround time and mutual exchange indicators	Target 2016/17	Previous quarter Q1 2016/17	Current quarter Q2 2016/17	Status against target	Trend since last quarter
3.1	Average re-let time, excluding time spent in major works (calendar days)	18	16 (147 lets)	16 (118 lets)		
3.2	... as above for general needs properties	17	16 (110 lets)	14 (91 lets)		
3.3	... as above for Seniors Housing properties	30	16 (37 lets)	23 (27 lets)		
3.4	Average re-let time, including time spent in major works (calendar days)	No target	58 (147 lets)	42 (118 lets)	-	-
3.5	Decisions on mutual exchange applications made within 42 calendar days (statutory timescale)	100%	100% (56 of 56)	100% (51 of 51)		








### 3.6 Long term empty dwellings by ward (empty 6 weeks or more as of 1 October 2016)

Ward name (excludes those with no long term empty properties)	No. dwellings	Average days empty for	Range of days empty for	Comment
Central Hove	1	88	88-88	One flat ready to let.
Goldsmid	1	74	74-74	One flat ready to let.
Hangleton and Knoll	3	151	46-347	One house for extension/refurbishment (empty 351 days), one flat in major works and one house ready to let.
Hanover and Elm Grove	18	275	60-858	All studio flats within Stonehurst Court (longest empty 858 days) which is to be closed as part of Seniors Housing scheme review.
Moulsecomb and Bevendean	7	277	53-522	Five houses for extension/refurbishment (longest empty 522 days), one Seniors Housing studio flat to be converted into larger dwellings, and one house ready to let.
Patcham	6	107	53-172	Six Seniors Housing studio flats to be converted into larger dwellings.
South Portslade	5	290	81-522	Three houses for extension/refurbishment (longest empty 522 days) and two Seniors Housing studio flats to be converted into larger dwellings.
Queens Park	2	53	53-53	Two flats ready to let.
Wish	2	407	305-508	Two houses for extension/refurbishment (longest empty 508 days).
Total	45	234	46-858	The dwelling which has been empty longest (858 days) is a Seniors studio flat in Hanover and Elm Grove, as per above.

#### 4. Repairs and maintenance

 <b>Repairs and maintenance indicators</b>		<b>Target 2016/17</b>	<b>Previous quarter</b> Q1 2016/17	<b>Current quarter</b> Q2 2016/17	<b>Status against target</b>	<b>Trend since last quarter</b>
4.1	Emergency repairs completed in time	99%	99.8% (2,739 of 2,745)	99.7% (3,350 of 3,359)		
4.2	Routine repairs completed in time	99%	99.4% (4,097 of 4,121)	99.7% (4,833 of 4,843)		
4.3	Average time to complete routine repairs (calendar days)	14 days	16 days	20 days		
4.4	Appointments kept by contractor as proportion of appointments made	97%	97.1% (11,535 of 11,879)	96.4% (9,732 of 10,094)		
4.5	Tenant satisfaction with repairs ('very satisfied' or 'fairly satisfied')	96%	96.4% (1,013 of 1,051)	95.2% (374 of 393)		
4.6	Responsive repairs passing post-inspection	97%	95.8% (1,015 of 1,059)	96.6% (1,284 of 1,329)		
4.7	Repairs completed at first visit	92%	89.8% (6,164 of 6,866)	89.8% (7,370 of 8,202)		
4.8	Cancelled repair jobs	Under 5%	7.3% (699 of 9,624)	6.7% (671 of 10,011)		

 <b>Repairs and maintenance indicators</b>		<b>Target 2016/17</b>	<b>Previous quarter Q1 2016/17</b>	<b>Current quarter Q2 2016/17</b>	<b>Status against target</b>	<b>Trend since last quarter</b>
4.9	Dwellings meeting Decent Homes Standard	100%	100% (11,552 of 11,552)	100% (11,555 of 11,555)		
4.10	Energy efficiency rating of homes (SAP 2009)	64.4	65.2	65.5		
4.11	Planned works passing post-inspection	97%	100% (317 of 317)	100% (332 of 332)		
4.12	Stock with a gas supply with up-to-date gas certificates	100%	100% (10,083 of 10,083)	100% (10,084 of 10,084)		
4.13	Empty properties passing post-inspection	98%	100% (145 of 145)	100% (127 of 127)		
4.14	Lifts – average time taken (hours) to respond	2 hours	2h 10m	1h 56m		
4.15	Lifts restored to service within 24 hours	95%	94.6% (106 of 112)	97.1% (134 of 138)		
4.16	Lifts – average time to restore service when not within 24 hours	7 days	3 days (19 days, 6 lifts)	3 days (13 days, 4 lifts)		

 <b>Repairs and maintenance indicators</b>		<b>Target 2016/17</b>	<b>Previous quarter Q1 2016/17</b>	<b>Current quarter Q2 2016/17</b>	<b>Status against target</b>	<b>Trend since last quarter</b>
4.17	Repairs Helpdesk – calls answered	90%	96% (20,909 of 21,779)	93% (20,071 of 21,586)		
4.18	Repairs Helpdesk – calls answered within 20 seconds	75%	73% (15,270 of 20,909)	58% (11,618 of 20,071)		
4.19	Repairs Helpdesk – longest wait time	5 mins	7m 2s	13m 40s		



## Repairs and maintenance commentary

Eleven indicators are on target, three are near target and five are below target.

The indicators below target are:

### Average time to complete routine repairs (calendar days)

The average time taken has increased by four days, from 16 during Quarter 1 to 20 during Quarter 2. This is because there have been a number of specialist and complex works which have taken a long time to complete, and these are now affecting the average. Whilst this performance measure has not been met, the requirement of routine orders being completed within 20 working days has been met for 99.7% (4,833 of 4,843) of such jobs.

### Repairs completed at first visit

Performance on repairs completed at first visit, at 89.8 during Quarter 2, is 2.2% points below the 92% target and has remained the same since Quarter 1. This is due to a change in Mears' process which means any job with an appointment for a post-inspection is automatically counted as taking more than one visit to complete. Mears are currently working on updating their reporting system to reflect this process change.

### Cancelled repair jobs

Mears have committed to reducing the number of jobs that are cancelled due to 'incorrect instructions' or 'duplicate jobs', as these jointly account for 35% (235 out of 671) of jobs which were raised and later cancelled during Quarter 2. A further 236 jobs were cancelled at the request of the tenant. Examples of other reasons why jobs were cancelled include the operative being unable to get access to the property or no work being required.

### Repairs Helpdesk – calls answered within 20 seconds

Performance from quarter one to quarter two has reduced by 15% points, from 73% to 58%, and is now 17% points below

target. This is due to an increase in staff turnover and the resultant time spent training new staff, but performance is anticipated to be back on target by Quarter 3.

### Repairs Helpdesk – longest wait time

This indicator measures the longest time that any caller has waited for their call to be answered during Quarter 2, which was 13 minutes and 40 seconds. Only three call handlers were working that day, two of whom were new starters. The second longest wait was 8 minutes and 1 second. The average time that a caller waited during Quarter 2 was 56 seconds.

The indicators near target are:

### Appointments kept by contractor as proportion of appointments made

Despite seeing a minor decrease of 0.7% points between Quarter 1 and Quarter 2, from 97.1% 96.4%, the number of appointments kept by contractor remains close to the 97% target.














### Tenant satisfaction with repairs ('very satisfied' or 'fairly satisfied')

The result of 95.2% has been affected by a decline in the sample size from 1,051 during Quarter 1 to 393 during Quarter 2. This is a result of higher than usual staff turnover (resulting in more time spent training new staff). Mears have committed to carrying out more telephone surveys over the coming months.




### Responsive repairs passing post-inspection

Performance has improved from 95.8% during Quarter 1 to 96.6% during Quarter 2. During the latter, there were 1,329 post-inspections carried out (a sample of 16.2%) of which 45 failed. The reasons for the failed inspections are as follows: 9 needed corrections to the Schedule of Rates (SOR) codes used; 27 due to poor quality work; 8 due to extra works being required to complete the job; and one failed based on the tenant's perception.

## 5. Estates Service


	Estates Service indicators	Target 2016/17	Previous quarter Q1 2016/17	Current quarter Q2 2016/17	Status against target	Trend since last quarter
5.1	Cleaning quality inspection pass rate	99%	100% (194 of 194)	100% (176 of 176)		
5.2	Estates Response Team quality inspection pass rate	99%	100% (195 of 195)	100% (178 of 178)		
5.3	Cleaning tasks completed	99%	98.7% (13,146 of 13,323)	99.6% (13,493 of 13,543)		
5.4	Bulk waste removed within 7 working days	93%	93% (707 of 760)	99.6% (840 of 843)		
5.5	Light replacements/repairs completed within 3 working days	99%	99% (171 of 173)	100% (68 of 68)		
5.6	Mobile warden jobs completed within 3 working days	96%	98% (1,282 of 1,305)	97% (971 of 998)		
5.7	Incidents of drug paraphernalia collected and reported to the Police	No target	15	20	-	-

## 6. Anti-social behaviour (ASB)

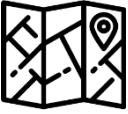
 Anti-social behaviour (ASB) indicators	Target 2016/17	Previous quarter Q1 2016/17	Current quarter Q2 2016/17	Status against target	Trend since last quarter
6.1 Victim satisfaction with the way their ASB complaint was dealt with*	88%	93% (13 of 14)	89% (16 of 18)		
6.2 Tenants evicted due to ASB	No target	0	1	-	-
6.3 ASB cases closed without the need for legal action	No target	85% (53 of 62)	80% (37 of 46)	-	-

\*Year to date indicator measuring telephone survey respondents who were 'very satisfied' or 'fairly satisfied' with the way their ASB complaint was dealt with.






## 6.6 Reports of ASB incidents by type

 <b>Type of ASB incident</b>	<b>Previous quarter</b> Q1 2016/17	<b>Current quarter</b> Q2 2016/17
Noise incidents	21% (119)	16% (86)
Harassment / threats incidents	25% (144)	29% (153)
Hate-related incidents	1% (8)	2% (9)
Vandalism incidents	4% (20)	5% (28)
Pets / animals incidents	15% (83)	8% (44)
Vehicles incidents	0% (1)	2% (12)
Drugs incidents	8% (46)	6% (34)
Alcohol related incidents	1% (8)	2% (8)
Domestic violence / abuse incidents	3% (18)	1% (5)
Other violence incidents	4% (22)	6% (32)
Rubbish incidents	5% (30)	8% (43)
Garden nuisance incidents	7% (41)	4% (19)
Communal areas / loitering incidents	3% (17)	5% (26)
Prostitution / Sex incidents	1% (6)	1% (3)
Other criminal behaviour incidents	2% (9)	4% (23)
Total ASB incidents	100% (572)	100% (525)

## 6.7 Reports of ASB incidents by ward

 Ward name	Previous quarter Q1 2016/17	Current quarter Q2 2016/17	Incidents per 1,000 properties Q2 2016/17	Change between quarters Q1 to Q2
Brunswick and Adelaide	0	0	0	0
Central Hove	4	2	22	-2
East Brighton	88	88	35	0
Goldsmid	14	12	26	-2
Hangleton and Knoll	43	51	30	8
Hanover and Elm Grove	29	18	33	-11
Hollingdean and Stanmer	92	58	38	-34
Hove Park	1	2	118	1
Moulsecoomb and Bevendean	54	50	30	-4
North Portslade	25	33	66	8
Patcham	16	10	17	-6
Preston Park	0	2	16	2
Queen's Park	116	97	46	-19
Regency	0	2	67	2
Rottingdean Coastal	0	1	34	1
South Portslade	13	22	51	9
St. Peter's and North Laine	28	30	57	2
Westbourne	6	3	20	-3
Wish	7	12	24	5
Withdean	6	12	211	6
Woodingdean	30	20	40	-10
Total	572	525	37	-47

## 7. Tenancy management

 <b>Tenancy management indicators</b>		<b>Target 2016/17</b>	<b>Previous quarter</b> Q1 2016/17	<b>Current quarter</b> Q2 2016/17	<b>Status against target</b>	<b>Trend since last quarter</b>
7.1	Properties taken back due to tenancy fraud (year to date indicator)	30 by year end	2	3	-	-
7.2	Tenancy fraud cases investigated and closed	No target	29	59	-	-
7.3	New tenancy fraud cases	No target	49	39	-	-
7.4	Total open tenancy fraud cases	No target	121	101	-	-
7.5	Closed Tenancy Sustainment Officer cases where the tenancy was sustained	97%	97% (35 of 36)	98% (40 of 41)		
7.6	Secure general needs tenants who have had a tenancy visit within the last 5 years	90%	86% (8,782 of 10,259)	88% (9,005 of 10,253)		

## Tenancy management commentary










One indicator is on target (green), one is near target (amber) and four are monitored without targets.

The indicator near target is:

### **Secure general needs tenants who have had a tenancy visit within the last 5 years**

This indicator measures the completion of tenancy visits, which are carried out every five years for general needs households with secure (non-introductory) tenancies. Of the 10,253 households who require such a visit, 9,024 have had one within the past five years, and performance therefore stands at 88% against a target of 90%. Although the target has not been met, performance has improved by 2% points during Quarter 2 and the target is within reach.

## 8. Seniors Housing

	Seniors Housing indicators	Target 2016/17	Previous quarter Q1 2016/17	Current quarter Q2 2016/17	Status against target	Trend since last quarter
8.1	Residents who have had a tenancy visit within the last 12 months	98%	91% (788 of 864)	95% (815 of 860)		
8.2	Residents living in schemes offering regular social activities	95%	97% (838 of 864)	97% (831 of 860)		
8.3	Residents living in schemes offering regular exercise activities	65%	66% (571 of 864)	80% (689 of 860)		
8.4	Schemes hosting events in collaboration with external organisations	90%	91% (21 of 23)	96% (22 of 23)		



## **Seniors Housing commentary**

Three indicators are on target and one is near target.

The indicator near target is:

### **Residents who have had a tenancy visit within the last 12 months**

Performance stands at 95% against a target of 98%. Although the target has not been met, performance has improved from 91% to 95% since the previous quarter. Therefore, the target is within reach and is likely to be met during the next quarter.



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