

Housing Committee

Date: **15 January 2020**

Time: **4.00pm**

Venue **Hove Town Hall - Council Chamber**

Members: **Councillors:** Williams (Chair), Brennan (Deputy Chair), Gibson (Opposition Spokesperson), Mears (Group Spokesperson), Atkinson, Barnett, Fowler, Heley, Hugh-Jones and Osborne

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AGENDA

39 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.

40 MINUTES OF THE PREVIOUS MEETING

9 - 34

To consider the minutes of the meeting held on 13 November 2019 (copy attached).

41 CHAIRS COMMUNICATIONS

42 CALL OVER

- (a) All items 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.

43 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 9 January 2020;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 9 January 2020.

44 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;

One question submitted by Councillor Siriol Hugh-Jones.
- (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.

45 HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL INVESTMENT PROGRAMME 2020/21 AND MEDIUM TERM FINANCIAL STRATEGY

35 - 70

Joint report of the Executive Directors for Finance & Resources and Interim Housing, Neighbourhoods & Communities.

Contact Officer: Monica Brooks
Ward Affected: All Wards

Tel: 01273 292279

46 RENT POLICY FOR NEW COUNCIL HOMES

71 - 82

Report of Interim Executive Director for Housing, Neighbourhoods & Communities

Contact Officer: Sam Smith

Tel: 01273 291383

47	ELWYN JONES COURT - RENEWABLE HEATING PROPOSAL	83 - 108
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	<i>Contact Officer: Miles Davidson</i>	<i>Tel: 01273 293150</i>
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	Report of Interim Executive Director for Housing, Neighbourhoods & Communities.	
	<i>Contact Officer: Justine Harris</i>	<i>Tel: 01273 293772</i>
	<i>Ward Affected: All Wards</i>	
49	FUTURE REPAIRS AND MAINTENANCE TO COUNCIL HOUSING STOCK	131 - 144
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	<i>Contact Officer: David Canham</i>	<i>Tel: 01273 293165</i>
	<i>Ward Affected: All Wards</i>	
50	UPDATE ON PROGRESS AGAINST THE HOUSING COMMITTEE WORK PLAN	145 - 152
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	<i>Contact Officer: Martin Reid</i>	<i>Tel: 01273 293321</i>
	<i>Ward Affected: All Wards</i>	
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	<i>Contact Officer: Ododo Dafe</i>	<i>Tel: 01273 293201</i>
	<i>Ward Affected: All Wards</i>	
52	PROCUREMENT OF COUNCIL OWNED SHORT-TERM TEMPORARY ACCOMMODATION – GLADSTONE COURT, HARTINGTON ROAD, BRIGHTON	183 - 190
	Report of Interim Executive Director for Housing, Neighbourhoods & Communities.	
	<i>Contact Officer: Ododo Dafe</i>	<i>Tel: 01273 293201</i>
	<i>Ward Affected: Hanover & Elm Grove</i>	

53 ITEMS REFERRED FOR FULL COUNCIL

To consider items to be submitted to the 30 January 2020 Council meeting for information.

In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, any Group may specify one further item to be included by notifying the Chief Executive no later than 10am on the eighth working day before the Council meeting at which the report is to be made, or if the Committee meeting take place after this deadline, immediately at the conclusion of the Committee meeting

PART TWO

54 PROCUREMENT OF COUNCIL OWNED SHORT-TERM TEMPORARY ACCOMMODATION – GLADSTONE COURT, HARTINGTON ROAD, BRIGHTON - EXEMPT CATEGORY 3 191 - 194

Report of Interim Executive Director for Housing, Neighbourhoods & Communities.

Contact Officer: Ododo Dafe

Tel: 01273 293201

55 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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FURTHER INFORMATION

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BRIGHTON & HOVE CITY COUNCIL

HOUSING COMMITTEE

4.00pm 13 NOVEMBER 2019

HOVE TOWN HALL - COUNCIL CHAMBER

MINUTES

Present: Councillor Williams (Chair) Brennan (Deputy Chair), Gibson (Opposition Spokesperson), Mears (Group Spokesperson), Atkinson, Barnett, Fowler, Heley, Hugh-Jones and Osborne

PART ONE

17 PROCEDURAL BUSINESS

(a) Declaration of Substitutes:

There were none.

(b) Declarations of Interest:

Councillor Mary Mears declared an interest in item 23 as a trustee of Valley Social Centre.

Councillors Martin Osborne, Nichole Brennan and Gill Williams declared an interest as they are members of ACORN (subject of a deputation being presented to the Housing Committee).

(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.

There were no Part Two items. The Press and Public were not excluded from the discussions of any items on the agenda.

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.

18 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting on 18 September 2019 were accepted as a true record following the minor amendments listed below:

Item 9 Home Purchase Policy Progress Update

18.1 'Councillor David Gibson noted that 40 additional homes have been *achieved* this year.'

Item 10 Evictions from Temporary Accommodation Annual Update

18.2 'Councillor David Gibson noted the 412 units for short term / emergency accommodation and expressed concerns that *welfare officer* support...'

19 CHAIRS COMMUNICATIONS

19.1 *I would like to welcome the Acting Executive Director for Housing, Communities and Neighbourhoods – Pinaki Ghoshal to the Housing Committee.*

Consultation on the Homelessness and Rough Sleeping Strategy is underway. This includes consultation on the adoption of a Homeless Bill of rights. A comprehensive consultation will be key to the development of a strategy. The consultation portal is almost ready to go live, a further update will follow once the go live date is confirmed. I encourage residents to engage with the consultation.

At the next committee there will be a notice of motion about the repeal of s21 of the Housing Act 1988.

20 CALL OVER

20.1 The following items were called for discussion:

24	Community Led Housing – Site Identification Update
25	PRS Selective Licensing Update
26	Private Sector Housing Enforcement Strategy
27	Seniors Housing Review
28	Health & Safety Update
29	Sustainability Measures for New Homes
30	Programme for the Future Delivery of Responsive Repairs and Empty Property Refurbishments, Planned Maintenance and Improvement Programmes, and Major Capital Projects to Council Stock

31	New Homes for Neighborhoods – Procurement of Sports Pavilion
33	Procurement of Short Term and Emergency Temporary Accommodation
34	Re-Procurement of Floating Support Service
35	Procurement of an Outreach Service for People Rough Sleeping
36	Procurement of a 'No Second Night Out' Service Grant Funded by the Ministry of Housing, Communities and Local Government
37	Procurement for the Provision of a 'Somewhere Space to Stay' Service Funded by Grant by the Ministry of Housing Communities and Local Government

The following item was not called for discussion and the recommendations contained therein are therefore approved and adopted:

23	Housing Supply – Items Considered at Policy & Resources on 10 Oct 2019
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21 PUBLIC INVOLVEMENT

(a) Petitions

21.1 None

(b) Written Questions

21.2 Question: from Charles Harrison

Night Shelters: Would you please provide data indicating the total costs of operating each of the night shelters in Brighton and Hove, compared with the number of night beds occupied by the street homeless in each shelter, during the 2018 – 2019 winter period?

21.3 Response from the Chair:

The Council funded a night shelter for the second year at the Syndicate Wing, Brighton Centre over the winter period. The shelter was open every night between Saturday 24 November 2018 and Tuesday 19 March 2019 (inclusive) which is a total of 116 nights.

The purpose of the Night Shelter was to provide a safe space where people who would otherwise be sleeping rough have the opportunity to sleep indoors, access food and have a period of stability in their lives whilst they make the necessary preparations to move into accommodation or treatment services.

BHT managed day-to-day operations at the centre, providing the staffing and logistics support. St Mungo's led on client referrals into the shelter and the work involved in supporting clients to move on from the Night Shelter. The Night Shelter operated from the Syndicate Wing of the Brighton Centre in Russell Road or from St Martin's Church in Lewes Road when the Syndicate Wing was unavailable.

2018/9 total cost was £150,160. This equates to £1294 per night (116 nights open). We will circulate a full breakdown of 2018/19 costs.

The Churches night shelter also ran during this period and we do not have their costs.

The No Second Night Out operated over the winter period (this is open all year round). This accommodated 17 people each night and is run by BHT for people found rough sleeping who are new to rough sleeping and/or new to Brighton and funded by both the MHCLG and the council. For the period 1st November 2018 – end of March 2019. This service cost £152,000.

- 21.4 Supplementary Question: What is the progress and timescales regarding the lack of properties for short term accommodation.

- 21.5 Chair's Response:

The Council will collate a response and write to the enquirer.

- 21.6 Question: from David Thomas

SWEP Question: The Guidance on SWEP from Homeless Link recommends a process "based on empathy for people sleeping rough in severe weather, rather than sticking to a fixed approach". Accordingly, the Council's August 2018 Specification for SWEP, after discussing the set triggers for opening the shelter, adds "The service's primary focus is preventing a loss of life and therefore it will be expected to operate flexibly in times of extreme weather which may pose a risk to the lives of rough sleepers." How many times so far this autumn has SWEP has been operated flexibly when the triggers did not apply?

- 21.7 Response from the Chair:

Brighton & Hove's trigger for SWEP is currently 'feels like' 0 degrees for one night and amber weather warnings. This trigger is in keeping with the Homeless Link guidance which encourages local authorities to go beyond the traditional three consecutive nights at 0 degrees trigger. In winter 2018/19 Homeless Link data showed that 31% of local authorities still offered SWEP at 3 nights at 0 degrees, 24% opened on one night at zero degrees and 28% offered a variety of flexible triggers which included opening on a feels like temperature trigger and opening in response to weather warnings. Brighton & Hove City Council was one of the authorities offering a lower flexible trigger in line with the guidance. 24% of those surveyed also offered some form of winter shelter and Brighton & Hove was one

of the local authorities who offered this provision in the form of the shelter at the Brighton Centre. SWEP has not opened so far this autumn.

- 21.8 Supplementary: We acknowledge that the triggers in the 2018 Specification are low, for which we are grateful. My question is about the discretion to operate SWEP outside the triggers, “in times of extreme weather which may pose a risk to the life of rough sleepers.” There have been a number of severe storms in the last couple of months. On the second of November, there was very severe rain coupled with gale force winds over a long period of time, bringing the sea smashing over the whole width of the esplanade, uprooting trees in the Old Steyn. If that was not extreme weather posing a risk to life, what is?
- 21.9 Response from the Chair:
Brighton & Hove City Council is currently looking at the triggers for SWEP provision in light of the recent storms. The decision to open is based on the Met Office weather forecast as well as the time of the day that the storm is expected. As a local authority we are currently only able to deliver SWEP overnight and not when storms hit during the day. We are however aware of the concerns of the community about the recent storms and the fact that the weather exceeded what we usually experience under a yellow weather warning. The council would obviously like to operate SWEP more flexibly however there are operational and budgetary implications to this which we are currently in the process of examining.
- 21.10 Question: from Barry Hughes
Homeless Bill of Rights:
On 25th July 2019 the Housing Coalition presented a petition to the full Council calling upon the city of Brighton & Hove to adopt the Homeless Bill of Rights. The council welcomed the petition and referred it to the Housing Committee. On 18th September we appeared here to express our concerns. The committee asked for the Executive Director to prepare a report to bring to the next committee to enable them to consider it. The agenda for the committee has been published without any reference to such a report. Winter is upon us. Is this to be further delayed?
- You will remember that last time we were concerned that the statutory consultations on the homelessness and rough sleeper policies was under way. The initial meeting for those consultations took place on 2nd November, and the first part of the meeting was on the Homeless Bill of Rights, which we welcome. What we welcome less is that the participants had been given the wrong version of the document; the English language version, rather poorly translated from the French, on the FEANTSA website; **not** the tweaked and added to version that was launched in this city with the support and participation of FEANTSA on 28th October last year, which was the document referred to in both parties manifestos and in the petition referred to the housing committee. Can the chair assure us that that was a mistake that will not be repeated?
- 21.11 Response from the Chair:

Before reporting back on the adoption of a Homeless Bill of Rights we need to consult. The consultation on the Homeless Bill of Rights is included in the Homelessness and Rough Sleeping Strategy consultation. We are doing this as one consultation as doing two consultations on homelessness so close together could be confusing and also reduce the uptake of either or both of them.

Feedback from the consultation will help inform our strategic approach to adopting a Homeless Bill of Rights, this will be set out in the draft Homelessness and Rough Sleeping Strategy, which is coming back to January's Housing Committee. The final version will be released in March 2020.

As you have pointed out, the initial consultation meeting took place on 2nd November. The participants were provided with Brighton Housing Coalition's Homeless Bill of Rights and the European version which was created by the Federation of National Organisations working with the Homeless. Brighton & Hove Council's consultation portal for the Homelessness and Rough sleeping strategy will link to the Brighton Housing Coalition's version, this will be used at consultation events going forward.

21.12 Supplementary Question: None

21.13 Question: from Dave Croydon

Sustainability Measures for new Homes – Agenda item 29.

I note that, on Agenda item 29, page 185, clause 3.2.3, the Estates Regeneration team, in collaboration with other colleagues, have been considering several initiatives to improve sustainability and carbon emissions standards, to support the Council's 10-year carbon neutral programme. I also note that there is a desire to develop zero carbon homes and improve air quality and well-being.

Would the Council consider adding the adoption of Passivhaus standards for new Council homes to their list of initiatives under review, as many other progressive Councils have demonstrated the benefits of these standards?

21.14 Response from the Chair:

Working to Passivhaus standards, principles and certification are one way of achieving high sustainability standards in homes and will certainly be looked at by the new working group that is proposed to be established in today's committee paper. The effectiveness of Passivhaus has been reinforced by the success of Norwich City Council for winning the Stirling Prize with their Passivhaus certified council homes and Brighton & Hove council officers have been talking to other councils who have delivered homes to Passivhaus standards to see what can be learnt for our own programme. It is likely that a range of options for moving towards zero carbon homes are adopted rather than one standard, but this will be for the working groups to consider and advise upon.

21.15 Supplementary Question:

Other authorities in England are leading on this initiative. How will other stakeholders be involved with Brighton and Hove?

21.16 Response from Chair:

The Council will investigate the matter and respond to the enquirer.

21.17 Question: from David Spafford

HRA Revenue and Capital Budgets:

In the past there has been consultation between resident associations, councillors and Housing officers to study the HRA revenue and capital budgets for the following year. Previously, consultation has started in September, however I would suggest that it is not too late to hold meetings to help inform decisions which will be made by this committee and Policy and Resources Committee in January.

21.18 Response from the Chair:

Thank you for your question.

The budget process is quite detailed, and officers are now finalising budgets for Policy & Resources Committee.

There has been considerable consultation with residents (tenants and leaseholders) that have informed budget decisions. For example, there was recent detailed consultation regarding the insourcing of repairs and maintenance. This forms a significant part of the budget, and the consultation put residents very much at the heart of the council's deliberations in a quest to deliver improved services. There has also previously been consultations with residents on the council's asset management strategy, which will be repeated in the next year or so. More recently residents have also been consulted on their priority areas for improving the public areas of estates. The results informed the budget priorities for the current year and will continue for the next two years.

21.19 Supplementary Question:

The council website used to proclaim that "Resident Involvement is at the heart of everything we do in Housing" on the new site I could not see this worthy claim – does this indicate a change in policy?

21.20 Response from the Chair:

Thank you for your supplementary question and for bringing this to our attention. There has been no change of policy, and we are very much committed to ensuring that residents remain at the heart of what we do. This is demonstrated by, for example, the various consultations I previously mentioned, as well as the high levels of customer satisfaction that residents have fed back in previous surveys. An independent survey of residents is currently underway, and the results will be reported to Area Panels early next year.

(c) Deputations

21.21 Deputation on the Need for Qualifying Long-Term Agreements.

The contract with Mears is a ten-year partnering contract, which will end on 31st March 2020. The council agreed at the September 2018 Housing & New Homes Committee and at October 2018 Policy Resources & Growth Committee to deliver these services in a different way from April 2020. On 1st October 2019 the council issued a Section 20 Notice to leaseholders giving notice to enter into Qualifying Long-Term Agreements for six types of work including roof, window and door replacements; these notices required a response by 4th November 2019. It was also indicated that the intention was to make these agreements for a period of five years with the option to extend by a further two years.

As the decision to deliver these services was taken by this committee in 2018 only this committee can agree to whatever new system is implemented and it therefore seems to us that it is precipitate to have issued these Section 20 notices ahead of Housing Committee consultation and discussion. There are a number of contentious issues in the proposals; the five-year term with the option to extend for two years would take the agreement beyond the life of the current administration. There is also an argument for selecting more than one supplier for the range of services described.

We are advised that there is no statutory need for the council to use the procedures for Long Term arrangements and that prior to the Commonhold & Leasehold Reform Act of 2002 these did not exist. The QLTA procedures were introduced as an alternative not a requirement.

This deputation argues that the proposal to introduce these QLTAs should be abandoned and the Section 20 notices withdrawn, we also wish to see the matter debated by Housing Committee with a view to shortening the length of contracts given to suppliers and that monitoring procedures and accountability of all contractors should be improved.

Barry Hughes BN2 3GE

David Croydon, BN42 4LA

Jane Thorp BN2 9WE

David Spafford BN2 1SR

Charlotte Rogers BN2 0GH

Nic Bowker BN2 3RQ

21.22 Response from the Chair:

Prior to the committee decisions last year, extensive consultation with tenants and leaseholders took place to inform the way services would be delivered following the end of the Mears contract. This included workshops with residents, over 1,000 door-to-door surveys, and an online and postal survey.

The council has also recently appointed a new leasehold liaison officer following feedback from leaseholders around improving communication and consultation.

In the new arrangements, we are moving from a 10-year contract with one contractor, to 5-year contracts with 3-7 contractors. A 5-year contract provides good value for money as the costs of services are locked into the length of the contract and allows the council to build a relationship with the contractor.

Consistency of approach, materials and service levels is more achievable when working with one supplier for each work type. Having multiple contractors per lot would increase the costs of delivering and managing the works, and we need to consider the impact on all residents of any increase in costs. For example, the transition from two gas contracts in the city to one contract covering the whole city in 2016 delivered savings in excess of £500,000 per annum and enabled the council to focus resources on improving service delivery for residents.

The council will be responsible for quality assuring the works undertaken under all of these contracts. The service will have teams focused on the management of each work area and technical staff project managing each lot or project. Key performance indicators are included in the tender documents which will form part of the performance management of the contractors, and break clauses are also being put into the contracts.

Leaseholders and tenants have given valuable feedback in this area which officers have used to develop these proposals and to plan for the future management of contracts. There will be further consultations with individual leaseholders where works are proposed to blocks where any individual leaseholder's share of the cost exceeds £250. There is also a range of financial options that the council offers to support leaseholders with high cost works.

The council is keen to build on the resident engagement undertaken throughout this process and ensure this remains central to how we manage contractors and delivery of works in the future. We have established a resident task and finish group focused on setting up these arrangements and, in the coming months, will be working to set up an ongoing structure for tenants and leaseholders to be actively involved in the management of these contracts.

21.23 ACORN Brighton Minimum Standards for Landlords Charter.

Summary: ACORN the union have produced a Minimum Standards for Brighton Landlords Charter for Brighton and Hove City Council to use as guidance for future housing policy.

This charter was written by ACORN Brighton members who have consulted hundreds of renters across the city including at our 'Big Renters Meeting'. The final draft of this charter was then voted on and approved at our Annual General Meeting on November 2, 2019.

This charter includes recommendations for affordable rents, tenancy length and fair evictions, repairs and maintenances and guidance on avoiding discrimination.

ACORN Brighton will call upon councillors to commit to using this charter to guide future housing policy.

This charter has been sent to all councillors on the committee and can be viewed here: <https://tinyurl.com/acornlandlordscharter>

About ACORN: ACORN is a community union representing thousands of renters across the UK. Our Brighton branch was launched in February 2018 and since then has won successive campaigns against rogue landlords in Brighton. You can find further information on ACORN at <https://acorntheunion.org.uk/> or contact the Brighton branch at brighton@acorncommunities.org.uk.

21.24 Response from the Chair:

The Committee noted the deputation.

22 ISSUES RAISED BY MEMBERS

To consider the following matters raised by councillors:

(a) Petitions:

22.1 No petitions were received;

(b) Written Questions: One written question was received;

22.2 Councillor David Gibson asks: Please can you provide a table for the period from 1st May to 1st November 2019 showing the numbers of council homes bought or built and let to tenants from:

- a) the hidden homes programme,
- b) new build completions and
- c) home purchase programme

And for each of these programmes indicate the numbers let at social rents, 27.5% Living wage rents, 37.5% living wage rents and Local Housing Allowance rates that have been charged.

22.3 As of the 1st November 2019 how many council homes had been sold under the right to buy?

22.4 Response from the Chair

Homes Bought - 25

Homes Built – 17 Kensington Street and Hidden Homes

Sold under RTB - 18

	LHA rents*	37.5% LW rents	27.5% LW rents	Social rents
Homes Bought	7	16	2	0
Homes Built	12	0	0	5

*This includes properties let at LHA TA rates

(C) Letters:

22.5 One Letter was received.

Dear Geoff Raw,

I am submitting the following letter under Council Procedure Rule 23.3 to be included on the agenda for the Housing Committee meeting of 13th November 2019.

In light of this Council's commitment to achieve net zero carbon emissions by 2030 and given the imminent end of the Mears repairs contract for council properties, I wish to call for a review of planned maintenance contracts and a move towards greater conservation of financial and material resources.

A report to the Housing & New Homes committee in June 2018 detailed the outcomes of an independent review of the Term Partnering Contract with Mears carried out by consultants 31ten. The review identified that "it is widely acknowledged that the partnership worked very well *in the early years* and that an improved service was being provided, at a reduced cost and that Decent Homes standard was exceeded across the housing stock..."

From discussions with leaseholders and tenants, it is clear that, more recently, there have been serious problems with the Mears contract, including lack of consultation, overcharging and, in some instances, works that tenants and leaseholders regarded as wholly *unnecessary*. It seems the focus has been on replacement (e.g. of all the windows in a particular block or of door entry systems) rather than conservation, and, where there was no option but to replace, the tendency was towards wholesale - not selective - replacement. The Knightguard contract has been a particular issue here as, where the Knightguard arrangement has been circumvented, residents have seen door entry systems repaired. On the other hand, where Knightguard has been involved, entry systems have been removed, in some cases leaving blocks with no effective door entry system for weeks or even months, while the replacement systems have not always been appropriate for the particular block, so have in turn needed to be replaced. This cannot be an effective use of public funds.

Given the transfer to a new system in April 2020 the Council now has an opportunity to address this problem and to ensure its default position is, in the first instance, to maintain Council properties and fittings, such as entry systems, doors, lifts etc., rather than replacing them i.e. to move away from planned works towards keeping repair logs. This should generate savings for the Council's general housing account, the housing revenue account and the environment alike.

I therefore call upon the Council to commission a review into the relative merits of effective maintenance compared with replacement so that members can make an informed decision in due course. While I understand there are economies of scale when purchasing e.g. windows for an entire block, or several blocks,

compared with purchasing individual windows on an ad hoc basis, we need an evaluation of whether such economies of scale really do represent savings given the work that genuinely needs to be done, and of the environmental impact of such an approach.

Yours sincerely,
Councillor Siriol Hugh-Jones

22.6 Response from the Chair

The council carried out significant consultation and engagement with residents in the initial proposals for the new services and continues to engage via the Task and Finish group in preparing for the new services.

Feedback from consultation helped us to develop a set of clear strategic objectives for the future delivery of the services. These objectives include ‘a strong focus on the pro-active maintenance of existing assets’, and ‘increased transparency, control and accountability around cost, programme information and quality assurance’.

These objectives have helped shape the decisions for the services going forward. One of the differences between the current arrangements with Mears and the new arrangements from April 2020 will be the separation of repairs and replacement works. Repairs will be carried out by the council in-house repairs team and planned replacement works will be through contractors.

The council will also be responsible for specifying, tendering and quality control on all works, with Customer Service and Quality Assurance functions also being delivered directly by the council.

The council is currently carrying out a stock condition survey to help us plan for future maintenance and improvement works. Approximately 40,000 repairs are carried out annually, and any replacement works will be evaluated on a case by case basis to ensure that only necessary works are completed in order to improve and maintain the quality of homes and neighbourhoods.

The council will continue to work closely with residents through the Task and Finish Group and our Home Service Improvement Group around delivering the objectives above including that strong focus on pro-active maintenance.

(d) Notices of Motion:

22.7 No Notices of Motion were received.

23 HOUSING SUPPLY - ITEMS CONSIDERED AT POLICY & RESOURCES ON 10 OCTOBER 2019

23.1 The Committee notes the decisions for items 60, 62 and 63 made at Policy & Resources Committee on 10 October 2019 (attached at appendix 1).

24 COMMUNITY LED HOUSING - SITE IDENTIFICATION UPDATE

- 24.1 The Committee considered the report presented by Emma Kumar.
- 24.2 Brighton & Hove has a well-established and active community housing sector and a history of community housing schemes. The city's Housing Strategy, Fairness Commission Report and City Plan recognise and confirm the council's commitment to community led housing in the city highlighting its importance in helping to meet a key priority of improving housing supply in the city.
- 24.3 The Housing Committee Work Plan 2019-23 agreed at Housing Committee on 18 September 2019 includes a commitment to community led housing in the city and identifies that a report will be brought to this committee identifying suitable sites to work in partnership with the Brighton & Hove Community Land Trust for development. The report is to provide an update on progress with site identification.
- 24.4 Councillor Siriol Hugh-Jones noted that there were a number of exciting projects across the country. The Councillor was informed that Community Land Trust champions are in place and looking at incentives.
- 24.5 Councillor David Gibson noted that developments of self builds were a good idea with below commercial market rates. The Councillor noted that revolving loan funds in other areas of the country worked well and felt that they should be tried in Brighton and Hove. The regular monthly meetings with the Council and BHCLT were a good idea.
- 24.6 Councillor Mary Mears commented that the review of loans through the Public Works Loan Board should be supported.
- 24.7 **Resolved:** The Housing Committee notes the progress to date with identifying sites for community led housing in the city.

25 PRS SELECTIVE LICENSING UPDATE

- 25.1 The Committee considered the report presented by Sylvia Peckham.
- 25.2 Following a report to Housing & New Homes Committee on 13 March 2019, this report is to further update members by outlining the current position in considering taking forward a smaller-scale selective licensing scheme for private rented housing in the City. This would primarily cover properties occupied by single-family units. It would not cover Houses in Multiple Occupation that are currently licensed under the National or Additional HMO Licensing Schemes.
- 25.3 Councillor Martin Osborne was informed that the Secretary of State withdrew approval for the previous scheme to designate 12 wards in the city as subject to selective licensing. A smaller scheme with a focus on specific areas where there are indications of poor standards is being explored. The Councillor considered that a standards level should be considered across the country.
- 25.4 Councillor Theresa Fowler welcomed the initiative.

- 25.5 **Resolved:** The Committee notes the current position and that there is a lot more work to be undertaken with the aim to bring a report to Housing Committee updating on the strength of the evidence to support a scheme in March 2020.

26 PRIVATE SECTOR HOUSING ENFORCEMENT STRATEGY

- 26.1 The Committee considered the report presented by Sylvia Peckham.
- 26.2 Recent legislative changes have introduced new powers to tackle private sector landlords who do not maintain their privately rented properties to a safe, secure and warm standard. The Council is required to have regard to the Regulators' Code when regulating private rented housing standards, which came into force 6th April 2014 under the Legislative and Regulatory Reform Act 2006. This provides a clear, flexible and principles-based framework for how regulators should engage with those they regulate.
- 26.3 A Private Sector Housing Enforcement Policy has been developed to reflect these changes and detail how the council will regulate standards and tackle empty homes. The Enforcement Policy will enable consistency of approach and sets out what residents can expect from the service. The policy also contains a process for appeal against enforcement action and/or or legal proceedings.
- 26.4 Councillor Peter Atkinson stressed the need for partnership working with landlords in the city and thanked ACORN for their work. The Councillor was informed that alternative options to prosecution were always sought and legal advice taken in each case. It was noted where overcrowding is an issue, the fitness for habitation statutory guidance is used. The Council can offer support. Legal advice is also sought in each case. The Councillor was informed that licensing fund and the general fund support staffing. If more enforcement action is to be taken, then more funds would be required. The Councillor noted that s21 was to be repealed by the Government.
- 26.5 Councillor David Gibson was informed that at the triage stage the numbers are levelling and staying the same as the previous year. Any changes will be reviewed later, when and if needed.
- 26.6 Councillor Mary Mears was informed that the number of enforcement officers did not include the field officers.
- 26.7 Councillor Siriol Hugh-Jones received confirmation that the highest charge for a landlord who was culpable was £30,000.
- 26.8 Councillor Martin Osborne commented that they felt that tenants in the private rented sector may not know the Council can offer help and support. The Councillor was informed that, in order to reach out to tenants, the website has been changed to be more user friendly. Tenants are now able to submit photographs as part of their query. Moving forward, other ideas will be discussed. It was noted that social media is not widely used at the present time, this may change in the future. It was noted that a review of the monitoring will be reported to the Chair for the next meeting. The Rogue Landlord's data base is generally avoided with a preference to negotiate a situation. Landlords can be added to the nationwide data base who are given a banning order or convicted of certain offences.

26.9 Resolved:

1. The Housing Committee approves the Enforcement Policy, including the approach to fees, charges and fines charges and methods of debt recovery.
2. The Housing Committee notes that procedures will be devised, and the policy implemented from April 2020.
3. The Committee agrees the approach to fees, charges and fines, along with indicative amounts. These will be kept under review and if significant changes are considered necessary, these will be brought back to Committee.

27 SENIORS HOUSING REVIEW

- 27.1 The Committee considered the report presented by Peter Huntbach.
- 27.2 To report on the findings of the seniors housing review agreed at Housing Committee in November 2018 and for the recommendations of this review to be agreed.
- 27.3 Councillor Mary Mears commented that they felt that pets were needed by seniors to support wellbeing and that pets should be kept to private units not communal areas. It was noted that some schemes do allow pets, and the benefits to seniors were clear. Communal gardens were also supportive of wellbeing.
- 27.4 Councillor Dawn Barnett noted that Churchill House, Hangleton Road, Hove, would benefit from renovations to support seniors. Access could be improved generally, ramps to access bins and mobility scooter storage area would be helpful. It was noted that access needed focus, along with scooter storage. It was also noted that seniors want to stay in neighbourhoods they know and understand.
- 27.5 Councillor Peter Atkinson supported improvement schemes as positives for senior living.
- 27.6 Councillor David Gibson was informed that the quality of the housing stock needs to be improved. A number of studio apartments have been altered to small one beds. Some of the remaining studios have been a challenge for senior living.
- 27.7 Councillor Siriol Hugh-Jones was informed that the new ideas on how to improve housing stock were being encouraged. A large number of seniors live alone in larger accommodation and could move the smaller units to release properties to others. Seniors have been shown alternatives to current living at Out Reach events held across the city. More seniors are to be encouraged to consider smaller accommodations.
- 27.8 Councillor Nichole Brennan noted that seniors in private rented accommodation also need support.
- 27.9 **Resolved:**
 1. The Housing Committee agrees the overarching design standards proposed by Design South East.

2. The Housing Committee agrees the solutions for removing barriers to letting seniors housing properties.
3. The Housing Committee agrees the proposals for Burwash Lodge outlined in section 9 of this report.
4. The Housing Committee agrees for further reports on any proposals to be considered on a case-by-case basis.

28 HEALTH & SAFETY UPDATE

- 28.1 The Committee considered the report presented by Glyn Huelin.
- 28.2 The report updated the Housing Committee on Health and Safety in key areas for council housing stock. The report included updates on fire doors, large panel system-built blocks and other items identified by central government.
- 28.3 Councillor Mary Mears was informed that the East Sussex Fire & Rescue Service report into the fire on Pankhurst Avenue will investigate the reasons for the fire and the actions taken.
- 28.4 Councillor David Gibson was informed that once the report by the East Sussex Fire & Rescue Service has been completed, the Members will be informed.
- 28.5 The Chair, Councillor Gill Williams, wanted to express her support for the Pankhurst Avenue residents affected by the fire. This was reiterated by all the committee Members.
- 28.6 **Resolved:**
1. The Housing Committee notes the contents of this report.
 2. The Housing Committee notes that any recommendations arising from the Grenfell Tower Inquiry and / or the Pankhurst Avenue fire investigation, to improve the health and safety and fire safety of our homes, will be brought forward to a future Committee.

29 SUSTAINABILITY MEASURES FOR NEW HOMES

- 29.1 The Committee considered the report presented by Nick Fishlock and Sam Smith.
- 29.2 The paper reviews the relationship between the Council's commitment to develop a 10-year carbon neutral programme, which will include an engagement plan and a Citizens' Assembly and the council's delivery of new council homes.
- 29.3 The report covers the policy context, current standards and progress to date in relation to housing and environmental sustainability; examines the opportunities, risks, challenges of developing zero carbon homes; and proposes key actions and milestones to delivering zero carbon homes by 2030.

- 29.4 Councillor Peter Atkinson was informed that modern methods of construction were being investigated, including modular systems.
- 29.5 Councillor Siriol Hugh-Jones was informed to achieve wider engagement, the working group are reaching out. Contentious issues are reported back to the group to discuss.
- 29.6 Councillor Mary Mears noted that in previous years the same issues had been reported and did not want to go around in circles. The Member was reassured that the Council was working towards the zero-carbon standard.
- 29.7 Councillor Dawn Barnett was informed that newly installed solar panels on roofs were equipped with netting to prevent birds, and other animals, nesting under the panel.

29.8 **Resolved:**

1. The Committee notes the progress to date.
2. The Committee agrees to the establishment of working group on Zero Carbon Homes based on the terms of reference, contained in Appendix 1.

30 PROGRAMME FOR THE FUTURE DELIVERY OF RESPONSIVE REPAIRS AND EMPTY PROPERTY REFURBISHMENTS, PLANNED MAINTENANCE AND IMPROVEMENT PROGRAMMES, AND MAJOR CAPITAL PROJECTS TO COUNCIL HOUSING STOCK

- 30.1 The Committee considered the report presented by David Canham.
- 30.2 The report updated the committee on the progress of the programme to set up the future delivery of responsive repairs, empty property refurbishments, planned maintenance and improvement programmes, and major capital projects to council housing stock post April 2020.
- 30.3 Councillor Mary Mears felt that the background to the report was important for the committee to understand. The information gained at the workshop will be circulated. It was noted that timescales were tight and extra resources would be needed.
- 30.4 Councillor Siriol Hugh-Jones welcomed the new system to be introduced in April 2020. It was noted that the consultations have taken place with more in the new year. The process started about a year ago, with dialogue and meetings before that. The Council is willing to meet and listen to residents and to explain the new contract. Any complex enquires will be investigated before responding.
- 30.5 Councillor Peter Atkinson was informed that local contractors would be included in the bidding process and residents would be involved in any decisions.
- 30.6 **Resolved:**
1. The Committee notes the progress with the programme which is outlined in the body of this report.

31 NEW HOMES FOR NEIGHBOURHOODS - PROCUREMENT OF SPORTS PAVILION

- 31.1 The Committee considered the report presented by Sam Smith for Jo Thompson.
- 31.2 In November 2018, Housing & New Homes Committee approved a budget of £12.914m for the construction of 45 new council homes as well as a Sports Pavilion to be delivered through the council's City Build Construction Partnership with Morgan Sindall.
- 31.3 The council's Quantity Surveyors (Potter Raper) have carried out an independent review of Morgan Sindall's order of costs for the Sports Pavilion. These latest costs have exceeded the budget approved by Housing Committee for the delivery of the Sports Pavilion. This is not unexpected since the project is smaller than would normally be undertaken by the Partnership. As such, Potter Raper are unable to recommend Best Value and have advised that the council tests the market by exploring a different procurement route for the delivery of this project.
- 31.4 This report explains the procurement pathway which has been chosen for the project and outlines the reasons why.
- 31.5 Councillor Peter Atkinson noted that the local bowls club were keen to see the conclusion of the project and was informed that the Council are also keen to move forward. It was also noted that the procurement process had delayed the scheme slightly.
- 31.6 **Resolved:**
1. The Committee notes the reasons why Urgency Powers were exercised by the Executive Director for Neighbourhoods, Communities and Housing and Head of Legal Services to use a different procurement route to the one agreed by Housing Committee on 14 November 2018;
 2. The Committee agrees to delegate authority to the Executive Director for Neighbourhoods, Communities and Housing and Head of Legal Services to procure and award a contract under a suitable framework or through an open procurement process.

32 PRESENTATION BY ADULT SOCIAL CARE**33 PROCUREMENT OF SHORT TERM AND EMERGENCY TEMPORARY ACCOMMODATION**

- 33.1 The Committee considered the report presented by Sylvia Peckham.
- 33.2 Over the next five years, the council are planning to change the model of Temporary Accommodation (TA) provision to reduce the ratio of short term and emergency temporary accommodation to longer-term leased accommodation and to provide more council owned short-term accommodation. Overall, the council plan is to reduce the use of TA over the next 5 years.

- 33.3 However, there will be a continuing requirement for emergency accommodation for the short to medium term. Officers are therefore proposing to set up a new Dynamic Purchasing System (DPS) to provide a compliant route to market for short-term and emergency temporary accommodation, managed on behalf of the council for homeless households under statutory duties. The DPS would be a backup in case it takes longer to reduce down TA and/or buy accommodation, so the council is not exposed to risks of non-provision and have to rely on spot purchasing B&B style accommodation.
- 33.4 In 2012, the Council developed two Framework Agreements and a Dynamic Purchasing System for the provision of short term and emergency temporary accommodation managed on our behalf. This accommodation is for those households that we have an accommodation duty toward, either under the homelessness legislation; the Care Act or Children Act. These procurement systems have now expired and so the Council needs to develop a new mechanism to procure accommodation.
- 33.5 Under the above systems, the Council awarded individual contracts for the provision of 422 units of accommodation. The individual current contracts are due to expire between 2020 and 2022.
- 33.6 The purpose of this report is to provide an update of procurement options and to seek approval for the re-procurement of managed short term and emergency temporary accommodation; and to recommend this re-procurement to Policy & Resources Committee. Members should note that there are significant financial implications to recommending the level of service in Option 2 as outlined in section 7.
- 33.7 Councillor Mary Mears stated that they did not support the report, were nervous about the system and would prefer to see how contracts have worked. Any debate seemed pointless. Councillor Mears was informed that there are two options for DPS at this stage. The second option would allow units to be delivered when needed.
- 33.8 The Chair, Councillor Gill Williams stated they appreciated comments.
- 33.9 Councillor David Gibson was informed that contracts can be flexible, and more funds would result in more units.
- 33.10 Councillor David Gibson noted that the quality of life is very important.
- 33.11 Councillor Siriol Hugh-Jones noted that accommodation needs to be used wisely.
- 33.12 Councillor Amy Heley proposed an amendment to the recommendations seconded by Councillor Nichole Brennan.
- 33.13 Sylvia Peckham confirmed the finance comments on the amendment.
- 33.14 Councillor Mary Mears felt the amendment was bizarre and not thought through.
- 33.15 The amendment was accepted as proposed.
- 33.16 **Resolved:** The Recommendations as amended were:

The Housing Committee recommends that Policy & Resources Committee be recommended to:

1. Agree to procure short term and emergency temporary accommodation via a new dynamic purchasing system (DPS);
2. Agree that option 2 as set out in paragraph 3.9 should be used to develop the specification for the DPS. This service level is anticipated to create a minimum budget pressure of £0.300m requiring a funding commitment within the 2020/21 General Fund budget. If this exceeds available resources following announcement of the Local Government Financial Settlement, this would require equivalent savings from elsewhere across General Fund services;
3. Notes the indicative numbers of short term and emergency temporary accommodation units required in each year as shown in the table in Appendix 1;
4. Delegates authority to the Executive Director of Housing, Neighbourhoods and Communities in consultation with the Director of Finance & Resources, to:
 - (i) Procure and award the DPS referred to in 2.1 with a duration of up to four (4) years; and
 - (ii) Award and enter into call-off contracts under the DPS referred to in 2.1.

34 RE- PROCUREMENT OF FLOATING SUPPORT SERVICE

- 34.1 The Committee considered the report presented by Jenny Knight.
- 34.2 The report was presented in order to request that the authority tender a support service for homeless people transitioning into independent accommodation from supported accommodation and for people who require support to maintain an independent tenancy.
- 34.3 The council currently contracts with Southdown for the provision of the following services:
- Southdown Generic Floating Support Service;
 - Southdown Floating Support Service for those with Mental Health Needs;
 - Young Peoples' Floating Support for those in Independent Accommodation;
- The contract for these services expires on 30 September 2020.
- 34.4 Councillor Peter Atkinson was informed that in transition the Southdown Floating Support service is open to occupiers of independent accommodation and that Social Services talked to Housing to ensure both teams were not working on the same case at the same time.
- 34.5 Councillor David Gibson welcomed the outcome information in the report and proposed that the report came back to the Housing Committee annually to ensure a flow of information. Councillor Nichole Brennan seconded the motion to change recommendation 1 (ii) to read: to approve an extension to the contract referred to in

2.1(i) for a period or periods of up to two years in total if it is deemed appropriate *by the Housing Committee* and subject to available budget.

34.6 Councillor Siriol Hugh-Jones proposed, and Councillor Theresa Fowler seconded the motion to alter recommendation 1 (iii) to read: to report back to Housing Committee *annually* the progress and outcomes of this service.

34.7 The additional wording was approved by all Members of the committee.

34.8 **Resolved:**

1. That the Committee grants delegated authority to the Executive Director of Health & Adult Social Care (HASC) to take all necessary steps to:

(i) procure and award a contract for Five (5) years for the provision of a floating support service to the maximum value of £390,000.00 per annum,

(ii) to approve an extension to the contract referred to in 2.1(i) for a period or periods of up to two years in total if it is deemed appropriate by the Housing Committee and subject to available budget.

(iii) to report back to Housing Committee annually the progress and outcomes of this service.

2. The Committee is requested to note that this report was considered by the Procurement Advisory Board on 14th October 2019. The Board recommended that some additional information be included in the paper, this has been done and the paper is taken to Housing Committee for a decision.

35 PROCUREMENT OF AN OUTREACH SERVICE FOR PEOPLE ROUGH SLEEPING

35.1 The Committee considered the report presented by Jenny Knight.

35.2 The report sought the approval of the Housing Committee for a competitive procurement, by tender, for a contract for the provision of a rough sleeping street outreach service in Brighton & Hove.

35.3 This is an assertive outreach service to engage with people rough sleeping in the city, to carry out comprehensive assessments, to assess support needs and local connection and move rough sleepers into accommodation. This is the only service we commission which is demand driven. There is no cap on the number of people the service works with. The current contract with St Mungos is in place until 30th September 2020.

35.4 This report was presented at Procurement Advisory Board on 14th October 2019, where approval was given for the paper to be referred to Housing Committee for a decision. Additional information requested by PAB has been included in the report.

35.5 Councillor Mary Mears noted that the Green / Labour amendment removed the financial information attached to the 2.1 (i) recommendation and this would be needed in order to

make a decision on the amendment. As it stood, Councillor Mears would be unable to vote on the amendment.

35.6 Councillor Amy Heley commented as the proposer of the amendment, with Councillor Nichole Brennan, that the Policy & Resources Committee report would have the costs information and P&R Committee would make the final decision.

35.7 A vote was held on the recommendations and the proposed amendments:

- (i) procure and award a contract for five (5) years for the provision of a 7 day per week street outreach service for rough sleepers *subject to Policy & Resources Committee decision on allocations and resources;*

7 For and 2 Abstentions.

- (ii) with the potential for adding the staffing and management of severe weather provision for rough sleepers;

7 For and 2 Abstentions.

- (iii) to approve an extension to the contract referred to in 2.1(i) for a period or periods of up to two years in total if it is deemed appropriate *by the Housing Committee* and subject to available budget; and

7 For and 2 Abstentions.

- (iv) to report back to Housing Committee *annually* the progress and outcomes of this service.

7 For and 2 Abstentions.

35.8 The recommendations and amendments were accepted by a majority vote.

35.9 **Resolved:** The Committee grants delegated authority to the Executive Director of Health & Adult Social Care (HASC) to take all necessary steps to:

- (i) procure and award a contract for five (5) years for the provision of a 7 day per week street outreach service for rough sleepers' subject to Policy & Resources Committee decision on allocations and resources;
- (ii) with the potential for adding the staffing and management of severe weather provision for rough sleepers;
- (iii) to approve an extension to the contract referred to in 2.1(i) for a period or periods of up to two years in total if it is deemed appropriate by the Housing Committee and subject to available budget; and
- (iv) to report back to Housing Committee annually the progress and outcomes of this service.

36 PROCUREMENT OF A 'NO SECOND NIGHT OUT' SERVICE GRANT FUNDED BY THE MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

- 36.1 The Committee considered the report presented by Jenny Knight.
- 36.2 The paper outlined a proposal to procure a provider to manage a 'No Second Night Out' hub should grant funding be obtained externally to support such a service for a period which corresponds with the grant award or other identified funding.
- 36.3 The 'No Second Night Out' service is an accommodation-based service for people who are new to rough sleeping, who are identified by the street outreach team and referred to the service to move them off the streets swiftly.
- 36.4 Councillor David Gibson proposed that the recommendations be changed to accommodate the request for information to be submitted to the Housing Committee. Councillor Theresa Fowler seconded the proposal.
- 36.5 The Committee accepted the recommendations and amendments.

36.6 Resolved:

1. The Committee grants delegated authority to the Executive Director of Health & Adult Social Care (HASC) to take all necessary steps to:
 - (i) procure and award a contract for 2 (2) years for the provision of a No Second Night Out Assessment Service for people new to rough sleeping to the value of £360,000 per annum,
 - (ii) to approve an extension to the contract referred to in 2.2(i) for a period or periods of up to two years in total if it is deemed appropriate by the Housing Committee and subject to available budget/grant funding.
2. The Committee is requested to note that this report was considered by the Procurement Advisory Board on 14th October 2019. The Board recommended that the paper is taken to Housing Committee for a decision;
3. To report back to Housing Committee annually the progress and outcomes of this service.

37 PROCURMENT FOR THE PROVISION OF A "SOMEWHERE SAFE TO STAY" SERVICE FUNDED BY GRANT BY THE MINISTRY OF HOUSING COMMUNITIES AND LOCAL GOVERNMENT

- 37.1 The Committee considered the report presented by Jenny Knight.
- 37.2 The 'No First Night Out' service 'Somewhere Safe to Stay' opened in March 2019 following a successful grant application for this purpose to the Ministry of Housing, Communities & Local Government.
- 37.3 The contract with the current provider St Mungos expires at the end of March 2020.

- 37.4 The report sought the authority to secure, by way of competitive tender, a provider to continue to deliver the 'No First Night Out Service' which will assist those at risk of rough sleeping into accommodation.
- 37.5 Councillor Mary Mears was informed that any grant funding would be known about early next year.
- 37.6 Councillor David Gibson, seconded by Councillor Theresa Fowler, proposed to amend the recommendations to allow information to flow back to the Housing Committee.
- 37.7 A vote was held to accept the recommendations and the proposed amendments:
- (i) All agreed.
 - (ii) to approve an extension to the contract referred to in 2.1(i) for a period or periods of up to two years in total if it is deemed appropriate *by the Housing Committee* and subject to available budget/grant funding. All agreed.
 - (iii) to report back to Housing Committee annually the progress and outcomes of this service. All agreed.
- 37.8 The Committee accepted the recommendations as amended.

37.9 Resolved:

1. The Housing Committee grants delegated authority to the Executive Director of Health & Adult Social Care (HASC) on confirmation of funding to take all necessary steps to:
 - (i) procure and award a contract for two (2) years to the value of £860,000 per annum or to the level of the available funding for the provision of a No First Night Out Service for adults at risk of rough sleeping.
 - (ii) to approve an extension to the contract referred to in 2.1(i) for a period or periods of up to two years in total if it is deemed appropriate by the Housing Committee and subject to available budget/grant funding.
 - (iii) to report back to Housing Committee annually the progress and outcomes of this service.

38 ITEMS REFERRED FOR FULL COUNCIL

- 38.1 There were no items referred to Full Council.

The meeting concluded at 7.40pm

Signed

Chair

Dated this

day of

Subject:	Housing Revenue Account Budget & Capital Investment Programme 2020/21 and Medium Term Financial Strategy		
Date of Meeting:	15 January 2020 13 February 2020 – Policy & Resources Committee 27 February 2020 – Budget Council		
Report of:	Executive Director for Finance & Resources Executive Director for Housing, Neighbourhoods & Communities		
Contact Officer:	Name:	Monica Brooks Martin Reid	Tel: 01273 29-2279 01273 29-3321
	Email:	Monica.brooks@brighton-hove.gov.uk Martin.Reid@brighton-hove.gov.uk	
Ward(s) affected:	All		

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 2020/21 as required by the Local Government & Housing Act 1989. Members are required to consider the revenue budget proposals including re-investments (service pressures) and changes to rents, fees and charges and also the capital programme. This report also sets out the Medium-Term Financial Strategy and a 30 year financial forecast.
- 1.2 The HRA contains the income and expenditure relating to the council's social landlord duties covering approximately 11,500 rented properties and 2,900 leasehold properties. The income and expenditure relating to these properties, including rent rebates, is accounted for separately from the council's other services and activities which form part of the council's General Fund.

2 RECOMMENDATIONS:**That the Housing Committee approves:**

- 2.1 That a rent increase of up to 2.7% in line with government legislation as detailed in paragraph 4.11 of the report be approved;
- 2.2 That service charges and fees as detailed in Appendix 3 to the report be approved;
- 2.3 That the contribution to Youth Services from the HRA will continue with the addition of inflation at a total cost of £0.255m in 2020/21 be noted;

- 2.4 That the proposal to set up a capital reserve of £2.900m for use in 2021/22 as discussed in paragraph 4.9 of the report be noted;
- 2.5 That the proposal to set up a new Rent Reduction Reserve for £1.010m (see paragraph 4.10 of the report) be noted;
- 2.6 That the current HRA forecast outturn for 2019/20 in Appendix 1 to the report of £0.200m underspend be noted; and
- 2.7 That the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 5 to the report be noted; and

That Housing Committee approves and recommends to Policy & Resources Committee:

- 2.8 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be agreed and recommended to full Council for approval;
- 2.9 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and notes the 3-year programme as set out in Appendix 4 to the report and recommended to full Council for approval; and
- 2.10 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

That Full Council:

- 2.11 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be approved;
- 2.12 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and the 3-year programme as set out in Appendix 4 to the report be noted; and
- 2.13 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

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 council's Housing Strategy, HRA Asset Management Strategy and the Housing Committee's priorities and work plan 2019-23 which sets out the overall direction for Housing in the city over a 4-year period.
- 3.2 The Budget Strategy also reflects the council's decisions for the future delivery of customer service; quality assurance, responsive repairs and empty property refurbishments, planned maintenance and improvement programmes, and major capital projects to council housing stock following the expiry of the current contractual arrangements in March 2020.

Housing Committee Priorities and Work Plan – 2019-23

- 3.3 The priorities and work plan for the Housing Committee and Housing service for the next four years was agreed in September 2019 in order to inform future reporting to Committee on: key areas of officer focus and delivery; budget strategy, asset review, investment plans and resource allocation; resident engagement and formal consultation; engagement and consultation with partners and key stakeholders. Key elements of the Work Plan in relation to the Housing Revenue Account Budget & Capital Investment Programme 2020/21 include:

Providing additional affordable Homes

- Develop 800 additional council homes.
- Review the rent policy to maximise the number of council homes replaced at social or living wage rents
- Develop the existing Hidden Homes strategy.

Achieving carbon reductions and sustainability in housing including addressing fuel poverty

- Develop an action plan to set out how we will work collaboratively to ensure housing contributes to making the city carbon neutral by 2030.
- Develop a new photo voltaic (PV) and energy efficiency strategy for council homes to include standards for new homes.

Improving council housing and community involvement

- Work with tenants to develop a 'decent environment' standard
- Develop a fire safety programme in conjunction with tenants and residents

- 3.4 The Housing Strategy priorities included in developing the HRA Revenue Budget and Capital Programme are:

Priority 1: Improving Housing Supply

Respond to the opportunities to increase housing supply following the lifting of the HRA borrowing cap, including additional resources agreed towards an enhanced cross-directorate housing delivery team to drive projects forward and deliver 800 additional council homes within 4 years, including:

- Continue the 'New Homes for Neighbourhoods' programme. The programme has been successful and since summer 2015 has completed 184 new council homes in 12 projects. It has sites currently identified for a total of around 570 homes.
- Maintain and enhance our Hidden Homes programme to refurbish and convert under used or unused spaces within existing council stock into new homes. Nine new homes have been delivered to date, with a further 11 due to be delivered in 2019/20 - five on the Bristol Estate, three at Swallow Court, two at Elwyn Jones Court and one at Woods House. Planning permission has also been granted for a further three homes at Manor Road, Whitehawk. A pipeline of potential sites has been developed to deliver approximately 30 units until 2023.

- Continue to create a supply of council owned temporary accommodation allowing the council to achieve savings against the costs of procuring more expensive accommodation from the private market either through existing frameworks or spot purchase. The conversion of Stonehurst Court provided ten family units this summer with 12 additional units to be provided at the former Oxford Street Housing Office. The property purchase and refurbishment at Tilbury Place has also created 15 new units of temporary accommodation. New opportunities continue to be assessed to increase the provision of council owned temporary and emergency accommodation.
- Continuation of the Home Purchase Policy buy back scheme which has so far allowed the council to buy 43 properties with a further 15 going through the sales process, and other applications being assessed. This report proposes a budget of £15.612m for 2020/21 for this purpose which will, if approved, provide for the purchase of approximately 65 more properties during 2020/21. Housing & New Homes Committee agreed to the expansion of the scheme in September 2018 allowing the council the option to look at purchasing affordable housing units supplied as part of new housing developments in the city (typically known as S106 sites), and the council will continue to look at these opportunities. Housing Committee in September 2019 agreed an additional HRA budget for the scheme for 19/20 and recommended to P&R Committee to increase the Scheme of Delegations limit to £0.500m to enable a considerable increase in the scope of the scheme.
- Commission new, adapted homes and ensure best use of existing adapted / accessible housing in order to promote independent living, which has been demonstrated to deliver significant cost benefits.
- Support households wanting to downsize to increase the supply of available family housing.

Priority 2: Improving Housing Quality

- Continue to meet the council's landlord obligations with regards to health and safety, including continuing to review and enhance fire safety measures for residents.
- In line with the new arrangements for the delivery of repairs from 2020, a Stock Condition Survey of housing stock has been commissioned and is currently being carried out. This will allow the council to review and plan for future investment in the quality of its homes, including addressing issues that may not have been picked up under existing investment / programme plans. The council will undertake a rolling 20% of surveys each year over the next five years to ensure all the council housing stock is surveyed.
- Continue to respond to emerging guidance around building safety standards and Government guidance and any regulatory and / or legislative changes emerging following the Grenfell Tower tragedy.
- To work in consultation with tenants and leaseholders to agree planned and major works programmes based on updated information on our stock for the provision of planned maintenance, improvement programmes and major capital projects.

- 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 residents.
- Continue to review the energy efficiency performance of the council's housing stock, and the approaches for future improvement and support for initiatives to reduce fuel poverty.
- Deliver improvements to the council's seniors housing schemes in line with the Seniors Housing Review recommendations agreed at Housing Committee on 13 November 2019. Ensure that the right investment plans are in place to maintain and improve homes and make sure that they meet resident requirements into the future.
- Support early actions to improve public areas of the council's housing estates through the environmental improvements budget to enable the council to respond with greater speed to issues impacting upon tenants' satisfaction levels with their neighbourhood as a place to live.

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.
- Early intervention for families struggling with accommodation including money advice and tenancy support.
- Ensure that adaptations are carried out 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.
- Better links between seniors housing schemes and surrounding communities.
- Ensure new housing development includes community spaces, where need is identified and resources allow.

HRA Asset Management Strategy

- 3.5 The HRA Asset Management Strategy acts as a link between Housing Strategy priorities and investment programmes. In 2016 the HRA Asset Management Strategy was agreed following extensive consultation and work with residents with an Asset Strategy Review reported to Housing & New Homes Committee on 20 September 2017 following the Grenfell Tower tragedy. A further update on Health & Safety was reported to Housing Committee on 13 November 2019.
- 3.6 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.
- 3.7 The proposed Capital Investment Programme shown in Appendix 4 supports all of these objectives as discussed in Section 5 below.

4 HRA REVENUE BUDGET PROPOSALS 2020/21

- 4.1 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.
- 4.2 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 improve efficiency and achieve cost economies wherever possible. Benchmarking of both service quality and cost with comparator organisations is used to identify opportunities for better efficiency and service delivery.
- 4.3 The forecast spend for the HRA in 2019/20 is shown in Appendix 1. As noted in paragraph 7.3 of the Housing Supply Update 2019-2023 report to 18 September 2019 Housing Committee, additional costs in 2019/20 were anticipated in order to support new housing supply activity. This is in addition to full-year costs which have been recognised in the 2020/21 budget proposals in this report. The September report estimated costs of £0.100m and recommended these be met from reserves, which are currently above the minimum level required so could support these costs. Since the September committee the costs falling in 2019/20 have been revised and are estimated at £0.080m. The committee are asked to recommend that Policy & Resources Committee agree that this is met from HRA reserves.
- 4.4 The proposed HRA budget for 2020/21 is shown in Appendix 2 with the main budget variations, areas for investment and other changes in resources.
- 4.5 The budget proposes the continuation of the funding for youth services to support ongoing work across council housing estates at £0.255m, including an allowance for inflation.
- 4.6 The budget also provides funding of £1.567m for the following new priority areas for investment. (Detailed in Appendix 2, note 3):
- A one-year investment of £0.142m to supplement the £0.250m that was put in place for the repairs programme to pay for the continuation of programme management resources associated with the set up, mobilisation and delivery of the new repairs and maintenance services. This will include delivery of support for the transfer of staff to the council, delivering improvements to the service in line with the objectives set with stakeholders in 2018 and further changes to the service including the procurement and implementation of works management systems for the in-house repairs service. Note that the £0.250m programme budget was originally added to the budget for 2018/19 and 2019/20 only, so this will be required for a further year to manage this large, complex change in this service;

- An increase in revenue resources of £0.252m to fund the staff required to support the delivery of 800 additional council homes in the city by April 2023. The need for this resource was agreed at Housing Committee in September 2019 as part of the Housing Supply Update Report;
- New revenue resources of £0.210m to increase the level of contribution to the bad debt provision. The level of arrears of current tenants has increased substantially during 2019/20, a high proportion of which is due to welfare reform changes around Universal Credit. This is highlighted further in the quarterly performance report to Housing Committee.
- An increase in revenue resources of £0.036m to create a welfare rights post, working with the council's Welfare Rights Team for the benefit of council tenants specifically to support them with changes around Universal Credit and other welfare benefits and to improve rent collection in the HRA;
- New revenue resources of £0.150m for the extra costs of decorating and carpeting senior homes when re-let, identified as part of our Seniors Housing Review, in order to attract more mutual exchanges and reduce empty property turnaround times. A further investment of £0.065m is also proposed to improve the security around some of the city centre estates which have become the target of anti-social behaviour and a further £0.032m is proposed to fund the council tax arising from seniors housing remaining empty for longer periods of time due to some seniors schemes becoming more difficult to let. We will continue to monitor the impact of this extra investment on measures to improve empty property turnaround times and the overall quality of seniors housing as part of our Seniors Housing Review;
- A sum of £0.630m to be set aside to allow all customer service, quality assurance and responsive repairs staff transferring from our existing provider under TUPE arrangements to become members of the Local Government Pension Scheme (LGPS). This sum may reduce in-year, depending on the level of take up; and
- Investment of £0.050m in the grounds maintenance service to enhance this service to residents. Service charges in 2020/21 will not reflect this cost increase but these will be reviewed as part of the budget setting process for 2021/22, once the new service is operating across the city.

4.7 The 2020/21 budget also provides for a range of other inflationary costs, pressures and income. These changes in resources are listed under 'Other Changes' in Appendix 2 and are described in Note 4. This year sees many variations due to the changes to the repairs and maintenance service and the council's decision to bring the responsive repairs and empty properties service and the repairs customer service contact centre in-house. The revenue budgets for repairs formerly consisted of payments to the contractor (Mears) shown under the 'premises – repairs' heading in Appendix 2. However, for 2020/21, new budgets have been created for the new in-house employees, materials, and vehicle costs as well as extra support service costs to the HRA to reflect the increased number of staff directly employed by the council. Any cost over and above the current budget resource is reflected as a service pressure. An

element of contingency has also been included to allow for any additional or as yet unidentified costs arising from such a fundamental change to the service.

- 4.8 The budget proposals include an increase in leaseholder service charge income of £1.516m. This reflects the volume of work that will be billed in 2020/21 following a full review of the works forecast to be completed by March 2020 at the end of the current contract for Repairs & Improvement. A number of significant projects will complete this financial year and the associated service charges will be billed to leaseholders in September 2020.
- 4.9 The net revenue budget results in an initial surplus of £23.716m which is then used to provide 'Direct Revenue Funding' (shown within expenditure at Appendix 2) in support of the capital programme. This year's capital programme has been reduced slightly, discussed in section 5 below, to reflect the significant changes being made to the current contractual arrangements for planned and major works to council dwellings and the mobilisation of a number of new contracts which will take time to build up to full delivery. Therefore, this budget includes a proposal to set aside £2.900m in a new capital reserve which will be used in 2021/22 to 'catch up' on improving the council stock.
- 4.10 The budget also proposes a new earmarked reserve of £1.010m to be used to reduce rent levels for homes purchased through the Homes Purchase Policy to either social rents (5 properties) or the 27.5% living wage rent.
- 4.11 Social rents for council homes 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 apply to the granting of all new tenancies. The MHCLG has announced an increase to social housing rents limited to the September Consumer Price Index (CPI) plus 1% for 5 years from 2020/21. The CPI at September 2019 is 1.7% and therefore this budget proposes rent increases of 2.7%. Prior to this, tenants have seen a 1% reduction in their rent each year for the last 4 years. This means that for 2020/21, the average rent will increase from £84.09 to £86.36, an average rent increase of £2.27 per week. This is identified in Appendix 2 (note 4).
- 4.12 Rents are not calculated to take into account any service charges and only include 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 2020/21 are set out in Appendix 3.
- 4.13 For 2020/21, most service charge increases are below or close to the current levels of inflation with the exception of the electricity charges. Unfortunately, the unit prices for electricity are set to rise significantly for the second half of 2019/20 and 2020/21. On average, tenants will see an increase of 7% for communal electricity service charges and 7.6% for electrical eating charges.

However, the council continues to replace light bulbs in communal areas with low energy LED bulbs and fit automatic lighting where suitable and this is helping to mitigate costs by reducing the level of consumption. Electricity prices are expected to continue rising at approximately 5% annually for the foreseeable future. Appendix 3 shows the estimated average service charge paid per week for each service and the average increase.

4.14 The projected level of HRA reserves at 1st April 2020 and 31 March 2021 are shown in Appendix 2 (note 5). A minimum reserve of £3.000m is recommended to meet general legal and financial risks including higher than expected inflationary pressures, cost overruns, legal challenges and other contingencies. After taking this into account, current estimates mean that the level of usable reserves will be £2.513m at 31 March 2020. This is being held at this level in addition to the minimum reserve to allow for the following uncertainties:

- Levels of investment that may be required as a result of the outcome of the Grenfell fire Inquiry and the recommendations of the “Building a Safer Future” programme delivered by Ministry of Housing, Communities and Local Government (MHCLG) to improve safety and minimise the risk of fire in high rise buildings. The capital programme already includes £1.200m for new fire doors and £1.400m for sprinklers;
- The report to Housing & New Homes Committee in September 2018 on the future delivery of repairs and maintenance services identified a number of legal and financial risk areas, in particular around the set-up and TUPE costs of the new in-house repairs service;
- There are general risks around the stock condition which could give rise to a short term financial impact. Future changes to the Decent Homes Standard as set by the Ministry of Housing, Communities & Local Government may impact on the required investment levels in order to maintain 100% compliance with the standard.

The council's Section 151 Chief Finance Officer has reviewed the level of reserves and provisions in accordance with the principles of Section 25 of the Local Government Act 2003 and considers them to adequate and reasonable for their purpose.

5 HRA CAPITAL PROGRAMME 2020/21

- 5.1 The Housing Capital Programme seeks to provide substantial investment in the council's housing stock and improve the quality of 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 and the Asset Strategy Review report to Housing & New Homes Committee 20 September 2017. The Programme also reflects the end of the current Mears contract in March 2020 and arrangements being put in place to reflect recommendations agreed at Committee around the future delivery of planned maintenance and improvement programmes and major capital projects to council housing stock.
- 5.2 This report recommends that for 2020/21, a budget of £19.986m is approved for investment in existing housing stock and a further £20.134m for the new supply of affordable housing. The proposed budget for investment in existing

housing stock is lower than last year's budget for a number of reasons: Firstly, the capital programme included a contractual sum of £1.500m, split over all the capital schemes, for 'establishment costs' of overheads and contract management by Mears. As the service is now being reorganised and most of this work will now be carried out in-house, this budget has been moved to the revenue repairs budget. Secondly, as mentioned below, the Estate Development Budget (EDB) of £0.180m and £0.200m of the Environmental Improvement Budget have now been included as revenue budgets, reducing the capital programme. The planned programme for the next three years is being finalised over the coming months to reflect the investment required in the stock informed by a recently commissioned Stock Condition Survey. The mobilisation of a number of new repairs contractors during 2020/21 means that there will be a reduced capital spend in 2020/21 and a higher total of £26.734m in 2021/22. Therefore the budget includes proposals to include a capital 'catch up' reserve of £2.900m to be used in 2021/22 to ensure the continued programme of improvements for council homes.

- 5.3 The total proposed programme for 2020/21 and the funding arrangements totalling £58.002m are shown in Appendix 4. This programme includes budget of £17.883m that has already been approved, for example, where individual scheme approval has been sought for new build schemes or where budgets for existing schemes have been reprofiled, as approved by Policy & Resources Committee.
- 5.4 The 2020/21 programme continues to prioritise the council's landlord obligations with regards to health and safety, including continuing to review and enhance fire safety measures for residents and those visiting or working on council homes. 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. This budget continues to support funding for enhanced works to reduce fire risk, in particular support for the proposed projects to install sprinklers in high rise blocks (subject to consultation with residents), as set out in previous committee reports.
- 5.5 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 repairs 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.
- 5.6 The Estates Development Budget (EDB) is no longer part of the HRA capital programme. Examination of expenditure over a number of years indicates that most expenditure has been of a revenue nature and therefore this year the revenue budget includes £0.247m for EDB within the employee and supplies & services headings as this service will transfer in-house from Mears. This budget adjustment is shown in Appendix 2 (note 4). The current budget strategy uses EDB reserves to support this over a further 2 years, augmenting this budget to

a total of £0.354m for 2020/21 and £0.282m for 2021/22. A reserves table is shown in Appendix 2 (note 5).

- 5.7 The approved capital programme for 2019/20 included new investment in environmental improvements around estates of £0.400m. A total budget of £0.500m was approved for this work, £0.400m in the capital programme and £0.100m in revenue. This level of investment continues in the proposals for 2020/21, however, this budget proposes that £0.200m is included in the capital programme and £0.300m in the revenue budget, given the nature of spend to date.
- 5.8 The Housing Fire Health & Safety Update report to Housing & New Homes Committee on 19 September 2018 updated members on our continued joint work with East Sussex Fire & Rescue Service (ESFRS) in response to housing fire health & safety matters arising following the Grenfell Tower tragedy. In particular, concerning fire doors. In light of this, the programme also includes a provisional sum of £1.200m in 2020/21 and 2021/22 for potential additional works arising from the government's review of the Grenfell fire tragedy. This is supported by the delivery of a new contract for the replacement of doors.
- 5.9 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.
 - To ensure homes are energy efficient and that we continue to improve the energy performance of our housing stock, including through modern heating systems to reduce carbon emissions and resident's fuel costs. Housing Committee will be discussing a proposal for a ground source heat pump at Elwyn Jones Court which is estimated to pay for itself within 8 years, enhance thermal comfort for residents and reduce the city's carbon footprint.
 - To continue working closely with residents to help increase levels of resident satisfaction with the quality of their home and neighbourhood and to support proactive investment in and maintenance of our council housing stock to enable a preventative approach that allows for the ongoing reduction in the level of responsive repair need.
- 5.10 Additionally, based on feedback from residents on their priorities, the programme continues the commitment to invest in external and common way repairs and decorations across the city and the modernisation of passenger lifts serving blocks of flats, subject to resident consultation and analysis of information to establish if replacement works are necessary. This programme has been very effective in helping many residents to be able to rely on their lifts to be safe 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. A range of approaches are undertaken to ensure best value including replacement and part modernisation to ensure the reliable operation of lifts across the city.

- 5.11 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. In line with the Housing Committee Work Plan, we will work collaboratively to ensure housing contributes to making the city carbon neutral by 2030. This includes developing a new solar PV and energy efficiency strategy for council homes. This budget proposes to invest £0.100m in solar (PV) panels in 2020/21 with a commitment to bringing a detailed report to Housing Committee for discussion in June 2020 which will include a full Equalities Impact Assessment and options for funding with the aim of introducing a programme of works for 2021/22 and 2022/23.
- 5.12 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. The service will continue to focus on the key Housing Strategy priorities to increase the numbers and make best use of affordable homes, including the following HRA related measures:
- Housing Allocation Policy framework ensuring best use of existing council and Registered Provider resources through nomination of affordable housing to priority households.
 - The 'New Homes for Neighbourhoods' estate regeneration programme to deliver additional council homes in the city.
 - Improving supply of additional council homes through best use of existing HRA assets including the conversions / Hidden Homes programme.
 - Development and delivery of more council owned Temporary Accommodation.
 - The recently approved and amended HRA Home Purchase Policy to further support the delivery of additional council homes including a budget of £15.612m to purchase approximately 65 homes during 2020/21 (depending on size and condition) and a commitment to continue at this level during 2021/22 subject to funding being available. Sourcing 65 homes that represent good value for money as well as meeting housing need will be a challenge and therefore, if there is any underspend on this budget for 2020/21, this can be re-profiled for use in 2021/22.
 - The proposal to set up a new housing delivery team to accelerate the supply of affordable housing in the city as agreed at Housing Committee and outlined in paragraph 4.6.

6 HRA MEDIUM TERM & 30 YEAR FINANCIAL FORECASTS

- 6.1 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.

- 6.2 The medium term and 30 year financial forecasts are provided in Appendix 5 along with the business planning assumptions used for income and expenditure.
- 6.3 Since the Government removed the restrictions on borrowing in the HRA in October 2018, the council has developed plans to build and purchase additional council homes in the City. The current plans to deliver 800 additional council homes in the city by April 2023 have been incorporated in the capital programme 2020/21 – 2022/23 as well as the 30 Year business plan.
- 6.4 Essentially, the financial plan shows that the HRA has healthy financial indicators to borrow to source future funding for regeneration and development. However, any borrowing must remain affordable. This means that each scheme should be funded either from the new rental stream (net of any management and maintenance costs) or from current tenants' rents, rent rebates (Housing Benefits) and service charges. The current 30 year forecast assumes £179.877m for building and purchasing of new homes in the next five years to 2024/25.
- 6.5 Revenue reserves have been maintained in the business plan at £5.513m for the time being but this will be revised annually.
- 6.6 The MHCLG has announced an increase to social housing rents limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020/21. Therefore, the 30 year business plan shown at Appendix 5 assumes rent increases of CPI plus 1% for 5 years from 2020/21 and increases at CPI thereafter. Assuming other factors remain stable, this will help to sustain the HRA in the medium term.
- 6.7 Alternative options and delivery mechanisms for new build and regeneration funding outside the HRA are still being developed in the form of a wholly owned company and the Joint Venture with Hyde Housing Association as agreed by Policy, Resources & Growth Committee alongside a review of priorities included in the financial plan.
- 6.8 There are still some uncertainties which may have a significant impact on the long term health of the financial plan, such as:
 - The Welfare Reform and Work Act 2016 continues to be implemented with the reduction of the benefit cap to £20,000 per annum during 2016/17, the single room rates extended to people under 35, the roll out of Universal Credit in 2017 and the reduction in tax credits implemented from October 2017. These reforms are expected to affect many tenants' ability to pay their rent and current arrears have risen significantly in 2019/20 which is why this budget proposes to increase the contribution to the bad debt provision by £0.210m. However, it continues to be difficult to accurately predict to what extent this will impact on HRA resources longer term. The budget also proposes an extra member of staff to undertake proactive work with tenants to support them with welfare advice to help reduce rent arrears.

- Uncertainty of future rent policy. Even though there has been an announcement to allow increases in rents of CPI plus 1% for five years, any future rent policy may reduce or freeze rent increases.
- Any additional investment requirements arising from any legislative or regulatory changes following post Grenfell Tower tragedy reviews and the MHCLG review of the Decent Homes Standard.
- The introduction of an in-house responsive repairs and empty property refurbishment service. The current budget for 2020/21 has built in some contingencies and one-off resources to assist with the new contractual arrangements and the mobilisation of this service. However, there continue to be some uncertainties around certain costs such as TUPE costs and ICT costs and therefore general reserves are being retained at a high level.

6.9 The 30 year financial plan will continue to be updated in 2020/21 to reflect the 2020/21 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.

7 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

7.1 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 27 February 2020. Budget Council has the opportunity to debate both the proposals recommended by Policy & Resources Committee at the same time as any viable alternative proposals.

The government annually sets a limit rent, set to include CPI plus 1% increase, 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.

8 COMMUNITY ENGAGEMENT & CONSULTATION

8.1 The HRA budget task and finish group, made up of the Chair and opposition spokespersons of the Housing Committee, residents from Service Improvement Groups and officers, met last year to work up future budget consultation arrangements. The group decided that, to inform the 2020/21 budget, a range of residents' views would be gathered on areas including energy efficiency, social isolation, support for vulnerable tenants, maintaining older stock, increasing social housing provision, and the appearance of estates. Some of these items are currently under consultation with residents and some are in progress with proposals included in this budget report.

8.2 There has been considerable consultation with residents (tenants and leaseholders) that have informed budget decisions. For example, there was recent detailed consultation regarding the insourcing of repairs and maintenance. This forms a significant part of the budget, and the consultation put residents very much at the heart of the council's deliberations in a quest to deliver improved services. There has also previously been consultations with residents on the council's asset management strategy, which will be repeated in the next year or so. A statistically representative sample of tenants also took part in the Survey of Tenants and Residents (STAR survey), which identified a reduction in the levels of satisfaction with communal areas. More recently

residents have also been consulted on their priority areas for improving the public areas of estates. The results informed the budget priorities for the current year, and will continue for the next two years.

9 CONCLUSION

- 9.1 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, break-even revenue budget and recommends rent proposals in line with current government guidance.
- 9.2 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.

10 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

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

Finance Officer Consulted: Monica Brooks
January 2020

Date: 6th

Legal Implications:

- 10.2 In its landlord role, the council has contractual obligations to its tenants and leaseholders to maintain the structure of its housing stock. These obligations are complemented by statutory duties in the Landlord and Tenant Act 1985 as amended. The council must comply with other statutory regimes, including those relating to health and safety, legionella and fire safety. It is likely that further statutory requirements will be imposed if the Building Safety Bill and Fire Safety Bill announced in the recent Queen's Speech are enacted. The measures outlined in the report will assist the council in discharging those duties.

The Housing and Local Government Act 1989 regulates the HRA. The requirement in the Act to set a balanced budget is referenced in sections 4.1 and 9.1 of the report.

Lawyer Consulted: Liz Woodley

Date: 31/12/19

Equalities Implications:

- 10.3 The HRA budget funds services to people with a range of needs including related to 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:

- 10.4 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.
- 10.5 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:

- 10.6 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;
 - Potential impact of any post Grenfell tragedy review of building regulations and / or standards;
 - Inflationary risk where expenditure inflation is greater than income, particularly the risks around build cost inflation and future governments social rent policy ;
 - 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 2019/20 (Month 7)
2. Appendix 2: HRA Budget 2020/21
3. Appendix 3: Fees and Service Charges 2020/21
4. Appendix 4: Capital Programme and Funding 2020/21 – 2022/23
5. Appendix 5: HRA Medium Term Financial Strategy & 30 Year Financial Forecast

Documents in Members' Rooms

None

Background Documents

None

Appendix 1 – Forecast Outturn 2019/20 at Month 7

	2019-20 Forecast Outturn £'000
SUBJECTIVE ANALYSIS	
Expenditure	
Employees	9,568
Premises - Repairs	9,537
Premises - Other	2,617
Transport	101
Contribution to Bad Debt Provision	344
Supplies & Services	1,816
Support Services	3,649
Third Party Payments	182
Direct Revenue Funding	25,080
Capital Financing Costs	5,999
Total Expenditure	58,893
Income	
Rents Dwellings	(50,925)
Rents Car Parking / Garages	(995)
Commercial Rents	(530)
Service Charges	(6,318)
Other Recharges & Income	(325)
Total Income	(59,093)
DEFICIT / (SURPLUS)	(200)
OBJECTIVE ANALYSIS	
Housing Management & Support	4,291
Income, Inclusion & Improvement	(46,823)
Tenancy Services	2,262
Property & Investment	8,769
Head of Regeneration	286
Capital Financing	31,015
DEFICIT / (SURPLUS)	(200)

HRA Forecast Outturn as at Month 7 KEY VARIANCES	£'000
A lower than expected level of leasehold service charge for 2019/20 is expected. Due to some projects taking longer to complete a lower level of work has been billed for in 2019/20, the remainder is forecast for billing in 2020/21.	800
Net overspend on premises and supplies and services across the HRA.	120
Rental income is higher than budget assumptions. Also reduced level of rent lost through voids.	(610)
Lower interest charges as a result of significant re-profiling of HRA capital expenditure from 2018/19 into 2019/20 impacting on the timing of when borrowing is required.	(320)
Current underspend on Transfer Incentive Scheme due to the complexities of cases coming forward.	(100)
Net underspend of employee costs as a result of an increase in capitalisation of costs and staff vacancies	(90)
TBM Month 7 Variance	(200)

Appendix 2 – HRA Revenue Budget 2020/21

	2019-20 Adjusted budget	Budget Changes				2020-21 Original Budget
		<u>Inflation</u>	<u>Savings</u>	<u>Investment & Re- investments</u>	<u>Other Changes</u>	
Note		1	2	3	4	
	£'000	£'000	£'000	£'000	£'000	£'000
SUBJECTIVE ANALYSIS						
Expenditure						
Employees (data a)	9,738	205	0	925	4,783	15,651
Premises - Repairs	9,526	180	0	150	(5,263)	4,593
Premises - Other	2,643	53	0	82	(30)	2,748
Transport	118	1	0	0	852	971
Contribution to Bad Debt Provision	367	4	0	210	(22)	559
Supplies & Services	1,839	12	0	65	1,457	3,373
Support Services (data b)	3,522	68	0	135	420	4,145
Third Party Payments	124	2	0	0	20	146
Direct Revenue Funding	25,083	0	0	0	(1,367)	23,716
Capital Financing Costs	6,255	0	0	0	2	6,257
Total Expenditure	59,215	525	0	1,567	852	62,159
Income						
Rents Dwellings	(50,397)	(1,343)	0	0	24	(51,716)
Rents Car Parking / Garages	(934)	(19)	0	0	0	(953)
Commercial Rents	(530)	(70)	0	0	0	(600)
Service Charges	(7,099)	0	0	0	(1,534)	(8,633)
Other Recharges & Income	(255)	(2)	0	0	0	(257)
Total Income	(59,215)	(1,434)	0	0	(1,510)	(62,159)
DEFICIT / (SURPLUS)	0	(909)	0	1,567	(658)	(0)
OBJECTIVE ANALYSIS						
Housing Management & Support	4,521	81	0	0	(407)	4,195
Income, Inclusion & Improvement	(46,303)	(1,208)	0	210	357	(46,944)
Tenancy Services	2,162	49	0	183	190	2,584
Property & Investment	7,969	163	0	1,128	589	9,849
Head of Regeneration	291	6	0	46	(0)	343
Capital Financing	31,360	0	0	0	(1,387)	29,973
DEFICIT / (SURPLUS)	0	(909)	0	1,567	(658)	(0)

Appendix 2 – HRA Revenue Budget 2020/21

Note 1 Inflation:

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

Note 2 Savings:

There are no savings in the budget for 2020/21 due to the nature of the new repairs service and the level of uncertainty over costs.

Note 3 Service Pressures and Priority Areas for Investment:

	£'000
One year only staff resources required for the continued set up and mobilisation of new repairs service	142
Increase in staff resources to support the delivery of new housing supply	117
Increase in Support Services for the delivery of new housing supply	135
Increase in contribution to bad debt provision	210
Additional post required for Welfare services	36
Continue to replace carpets and decorate seniors housing properties when empty to improve lettings.	150
Increase in security around estates to reduce anti-social behaviour	65
Increase in costs of council tax to cover the void periods for Seniors Housing	32
Offer of membership of the Local Government Pension Scheme for all staff transferring from Mears	630
Grounds Maintenance - review of service provision	50
Total Service Pressures and priority areas for investment	1,568

Appendix 2 – HRA Revenue Budget 2020/21

Note 4 Other Changes:

Other Changes	£'000
Additional employee costs most of which is as a result of the new in-house repairs service	4783
Reduction in repairs contract costs as a result of the new in-house service	(5263)
Costs of new vehicle fleet for in-house service	852
Costs of materials budgets and general office costs for the new in-house service	1457
Support service costs as a result of new in-house repairs team	420
Change to Direct Revenue Funding	(1367)
More service charges from Leaseholders due to lower billing in 2019/20	(1516)
Net decrease in rental income from 53 week rents in 2019/20 net of sales, disposals and new home rents.	24
Other	(48)
Total Other Changes	(658)

Note 5 Projected Reserves:

Description	Balance at 1 April 2019 £'000	Projected Balance at 1 st April 2020 £'000	Projected Balance at 31 March 2021 £'000	Use
Revenue Reserves - Working Balance	3,000	3,000	3,000	Minimum working balance requirement
Useable revenue reserves	4,503	2,513	2,513	Available for use
Rent Support Reserve	1,050	1,050	-	Earmarked reserve to reduce rent charges for new properties purchased.
New Rent Support Reserve		1,010	-	New Earmarked reserve to reduce rent charges for new properties purchased.
Capital reserve for use in 2021/22	0	3,000	3,000	Reserved for capital expenditure 2021/22
Mobilisation and set-up costs of new in-house service for repairs	982	482	-	Mobilisation and set up costs 2020/21
EDB reserves	312	142	35	Earmarked allocation for EDB
Restructure Redundancy Reserve	388	388	388	Earmarked reserve
HRA - Renewable Energy Projects	194	144	94	Capital programme funding
	10,429	11,729	9,030	

Appendix 2 – HRA Revenue Budget 2020/21

Data Table A - Employee Full Time Equivalent (FTE) Reconciliation

The table below includes FTE numbers for the proposed service pressures.

Original FTE 2019/20	299.5
Property & Investment structure changes 19/20	(1.5)
Changes for 2020/21	
New repairs contract (Mears TUPE staff)	163.2
Resident Engagement increase	0.2
Support service posts	3.6
Increase in client side resources for repairs (was formerly work carried out under Mears contract)	10.0
Service Pressures	
Increase in FTE in Estate Regeneration (net)	1.7
Property & Investment - new housing supply	2.0
Tenancy Service welfare support service	1.0
Programme Management for continued mobilisation of new repairs and maintenance services (1 year only)	8.0
2020/21 Proposed FTEs	487.7

Appendix 2 – HRA Revenue Budget 2020/21

Data Table B - Support Service and Other Charges Analysis

The table below provides a breakdown of the support service charges for 2020/21 and compares this to 2019/20.

Charging Service	Budget 2019/20 £'000	Budget 2020/21 £'000
Support Functions:		
Insurance Costs	886	904
ICT	671	833
Finance	212	300
Legal	313	400
Democratic	238	243
Human Resources	177	241
Property	107	160
Tenancy Fraud	62	64
Procurement	50	161
Business Operations	42	83
Communications	25	25
Director	17	18
Other charges:		
Youth Service	250	255
Discretionary Community Grants	145	145
Disabled Adaptations	118	120
Field Officer support	50	50
Family Coach funding	38	-
Apprenticeship Levy	31	31
Homing in and Area Panels	29	30
Energy Efficiency Support	26	26
Pest Control Services	-	40
Noise Pollution	16	16
Total	3,503	4,145

Appendix 3 - Tenant Service Charges

All fees and service charges are reviewed annually to ensure full cost recovery (where appropriate) 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 2020/21 are detailed below. Please note that for the comparable 2019/20 figures, the average weekly charge may change from the previous year's budget report as a result of stock changes (for example new builds and Right to Buy Sales).

Service Charges Eligible for Housing Benefit	Tenants Charged (No.)	Approx. not eligible for Housing Benefit (No.)	2019/20 Average Weekly Charge £	2020/21 Average Weekly Charge £	Average Increase/D ecrease £	Average Increase/D ecrease %	Comments
Communal Cleaning	5,284	2,405	£2.93	£3.03	£0.10	3.4%	The increase reflects pay and price inflation.
Door Entry Servicing and Maintenance	4,286	1,907	£0.49	£0.50	£0.01	2.0%	The increase reflects annual contract inflation.
Electricity - Communal Ways	5,323	2,425	£0.89	£0.95	£0.06	7.0%	The change is mainly as a result of higher electricity prices.
Grounds Maintenance	5,645	2,369	£0.72	£0.73	£0.01	2.0%	The increase reflects annual contract inflation.
Lift Servicing and Maintenance	2,480	861	£0.94	£0.98	£0.04	4.0%	The increase reflects annual contract inflation.
Seniors Housing - Common Ways	875	167	£8.84	£9.01	£0.17	1.9%	The increase reflects pay and price inflation.
Seniors Housing - Intensive Management	871	164	£21.89	£22.02	£0.13	0.6%	The increase is mainly due to increased staff costs (a nationally agreed pay increase).
Seniors Housing - Laundry	848	160	£1.70	£2.00	£0.30	17.6%	The increase reflects the need to recover the costs of laundries.

Service Charges Eligible for Housing Benefit	Tenants Charged (No.)	Approx. not eligible for Housing Benefit (No.)	2019/20 Average Weekly Charge £	2020/21 Average Weekly Charge £	Average Increase/D ecrease £	Average Increase/D ecrease %	Comments
TV Aerials	5,679	2,378	£0.78	£0.79	£0.01	1.3%	The increase reflects annual contract inflation.
Video Entry Servicing and Maintenance	146	60	£0.98	£1.00	£0.02	2.0%	The increase reflects annual contract inflation.
Service Charges NOT Eligible for Housing Benefit							
Communal Heating – Electricity	79	N/A	£10.21	£10.98	£0.77	7.6%	The change is the result of forecast higher electricity prices.
Communal Heating – Gas	1,206	N/A	£6.81	£6.77	-£0.04	-0.5%	The change is the result of forecast higher gas prices but lower levels of consumption.
Garages and Car Parking	2,762	N/A	£9.21	£9.39	£0.18	2.0%	The increase reflects pay and price inflation.
Mobility Scooter and Cycle Storage	35	N/A	£2.50	£2.50	£0.00	0.0%	No change is proposed for 2020/21.
Seniors Housing - Guest Rooms	N/A	N/A	£15.00	£15.50	£0.50	3.3%	This increase reflects inflation as there was no increase for 2019/20.
Water Charges	240	N/A	£4.60	£4.69	£0.09	2.0%	The increase is due to forecast inflation increase of 2% for water charges.

	For info	For Approval	For info				
EXPENDITURE	P&R Original Budget 2019/20	Proposed Budget 2020/21	Profiled Budget 2020/21	Total Budget 2020/21	Provisional Budget 2021/22	Provisional Budget 2022/23	Description
	£'000	£'000	£'000	£'000	£'000	£'000	
Improving Housing Quality							
Door Entry Systems & CCTV	818	700		700	697	700	A long-term programme to replace door entry systems, where needed, as many are nearing the end of their serviceable life, with spare parts being difficult to source. This programme is reviewed, alongside the communal main entrance door programme to ensure value for money.
Water Tanks, Ventilation, Lighting & Lightning Protection & Fire Alarms	675	750		750	611	613	Projects help meet statutory requirements and ensure safety and welfare for residents through replacement and improvements.
Lifts	921	417		417	417	419	The lift replacement and upgrade programme is a long-term commitment to council residents. The majority of lifts have now been replaced since its inception, and the programme is under ongoing review to ensure it continues to provide good value for money.
Fire Safety & Asbestos Management	4,070	1,420	1,400	2,820	1,781	1,794	Effectively managing the risks of both fire and asbestos materials is an ongoing need. Includes both statutory requirements and provision for enhanced fire safety measures. In particular, including provision for a programme of retro-fitting of sprinklers, which continues, subject to consultation with residents.
Minor Capital Works	664	324		324	323	325	Investment in smaller capital repairs across the HRA stock as well as investing in car parks and garages.
Roofing	1,927	1,590		1,590	1,113	1,121	Helps to extend the life of assets, improves insulation and reduces responsive repairs.
Condensation & Damp Works	392	250		250	278	280	Health and welfare of council residents is assisted by tackling issues arising from condensation and damp in properties
Major Structural works	4,986	2,795		2,795	9,047	5,823	Meeting our landlord obligations through maintaining the structural and general external integrity of properties.
Seniors housing quality improvement works		206		206			Seniors Housing are implementing the new agreed strategy to ensure ongoing quality of seniors schemes. This budget will kick-start initial improvements, whilst longer-term investment plans are progressed.
Major Empty Property works	91	80		80	111	112	Extensive refurbishment of empty homes prior to re-letting.
Cyclical Repairs & Decorations	3,420	1,363		1,363	2,543	2,562	External and common way repairs and decorations across the city help reduce ongoing costs and keep properties well maintained. Property & Investment work closely with residents to ensure internal decorations in blocks are consistently delivered across the city.
Future capital projects	112	457		457	314	314	Specialist and other surveys to support future programmes.

	<i>For info</i>	For Approval	<i>For info</i>				
EXPENDITURE	<i>P&R Original Budget 2019/20 £'000</i>	<i>Proposed Budget 2020/21 £'000</i>	<i>Profiled Budget 2020/21 £'000</i>	<i>Total Budget 2020/21 £'000</i>	<i>Provisional Budget 2021/22 £'000</i>	<i>Provisional Budget 2022/23 £'000</i>	Description
Brighton & Hove Standard Works							
Dwelling Doors	293	227		227	250	252	Replacing doors to properties with secure and efficient design helps residents feel safer. This programme includes the provision of fire-rated doors to dwellings where required.
Kitchens & Bathrooms	1,671	1,533		1,533	1,692	1,704	This budget helps to ensure homes comply with the Brighton & Hove Standard.
Rewiring - Domestic/ Communal	1,384	1,227		1,227	1,269	1,278	Safe and reliable and compliant electrical installations and efficient lighting are supported from this budget.
Windows	1,806	965		965	1,948	1,289	Window replacement programmes meet the council's landlord obligations, improve energy efficiency, warmth and reduce ongoing repair costs.
Sustainability & Carbon Reduction							
Domestic/Communal Heating Improvements	2,100	2,104		2,104	2,099	2,103	Efficient and modern replacement heating systems improve thermal comfort, reduce carbon emissions and resident fuel costs.
Housing Centre - Heating and Ventilation		600		600			The new heating, cooling and ventilation system for the Housing Centre brings the opportunity to help deliver a more sustainable future. The aim is to significantly reduce the carbon emissions related to our service delivery activities through this investment. The existing system is in poor condition and is now not considered fit for purpose.
Elwyn Jones Court - Heating Project		600		600			A low/zero carbon system of ground source heat pumps and new heating distribution system will bring benefits to both residents and the environment by reducing the need for fossil fuel use. The existing heating system is no longer considered fit for purpose and requires replacement.
Home Energy Efficiency, Insulation improvements & Renewables	662	264	75	339	253	203	Many homes now benefit from solar panels. This programme will help take up a range of opportunities to further improve the energy rating of our homes and to identify projects that will help move towards zero carbon from our service delivery activities by 2030.
New Solar Panels Programme		100		100			Commencement of new solar programme.

	For info	For Approval	For info				
EXPENDITURE	P&R Original Budget 2019/20 £'000	Proposed Budget 2020/21 £'000	Profiled Budget 2020/21 £'000	Total Budget 2020/21 £'000	Provisional Budget 2021/22 £'000	Provisional Budget 2022/23 £'000	Description
Tackling Inequality							
Estate Development Budget	355						Budget of £0.247m now sits within revenue, reflecting the nature of spend against this budget. Residents are able to prioritise smaller projects through this continuing and well supported budget.
Environmental Improvements	400	200		200	200	200	This Budget funds environmental and communal area improvement work based on resident priorities. The total budget stands at £0.500m for 2020-21, with the capital portion of the budget being £0.200m and the remainder in the revenue budget to reflect the nature of spend.
Fencing	61	57		57	56	56	Maintaining and improving our neighbourhoods and estates.
Disabled Aids & Adaptations	1,150	1,150		1,150	1,150	1,150	Enabling vulnerable residents continue to live independently in their homes through investment in housing adaptations.
Conversions & Extensions	551	537		537	532	534	Tackling overcrowding across the city is of key importance to ensure good quality housing.
Housing ICT Budget	1,200	70		70	50	50	
Total Investment in existing Housing Stock	29,709	19,986	1,475	21,461	26,734	22,882	

	For info	For Approval	For info				
EXPENDITURE	P&R Original Budget 2019/20	Proposed Budget 2020/21	Profiled Budget 2020/21	Total Budget 2020/21	Provisional Budget 2021/22	Provisional Budget 2022/23	Description
	£'000	£'000	£'000	£'000	£'000	£'000	
Delivery of New Council Homes							
New schemes		2,760		2,760	53,507	54,999	This is the forecast expenditure required to develop 405 new homes, across various sites in the city. These projects will be assessed and presented separately to Housing Committee.
Converting spaces in existing buildings	1,578	1,612		1,612	1,171	1,870	Increasing housing supply through an ongoing Hidden Homes programme to deliver new homes by converting existing redundant spaces.
Purchase of Emergency Temporary Accommodation	3,500						
Other acquisitions			1,448	1,448	7,261		Increasing housing supply through other acquisitions.
Purchase properties	7,000	15,612		15,612	8,797	12,543	Increasing housing supply through the expanded Home Purchase Policy.
Design competition	200		2,200	2,200			Increasing housing supply through the New Homes for Neighbourhoods programme. Total scheme budget approved for the development of 8 homes
Oxford Street conversion	1,125						
Redevelopment of vacant HRA garage sites	83						
Selsfield Drive	5,109		4,236	4,236			Scheme due for completion in 2020/21.
Buckley Close	2,583		357	357			Increasing housing supply through the New Homes for Neighbourhoods programme. Total budget of £2.96m approved at December PR&G for the development of 12 homes.
Victoria Road	1,972		8,167	8,167	2,890		Increasing housing supply through the New Homes for Neighbourhoods programme. Total budget of £12.914m approved at December PR&G for the development of 45 homes and the re-provision of a Sports Pavilion at Victoria Road, Portslade.
Tilbury Place	500						
Feasibility	227	150		150	150	150	This budget funds the initial survey and consultancy work required to bring forward new developments.
Total Delivery of New Council Homes	23,877	20,134	16,408	36,542	73,776	69,562	

	<i>For info</i>	For Approval	<i>For info</i>				
EXPENDITURE	<i>P&R Original Budget 2019/20 £'000</i>	<i>Proposed Budget 2020/21 £'000</i>	<i>Profiled Budget 2020/21 £'000</i>	<i>Total Budget 2020/21 £'000</i>	<i>Provisional Budget 2021/22 £'000</i>	<i>Provisional Budget 2022/23 £'000</i>	Description
Total Programme	53,586	40,120	17,883	58,003	100,510	92,444	
Programme Funding							
Revenue Contribution to Capital		23,716		23,716	22,466	23,637	Funding from revenue surpluses.
Borrowing		13,835	12,086	25,921	54,155	51,335	Borrowing required mainly for new build development.
HRA reserves		570		570	3,550	550	Useable revenue and capital reserves
Capital Receipts		1,630	4,922	6,552	12,275	5,707	Retained RTB receipts for New Build
Energy Grants/FITs		180		180	180	180	Funding received to support sustainability and carbon projects.
Land Release Funding			875	875	6,045	11,035	Funding for works at Selsfield Drive and Victoria Road. £17m from Homes England for Moulsecoomb Hub.
Commuted Sums		3,049		3,049	1,839		Funding to support the purchase of properties through the Home Purchase Policy.
Earmarked rent reserve		1,050		1,050			Earmarked reserve to fund the Home Purchase Policy as agreed by Housing Committee in September 2019, utilised to reduce rents on properties purchased by the council.
Total Funding available		44,030		61,913			
Total Funding required	53,586	40,120	17,883	58,003	100,510	92,444	
Excess Funding available		3,910		3,910			Forecast balance available to support future programmes.
To be used for:							
New capital reserve for investment in existing housing stock 2021/22		2,900		2,900			Reserve for use in capital programme 2021/22
New Rent Reduction Reserve		1,010		1,010			Rent reduction reserve

Appendix 5 - HRA MEDIUM TERM FINANCIAL STRATEGY AND 30 YEAR FINANCIAL FORECAST

Medium Term Financial Strategy (MTFS)

The Medium Term Financial revenue position provides a cumulative surplus of £69.819m that can be used to support the delivery of the Capital Programme during this period. The MTFS includes provision for bringing the repairs and maintenance back in house and is reflected in the increased management costs to account for the increase in staff requirements and also the increase in revenue repairs costs. The rental income includes increases of CPI+1%, outlined in the central government announcement in 2018.

HRA Medium Term Financial Strategy

	2020/21	2021/22	2022/23
Expenditure			
Management & Service Costs	17,522	17,717	17,965
Repairs and Maintenance	12,400	12,923	13,657
Other Costs	1,170	1,185	1,208
Borrowing costs	6,292	7,045	8,657
Total Expenditure	37,384	38,870	41,487
Income			
Rental Income	(50,685)	(52,726)	(57,122)
Service Charges (Tenants)	(4,979)	(5,023)	(5,144)
Other Income	(5,436)	(3,587)	(2,858)
Total Income	(61,100)	(61,336)	(65,124)
Net Revenue Income	(23,716)	(22,466)	(23,637)

30 Year financial forecast

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. From April 2016, the Welfare Reform and Work Act 2016 introduced that rents should be reduced by 1% per annum for four years commencing in 2016/17, the final year of this decrease was 2019/20. The government then announced in 2018 that rents social rents could be increased by a maximum of CPI+1% over a 5 year period commencing in 2020/21

The current financial plan projections shown below continue to provide a balanced business plan and show surpluses of £226.810m over 30 years, which allows for regeneration and new investment within the HRA. This surplus has reduced since last year's plan mainly due to the provisions made for bringing the repairs and maintenance contract back in house and maintaining investment in stock at a similar level to last year's assumptions, supported by the data obtained from the asset management system. It also assumes that the repairs and maintenance and the capital investment programme are subject to inflation at RPI instead of the previously assumed CPI rate following advice from our business planning consultants. However, there are some uncertainties around the costs of the new repairs and maintenance service and as it becomes established, the business plan will be updated to reflect any efficiencies that the new service can make.

There are still some uncertainties due to government legislation which may have a significant impact on the long term health of the financial plan. These are outlined in section 6 of the main report.

30 Year Forecast – Assumptions

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

- A general inflation of CPI assumed as an average of 2% for years 1 to 30. Applied to the majority of costs and income in the HRA, with the only exceptions being the repairs and maintenance costs and capital investment programme which assumed to increase by the RPI rate.
- A general inflation of RPI assumed as an average of 2.6% for years 1 to 30.
- The forecast includes the council's commitment to deliver 800 homes over a 4 year period, with c.90 of these being bought forward during 2019/20. The plan includes the investment to deliver 710 over the next 3 years. The investment is assumed to be c.£179m utilising current and estimated right-to-buy receipts, commuted sums, potential grant funding and HRA borrowing. There is no further allowance for any future regeneration schemes beyond 2023/24.
- Rents are assumed to increase by CPI+1% for four years and revert to CPI thereafter.

The 30 year financial plan will continue to be updated to reflect the impact of the changes resulting from government legislation and the 2020/21 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.

	Years 1-5	Years 6-10	Years 11-20	Years 21-30	Total
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Management & Service Costs	90,839	100,838	234,072	285,030	710,779
Repairs and Maintenance	67,301	76,816	180,721	223,746	548,584
Other Costs	6,052	6,673	15,502	18,897	47,124
Borrowing costs	54,655	62,555	98,636	96,989	312,835
Total Expenditure	218,847	246,882	528,931	624,662	1,619,322
Income					
Rental Income	(283,736)	(329,437)	(745,130)	(878,741)	(2,237,044)
Service Charges (Tenants)	(19,209)	(21,139)	(48,461)	(58,009)	(146,818)
Other Income	(24,682)	(21,606)	(51,348)	(67,741)	(165,377)
Total Income	(327,627)	(372,182)	(844,939)	(1,004,491)	(2,549,239)
Net Revenue Income	(108,780)	(125,300)	(316,008)	(379,829)	(929,917)
Capital Expenditure					
Capital investment programme	131,180	97,072	184,399	306,772	719,423
Development	179,877	-	1,787	3,985	185,649
Total Expenditure	311,057	97,072	186,186	310,757	905,072
Funded By:					
Other Capital Income	(50,731)	-	-	-	(50,731)
Borrowing	(152,116)	-	-	-	(152,116)
HRA Reserves	(4,012)	-	-	-	(4,012)
Direct Revenue Funding	(104,198)	(97,072)	(186,186)	(310,757)	(698,213)
Total Funding	(311,057)	(97,072)	(186,186)	(310,757)	(905,072)
Opening HRA reserves	(6,383)	(6,383)	(33,523)	(160,818)	(6,383)
(To) / From Reserves	0	(27,140)	(127,295)	(65,992)	(220,427)
Cash surplus at year 30	(6,383)	(33,523)	(160,818)	(226,810)	(226,810)

Subject:	Rent Policy for new council homes		
Date of Meeting:	15 January 2020		
Report of:	Executive Director for Housing, Neighbourhoods & Communities		
Contact Officer:			
	Name:	Craig Garoghan, Diane Hughes, Sam Smith	Tel: 01273 291262, Tel: 01273 293159, Tel: 01273 291383
	Email:	craig.garoghan@brighton-hove.gov.uk, diane.hughes@brighton-hove.gov.uk, sam.smith@brighton-hove.gov.uk	
Ward(s) affected:	(All Wards);		

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

- 1.1 At its meeting on 15 November 2017 Housing & New Homes Committee agreed a Rent Policy for new council homes. Members asked that this policy come back to Housing Committee to be reviewed.
- 1.2 The priorities and work plan for the Housing Committee and service for the next four years, 2019 to 2023, agreed at Housing Committee on 18 September 2019 includes to review the rent policy to maximise the number of council homes replaced at social or living wage rents.
- 1.3 This report outlines the current Rent Policy which applies to all new council homes including new build, conversion and properties purchased under the Home Purchase Policy and how in future the rent policy may seek to maximise the number of council homes replaced at social or living wage rents.
- 1.4 This includes analysis and options whereby: it may be more appropriate for social and 27.5% Living Wage rents to be set for homes purchased under the Home Purchase Policy or through the Hidden Homes programme or property conversions (3.10); Results of sensitivity analysis for different rent levels for new development show that a surplus is estimated for homes delivered on Local Housing Allowance rents and a subsidy is required on all other rent levels (3.11); a mix of 37.5% Living Wage rent levels and LHA rates would also provide a viable option (3.12); it may be possible to deliver lower rents for a portion of new homes by cross subsidising from market sales and other tenure within a development (3.13); consideration could be given to using any underspent budget to support the Rent Reserve to support lower rents on future projects or purchases (3.15); members could chose to set targets for the number of homes delivered at different rent levels across the range of housing supply initiatives (3.16).

- 1.5 Increasing the supply of additional council and other new affordable homes in the city is a priority in the Housing Committee Work Plan 2019-23 alongside a Rent Policy that seeks to maximise the number of council homes replaced at social or living wage rents. 24 sales under the Right to Buy have been made in the 2019/20 financial year so far (as at 15 December 2019) with 57 sales completed in 2018/19.
- 1.6 The report also includes consideration of the impact of higher sustainability standards on resident's energy bills and an analysis of rent setting to date and equalities implications.

2. RECOMMENDATIONS:

That Housing Committee:

- 2.1 Note the current Rent Policy.
- 2.2 Note that a full Equalities Impact Assessment will be undertaken on the implementation of the policy to date.
- 2.3 Approve options to revise the Rent Policy for additional council homes that maximises the number of council homes replaced at social or living wage rents. The options for the Rent Policy to be kept under review.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 At the meeting on the 15 November 2017 members agreed to a number of principles for setting rents for new council homes and agreed the following:

- (1) *That Housing and New Homes Committee agrees the proposed principles for a rent setting policy for new council homes as set out in paragraph 3.27 of this report, inclusive of amended bullet points 2, 4 & 5 as follows:*
- (2) *That Housing and New Homes Committee approves a rent policy for new build homes as set out in paragraph 3.28 of this report as amended below.*

- 3.2 *The Rent Policy is based on a number of principles for setting rents:*

- *Rents for new build council homes should not exceed 80% of Market rates or Local Housing Allowance levels in accordance with the council's Tenancy Strategy 2013;*
- *Rents for new build council homes should take into consideration the high quality, amenities, standards and energy efficiency;*
- *Rents should be affordable to those in low paid employment as well as households with full benefit entitlement;*
- *Rental income from new homes should support an ongoing development programme to continue to build much needed new council homes for rent on council owned land. Schemes with fewer site constraints and/or free*

HRA land may cross subsidise others that prove more costly to develop due to payments for General Fund land and/or greater site constraints and pressures;

- The amount of HRA subsidy for new homes should be minimised over the programme as a whole, with subsidy considerations and calculations taking into account the costs and projected income over the whole 60 year period;*
- The policy should be able to easily incorporate any funding or subsidy that might become available for any future schemes, so that consistency in rent levels is maintained.*

3.3 The Rent Policy was agreed that rents for proposed new schemes of new build council homes will be modelled as below, with the option of a mix of rents to achieve a spread of affordability on any one scheme to be available:

- Affordable rents capped at LHA rates
- 37.5% Living Wage Rent
- 27.5% Living Wage Rent and
- Target social rent levels

3.4 Since the agreement of the policy it has been applied to new homes schemes on a case by case basis including rents capped at 80% of Market rates or LHA levels, 37.5% and 27.5% Living Wage rents and a mixture across unit sizes. Rents have been agreed by Committee as part of the scheme approval process. More information about these different rent levels is set out below.

Affordable Rents

3.5 Affordable Rents up to 80% market level were introduced by the government as a means to fund new rented housing association and council homes with reduced capital subsidy, in the form of Homes and Community Agency (HCA now Homes England) grant allocation or councils' retained Right to Buy receipts. The extra rent enables the housing provider to borrow more money to pay for building the home in place of the higher grant.

3.6 In approving individual schemes for development, Committee has agreed 'Affordable Rent' levels as defined in the council's Tenancy Strategy 2013. These are set at the lower of either 80% market rent or the Local Housing Allowance (LHA) Housing Benefit limit. This has meant that in practice the vast majority of rents for new council homes being set below 80% market rent.

Living Wage Rents

3.7 Rents are modelled on 37.5% or 27.5% of gross pay to a household earning the new national Living Wage at 2019. These were initially modelled for the Homes for Brighton & Hove joint venture and approved by the council. Receipts from 50% of new homes being sold for shared ownership will help the Joint Venture achieve this lower rent level for the 50% rented homes. Where financially viable living wage rents have also been applied to former council homes brought back through the Home Purchase Policy,

Social Rents

- 3.8 Social Rents are the rents at which existing council homes are re-let. Their low level, at generally less than 40% of local market rents, reflects the higher capital grants which were historically available to subsidise councils' construction costs, as well as the government's rent setting and rent increase formulae over many years. The Hidden Homes programme converting under used spaces into new homes has also achieved social rents on new homes.

Rent options and levels

Size of new homes	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
Affordable/Local Housing Allowance Rent per week	£157.61	£204.20	£237.19	£349.54
37.5% Living Wage Rent per week	£134.70	£161.63	£188.57	£215.51
27.5% Living Wage Rent per week	£98.78	£118.53	£138.29	£158.04
Average Social Rent per week				
Houses	£76.37	£87.42	£98.78	£105.03
Flats	£74.42	£83.22	£97.37	

Note: actual rent figures would be set according to the rates or valuation prevailing close to letting of the homes concerned.

Other options and opportunities

Balance of rents across housing supply initiatives

- 3.9 The current process for setting rents is to assess each project on its own merit and to ensure that rents are set to ensure there is minimal cost to the HRA. The current appraisal method assumes that a scheme is viable if it is cost neutral to the HRA.
- 3.10 The Rent Policy could agree that in future the HRA will subsidise rents. Consideration should be given to the balance of rent levels across housing supply initiatives. For example it may be more appropriate for social and 27.5% Living Wage rents be set for homes purchased under the Home Purchase Policy where they are more likely to be viable or viable with a subsidy. This can be managed by continuing to assess the programmes indicative subsidy or surplus to make all purchases viable as a whole for the HRA or to utilise the or the rent reserve, which currently totals £1.050m. The Hidden Homes programme lets homes at a social rent and it is recommended that this will continue with a subsidy from the rent reserve if required. This would have the advantage of rents being similar for new tenants to their existing council tenant neighbours. LHA and 37.5% Living Wage rents may be more suitable for new build schemes where tenants benefit from living in a new and modern home, where the energy bills are likely to be significantly lower due to sustainability measures.

- 3.11 A sensitivity analysis for new developments has been carried out on the impact setting rents at the four different levels within the rent policy. Three different investment costs were assumed ranging from £0.250m per unit to £0.300m per unit. The results of this analysis show that at LHA levels for each cost assumption a surplus is estimated from (£0.004m) at each per unit to (£0.035m). For all other rent levels a subsidy is required, ranging from £0.004m per unit to £0.141m per unit. These subsidies would need to be funded from existing HRA resources. The table below demonstrates this in more detail.

Affordable Housing Brief - Unit Mix			
One Bed	30%		
Two Bed	45%		
Three Bed	25%		
Four Bed	0%		
Total Cost £'000 (100 units)	25,000	27,500	30,000
RTB Subsidy (30%) £'000	7,500	8,250	9,000
Estimated (Surplus) / Subsidy for 100 homes £'000			
LHA	(3,541)	(1,791)	(41)
37.5% LW	383	2,133	3,883
27.5% LW	6,134	7,884	9,634
Social	10,632	12,382	14,132
Estimated (Surplus) / Subsidy per unit £'000			
LHA	(35)	(18)	(0)
37.5% LW	4	21	39
27.5% LW	61	79	96
Social	106	124	141
Estimated (Surplus) / Subsidy for 500 homes £'000			
LHA	(28,328)	(8,955)	(205)
37.5% LW	1,915	10,665	19,415
27.5% LW	30,670	39,420	48,170
Social	53,160	61,910	70,660

- 3.12 A further analysis has been carried out that indicates a mix of LHA rates and 37.5% Living Wage rent levels would also provide viable options for the HRA. Each individual project will need to be assessed against the different rent levels agreed as part of the Rent Policy and reported to Housing Committee for approval.

Mixed tenure and ownership

- 3.13 It may be possible to deliver lower rents for a portion of new homes by cross-subsidising from market sales and other tenure within a development. For example the viability of a project may be improved by including a number of market sales, shared ownership or market rents within a development enabling lower rents to be set on the remaining homes. There are restrictions within the HRA that would not allow cross subsidising from market rented properties, for example. To cross subsidise in this way would require the creation of a wholly

owned housing company, where the inclusion of market rent properties is permissible.

- 3.14 This would have the advantage of creating communities with a broader mix of residents, but would reduce the overall number of affordable rented homes delivered. This may not work if the sales or rental values in the area are low, but has been shown to work in the Homes for Brighton & Hove joint venture model where Shared Ownership is used to cross-subsidise 37.5% Living Wage rents. There is an opportunity to model different scenarios with larger projects such as the Moulsecoomb Hub development.

Projects delivered under budget

- 3.15 Setting rents at the point when the initial budget is approved for new build projects means that if the development is delivered significantly under budget the rent level may have been able to be set at a lower rate than that agreed by Housing Committee. Consideration could be given to using any underspent budget to support the Rent Reserve to support lower rents on future projects or purchases. An example of this would be the Lynchet Close project that was delivered under budget and committee would have been able to set a lower rent had the true budget figure been known when the rents were set. This needs to be balanced against projects that are delivered over budget and it should be noted that a number of projects have been delivered over budget as well as under budget on the programme to date. It is also important to recognise that assumptions for certain costs for management and maintenance have also been made. Therefore we need to ensure that we are taking account of any risks of large increases in these costs.

Monitoring and target setting

- 3.16 In order to maximise affordability, members could choose to set targets for the number of homes delivered at different rent levels across the range of housing supply initiatives. This would provide officers with a clear steer on members' expectations and priorities with rent levels. There is potential that this could be problematic as the project viability may mean that the only way to achieve the target would be significant subsidy from the HRA. However this approach could be applied more readily to the Home Purchase Policy and Hidden Homes programmes where they are more likely to be viable or viable with a small subsidy.

Sustainability measures and fuel poverty

- 3.17 New build homes are built to far higher sustainability standards than older homes and this will be even more significant as the council moves towards developing zero carbon homes. The impact of features such as high insulation standards, sustainable heating systems and solar photo voltaic panels should significantly reduce tenant's energy bills and this has been reported by residents of homes delivered to date under the New Homes for Neighbourhoods programme. This represents a cashable saving to tenants whether they are in receipt of LHA or not and could be a consideration in setting higher rents than those for people in

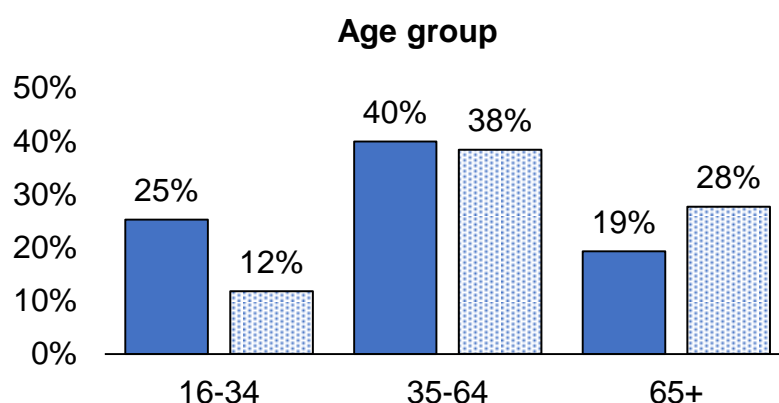
existing council stock. For example research has shown that gas heating in a Passivhaus home can deliver almost £600 in gas savings annually¹.

Analysis of rent setting to date and equalities implications

- 3.18 An initial and high level equalities impact assessment has been carried out on the implications of rents on the 198 households that have moved into new general needs and seniors 'extra care' council homes built or acquired since 2015. The data is as of 30 September 2019.
- 3.19 Of the 198 homes, 178 are occupied by sole tenants, and the remaining 20 are occupied by joint tenants. The equalities analysis has included all tenants, therefore the total used is 218 tenants, rather than the 198 households. To help keep things in proportion, percentage figures are also used to compare the data.
- 3.20 As the table below indicates, 5 of the 218 tenants (2%) are charged rents at social rent levels, 19 (9%) are charged at the intermediate 37.5% Living Wage rent, and the majority of new tenants are charged at Local Housing Allowance (LHA) levels.

Rent type	No. tenants	% of tenants
Social rent	5	2%
37.5% living wage rent	19	9%
LHA rent	194	89%
Total	218	100%

- 3.21 With regard to age, the bar chart below shows there is a higher proportion of younger tenants represented among tenants in the new homes (25%) than there are among the general tenant population (12%); while the reverse is true of the representation of people age 65 and over in the new homes.



- 3.22 The data relating to ethnicity showed little variance between tenants moving into the new council housing and those in the total tenant population. When considering disability, there are slightly higher proportions of tenants with a disability moving into the new housing than in the wider tenant population at 61% compared to 53%.

¹ <https://great-home.co.uk/energy-efficient-homes-eco-houses-zero-carbon-homes-and-passivhaus/>

- 3.23 In terms of affordability, it has been difficult to fully assess the relative proportions of people on particular benefits because there are 14% of tenants in the new homes who are not on benefit or where the data is not known. Also there is 34% of the full tenant population who are not in receipt of help with their rent, or where the data is not known. However, the table below shows that a total of 85% of tenants in new homes are known to be in receipt of full or partial benefit to help with their housing costs.

Housing related benefits	New council homes		All council homes	
	No. tenants	% of tenants	No. of tenants	% of tenants
Full Housing Benefit	107	49%	4,654	36%
Partial Housing Benefit	42	19%	2,010	15%
Universal Credit	38	17%	1,905	15%
None or unknown	31	14%	4,505	34%
Total	218	100%	13,074	100%

- 3.24 The table below outlines the proportions of households receiving help with their rent at the three rent levels, with the lowest being for the social rent level (although the numbers are also very small). The council will continue to support tenants into work, however it is increasingly the case that people in priority need for social housing are also those who are furthest away from being able to work or ready for work. This is likely to account for the lower proportion in the general tenant population of 66% who are known to be on full or partial benefit to help with their housing costs.
- 3.25 Increasing the rent subsidy on council accommodation is likely to result in lower exchequer costs in the form of benefits to meet housing costs, and to reduce the viability of some future housing schemes or to mean that fewer council homes will be provided.

Rent type	No. households receiving help with rent	% households in this group receiving help
Social rent	3 of 5	60%
37.5% living wage rent	16 of 19	84%
LHA rent	153 of 194	79%

- 3.26 Our initial analysis shows that while a higher proportion of households in new homes are in arrears compared to other households whose tenancies started in the past five years (45% and 31% respectively), the average arrears are very similar at £550 for the former and £555 for the latter group. Further and detailed work would be required to account for the full reasons for this, however possible contributory factors could be the impacts of Universal Credit, and the time some new tenants need to settle into their new homes and meet their housing set up costs including furniture, carpets and white goods etc.
- 3.27 Initial analysis suggests that there are no particular groups adversely impacted by the range of rent levels set for new homes when compared against the

general tenant population. Also the variance between residents on 37.5% Living Wage rents and those on LHA rents is marginal at 84% and 88% respectively.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 There are a number of potential options for the current Rent Policy including:
- Doing nothing – i.e. leaving the policy in place as it is
 - Changing the policy – i.e. updating the policy in light of new priorities, learning from the programme to date and other considerations detailed in this report

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Consultation is undertaken with the community on individual new build projects and to date has not included specific focus on proposed rent levels.

6. CONCLUSION

- 6.1 Housing Committee is asked to note the current Rent Policy and approve a revised Rent Policy to include the options outlined in paragraphs 3.10 – 3.17 of this report. The Rent Policy will be reviewed every two years, or where circumstances change significantly.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The financial viability modelling sets out to show whether a given scheme can pay for the borrowing required by using the new rental stream, (net of service charges, management, maintenance, major repairs and voids costs) over a 60 year period. Assessing the project viability over a 60 year period not only matches the life of the asset but also reduces the need to use existing tenants' rents to support the project. The financial model tests viability of the rent options contained within the policy for each new build scheme and the results are presented to Housing Committee enabling Committee to set rents accordingly.
- 7.2 When setting rents for new build homes, members need to consider the needs of current tenants, tenants of the new homes and also the longer term benefits to the HRA and the aim of increasing housing supply in the City. As outlined in paragraph 3.11, setting rents at the lower of LHA or 80% of market rents is likely to mean there is a surplus for the HRA and therefore an increase in the overall income which could be spent on more services for tenants or further new build schemes. Setting rents at a level which requires a subsidy from current tenants will constrain the amount the HRA can spend on tenants and will not enable any contributions to new build schemes.
- 7.3 Where rents could be set at LHA (or 80% market rent) level and are set at a lower level (such as living wage rent), the council are foregoing this extra income which may in some cases have come from the government in the form of welfare benefits.

- 7.4 Paragraph 3.11 outlines the sensitivity analysis results. Aside from LHA rates a significant subsidy would be required for all other rent levels. To deliver 500 new developments would require an estimated subsidy of between £1.915m to £70.660m over a four year period depending on the rent level chosen. This is highly dependent on the total investment cost achieved; it is likely to be towards the higher end of the subsidies due to the rising cost of construction and inclusion of zero carbon measures. Under current assumptions this would not be seen as a sustainable approach for the HRA to take over the medium term and would need to be tested fully against the 30 year business plan. Alternative options are likely to be considered to cross subsidise developments to achieve lower rents i.e. the use of market rents.
- 7.5 The level of rent reserve currently totals £1.050m and is being considered to reduce properties rents being purchased via the Home Purchase Policy from September 2019. This is a finite resource which will support the reduction of a limited number of homes and therefore the Home Purchase Policy still needs to consider rents at 37.5% Living Wage to ensure the purchases remain viable for the HRA.

Finance Officer Consulted: Craig Garoghan

Date: 18/12/19

Legal Implications:

- 7.6 Section 24 (1) of the Housing Act 1985 provides that a local housing may make such reasonable charges as they may determine for the tenancy or occupation of their houses. The use of the word “may” in section 24(1) confers a discretion on the council. The law requires a discretion to be exercised reasonably, which involves taking into account relevant considerations, ignoring irrelevant ones and otherwise acting objectively. There is no legal objection to the development of a policy to assist in the exercise of that discretion. The policy would constitute a relevant consideration. Policies should be kept under review to ensure that they remain fit for purpose and relevant.

Lawyer Consulted: Name Liz Woodley

Date: 31/12/19

Equalities Implications:

- 7.7 Affordability of new and existing homes is a key issue at a local level, particularly affecting those on lower incomes. Paragraphs 3.18 – 3.27 of this report outlines an initial analysis on the potential impact of the policy on different equalities groups. It is recommended that a full Equalities Impact Assessment is now undertaken on the Rent Policy to date to ensure that it has not had any unintentional impacts on different equalities groups.

Sustainability Implications:

- 7.8 Higher sustainability standards for new homes, especially in the council’s drive to move towards zero carbon housing, should reduce tenants’ energy bills.

SUPPORTING DOCUMENTATION

Background Documents

1. Rent policy for new build council homes – Housing Committee report 15 November 2017

Subject:	Elwyn Jones Court – Renewable Heating Proposal		
Date of Meeting:	15 January 2020		
Report of:	Executive Director, Housing Neighbourhoods & Communities		
Contact Officer:	Dan Goodchild, Home		
	Name:	Energy Efficiency Project Manager	Tel: 01273 290486
	Email:	dan.goodchild@brighton-hove.gov.uk	
Ward(s) affected:	Patcham		

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

- 1.1 Elwyn Jones Court is a 75 bed Seniors' Housing Scheme in Brighton. All parts of the building are currently heated by night storage heaters that are old, inefficient and expensive to run. Due to their age, replacement parts are increasingly difficult to maintain and they are in need of replacing.
- 1.2 An options appraisal has been conducted to explore upgrades for the space heating and domestic hot water systems.
- 1.3 This report explains the findings of this feasibility study and recommends the installation of a low carbon heating solution at Elwyn Jones Court – specifically a ground source heat pump.
- 1.4 The capital expenditure required for the project is estimated at £590,000. The system would be eligible for the Renewable Heat Incentive (RHI) and the project would generate an annual income for the council of £34,966 and an electricity bill reduction of £41,880¹.
- 1.5 This report seeks approval and authorisation from the Housing Committee regarding the recommendations in Section 2 to procure a contract for the installation of a ground source heat pump.

2. RECOMMENDATIONS:

- 2.1 That Housing Committee:
 - 2.1.1 Delegates authority to the Executive Director for Housing Neighbourhoods & Communities to take all steps necessary to procure and award a contract for the

¹ Approximately 30% of this reduction would be to tenants' electricity bills due to the replacement of the hot water system

installation of a ground source heat pump (option 1, below) with the option of a maintenance contract for a term of five years.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 The current heating system at Elwyn Jones Court consists of:

- Electric night storage heaters that run off of the communal electricity supply. These provide space heating to individual flats and communal areas
- Point of use (POU) water heaters for domestic hot water (DHW) run off of the tenants' own electricity supplies
- POU water heaters for hot water in communal areas, run off of the communal electricity supply.

3.2 The current space heaters are old, wall-mounted storage heaters. Whilst it is possible to continue running them, they are becoming increasingly difficult to maintain due to their age and the availability of parts. The domestic POU water heaters were installed in 2017, replacing individual water tanks in each flat. Whilst removing stored water lowered the risk of legionella, the new system increased tenants' fuel bills, as the old system was run from the communal electricity supply.

3.3 It is estimated that the total electricity bill for the site for communal electricity and domestic hot water is £62,942. Electricity prices are expected to continue rising at approximately 5% annually for the foreseeable future.

3.4 The Housing work plan agreed on 18 September 2019 committed the council to ensuring housing contributes to making the city carbon neutral by 2030. The HRA Energy Strategy, adopted in 2018, noted the following:

- Technical Energy Efficiency (compliance with legislation) is a key driver for improving the energy performance of HRA assets
- Energy efficiency risks and opportunities will be incorporated into business planning
- Major projects will be developed holistically
- Heat pumps would be deployed where cost effective

3.5 Ricardo, an engineering and consultancy firm, were commissioned to complete a feasibility study (summary included at Appendix 1) to explore the potential for installing a low carbon heating system at Elwyn Jones Court. The results of this study are summarised in Table 1 below. Options 1 and 2 would require a 'wet' central heating system to be installed in each flat and the costs of this installation are included below.

Scenario:	1: Ground Source Heat Pump	2: Air Source Heat Pump	3: Electric heaters²
Capital costs:	£590,000	£360,000	£90,939
Electricity savings (incl. inflation - 20 yrs.)	£1,070,602	£978,081	Negligible
RHI income (incl inflation 20 yrs.)	£893,852 ³	£308,690 ⁴	Nil
Annual Operating & Maintenance costs:	£7,641	£7,641	Minimal
Total net benefit (20yr)	£1,776,955	£1,095,746	Negligible
Project Payback:	7.75 years	7.2 years	No payback
Carbon Saving/yr:	75	70	Nil

Table 1 – summary of options

3.6 Some technologies were discounted for the following reasons:

- Decentralised (individual) Air Source Heat Pumps (ASHPs) - due to the visual impact multiple distributed units would have on the building.
- A centralised ‘open-loop’ Ground Source Heat Pump (GSHP) - due to the risks associated with groundwater contamination and the costs and resources required to obtain appropriate permissions from the Environment Agency
- Gas boilers – due to the council’s commitment to be net zero carbon by 2030.

3.7 A centralised ‘closed-loop’ GSHP was explored in the feasibility, however when compared to a decentralised (‘shared loop’) system, the decentralised system gives a number of resilience and financial benefits. This includes providing the council with a fixed income stream and allowing individual flats to be isolated for maintenance. For these reasons, as well as simplicity, a centralised GSHP system was excluded from this report.

3.8 Renewable Energy Options

Two types of ‘heat pump’ solution were explored. Heat pumps work by using electricity to extract renewable heat from either the ground or air. A diagram providing more information on how they work and additional information about the two heat pump options explored by the feasibility study is included at Appendix 1

² note there is no replacement of the POU boilers in this scenario

³ Fixed based on EPCs of individual flats

⁴ Variable, based on heat demand of whole building

Option 1 – Ground Source Heat Pump (Shared Loop)

This option would see heat collected from approximately 40 boreholes drilled on site and delivered to each flat at an ambient temperature. Each flat would contain its own, independent heat pump and hot water cylinder, located in existing cupboards and run from the communal electricity supply. This minimises the risk of overheating in communal areas and allows for heating maintenance on a flat-by-flat basis.

Once completed, the boreholes and heat pumps would seldom need to be accessed for maintenance. External space would be reinstated to its current use, whilst it is estimated that at least half of the existing cupboard space would be able to be retained for storage.

Each flat would have a control system similar to those for central heating systems installed across the housing estate. Training will be provided for those tenants who require it.

DHW costs would revert to the landlord supply and be incorporated into service charges.

There would be a significant reduction in carbon emissions as the amount of electricity consumed by the building is projected to reduce significantly.

Option 2 – ASHP Centralised

This option would locate approximately 5 large ASHP units external to Elwyn Jones Court, likely to the rear of the garages (facing Carden Avenue). Approximately 16m is required to site the units, which would be screened by the existing mature trees and protected from vandalism and leaf drop by cages.

Electricity, hot and cold water supplies would also need to be installed in a duct under the car park, but no other external works would be required.

Warm water would be circulated round the interior of the building in insulated pipework. Each flat would then require a heat exchanger in order to deliver heat and hot water. This system is identical to that operated across many council housing blocks.

DHW costs would revert to the landlord supply and be incorporated into service charges.

Given ASHPs are less efficient than GSHPs, the electricity and carbon emission reductions would be lower.

3.9 There are two primary risks to the project:

1. Given the likely length of the works (see section 8), the key risk is that the project is not commissioned by 31 March 2021- the date by which installations must be commissioned in order to receive RHI. Even in this scenario, however, the project would still deliver an improved heating solution for tenants and deliver ongoing savings to BHCC.

2. The other primary risk is that insufficient heat can be extracted from the ground area to meet the demand of the building. This is considered unlikely, however temperature monitoring will be undertaken this winter to inform the final design. Thermal response testing may be conducted depending on the outcome of this monitoring and supplementary air source heat pumps could be utilised in order to reduce the heat demand from the borehole array.

A full risk register has been compiled and will be maintained throughout the duration of the project.

- 3.10 Subject to further liaison with the Executive Director, it is proposed to procure a design and build contract with an option for a 5 year maintenance contract.

There are a number of frameworks through which this work could be procured, including:

- Northumberland County Council (2018/S 051-112351)
- ESPO (Framework 2838_19)
- YPO (2015/S 196-355076 – expires Nov 2020)

It would also be possible to procure the contract by issuing a standard Invitation to Tender or by using the existing heating contract with K&T Heating.

It is proposed to use one of the above frameworks and to explore further frameworks if necessary, subject to further evaluation and due diligence by officers.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 In order to present a 'Business as Usual' scenario, a quotation was sought to cost the full upgrade of all existing storage heaters to modern storage heaters. This would replace each existing storage heater with a *Heatstore Intelirad* Oil Filled Radiator of equivalent heat output to the existing units. These would be very unlikely to deliver any discernible benefit in terms of space heating cost.
- 4.2 Whilst this solution would modernise the system and be maintainable, there is no proposed change in the domestic hot water production method and residents would continue to pay for this through their own electricity bills. There would also only be a negligible reduction in electricity consumption (through improved user controls) and therefore a correspondingly small reduction in carbon emissions.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.2 An engagement event with residents was held on 14 November 2019. Feedback from this meeting was that residents would welcome an upgrade to their existing system, which was reported as being difficult to control and necessary to anticipate the weather in advance, in order to set the heaters correctly. The proposed replacement of the Point of Use boilers was also welcomed.

- 5.3 Suggestions were made around where the existing system could be improved (for example, by providing heating in bathrooms) and this will be explored during the design phase.
- 5.4 Further engagement with residents will occur during the design phase. It is expected that a full-time site manager will be appointed by the successful contractor, with regular site visits from BHCC officers to monitor works and address residents' concerns that may arise.

6. CONCLUSION

- 6.1 The above information demonstrates that both heat pump options deliver significant carbon savings, addresses the dissatisfaction with the existing DHW supply and delivers financial benefits for the council and tenants over the electric radiator solution.
- 6.2 Of these, the GSHP is the preferred option for the following reasons:
- Greater efficiency (lower running costs)
 - Greater confidence of higher performance
 - Increased system resilience for maintenance
 - Fixed income stream guaranteed for 20 years
 - Greater carbon savings
 - Lower risk of overheating
- 6.3 Based on the results highlighted above study, it is recommended to proceed to procure an ambient temperature GSHP. Upon approval of the recommendations in this report, the following timetable is proposed:

Jan-Feb 2020	Procurement documents prepared
Mar 2020	Procurement advertised
Apr 2020	Tenders back
May 2020	Contract awarded
June 2020	Design, further resident consultation and mobilisation
Jul-Sep 2020	External work (borehole drilling etc)
Aug-Dec 2020	Internal works
Jan 2021	System commissioning

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The financial implications are set out in the main body of the report, showing that proposed capital investment of £0.590m is required for the preferred option of the centralised ground source heat pump system. This option provides the shortest payback period and has the benefit of greater carbon savings.
- 7.2 A proposed budget of £0.590m has been included in the 2020-21 Capital Programme. The annual income generated from the Renewable Heat Incentive scheme would be added to the earmarked reserves for Energy Efficiency. Annual maintenance costs would be met from within the existing revenue budget.
- Finance Officer Consulted: Mike Bentley* *Date: 27/11/19*

Legal Implications:

- 7.3 In accordance with Part 4 of the Council's constitution, the Housing Committee is the appropriate decision making body in respect of the recommendations set out in paragraph 2 above. To comply with CSO 3.1, contracts in excess of £500,000 must be approved by the relevant committee.
- 7.4 The Council has a duty to secure 'economy, efficiency and effectiveness' in all its activities. Supply of this service in a manner which attracts the most economically advantageous bid supports this principle and is in line with the procurement rules.
- 7.5 The procurement of a contract through a framework agreement must comply with all relevant European and UK public procurement legislation as well as the council's CSOs.

Lawyer Consulted: Wendy McRae-Smith

Date: 04/12/2019

Equalities Implications:

- 7.6 An Equalities Impact Assessment has been carried out and is included as Appendix 2.
- 7.7 The installation of a new heating and hot water system that is cheaper to run and easier to control will ensure older residents and those with disabilities find it easier to ensure their homes are heated to an appropriate temperature and derive health benefits as a result.

Sustainability Implications:

- 7.8 The current emissions for the building are as follows:

	Annual emissions (tCO2e)
BHCC (heating and communal ways)	94.27
Tenants (domestic hot water, estimate)	20.45
Tenants (other supplies)	Unknown ⁵
TOTAL	114.72

<i>Less carbon reduction projects:</i>	Emissions reduction (tCO2e)	Emissions reduction (% of baseline)
GSHP installation	75	65.3
Solar PV installation ⁶	15	13.1
Residual Emissions	24.72⁷	78.4%

- 7.9 The planned carbon reduction projects make a significant and immediate contribution to reducing the emissions of the building.

⁵ Tenants are responsible for their own domestic electricity supplies (for lighting, appliances etc). BHCC has no control over the suppliers for this electricity

⁶ The Solar PV installation forms part of the SOLARISE project and is scheduled for completion in Spring 2020

⁷ Based on an electricity emissions factor of 0.2556kgCO2e/kWh

- 7.10 The remaining energy requirement is all grid-purchased electricity. This means that the building will further decarbonise in line with the decarbonisation of the national grid.
- 7.11 At present the council's Energy and Water team purchase 'brown' electricity for the site. Policy, Resources and Growth Committee decided on 11 July 2019 to allow the Executive Director Economy, Environment & Culture to evaluate comparison prices and make a decision on whether to secure a 'Green tariff' for BHCC properties from 1 October 2020. Should this decision be taken, then there would, in effect, be zero emissions from the BHCC-controlled elements of the building.
- 7.12 By undertaking this project, BHCC will increase their understanding of renewable heat technologies and look to complete further installations across the city utilising the knowledge gained as part of this project. It is likely many of these projects will be where gas is currently the primary fuel source – therefore significantly contributing to the city's decarbonisation ambitions.

Any Other Significant Implications:

7.13 Public Health

Strategically addressing cold homes and fuel poverty in vulnerable groups will contribute to the prevention of ill health and excess winter deaths, reduce health and social inequalities, and improve wellbeing and quality of life. Supporting and enabling residents to pay less for their energy can contribute to tackling cold homes.

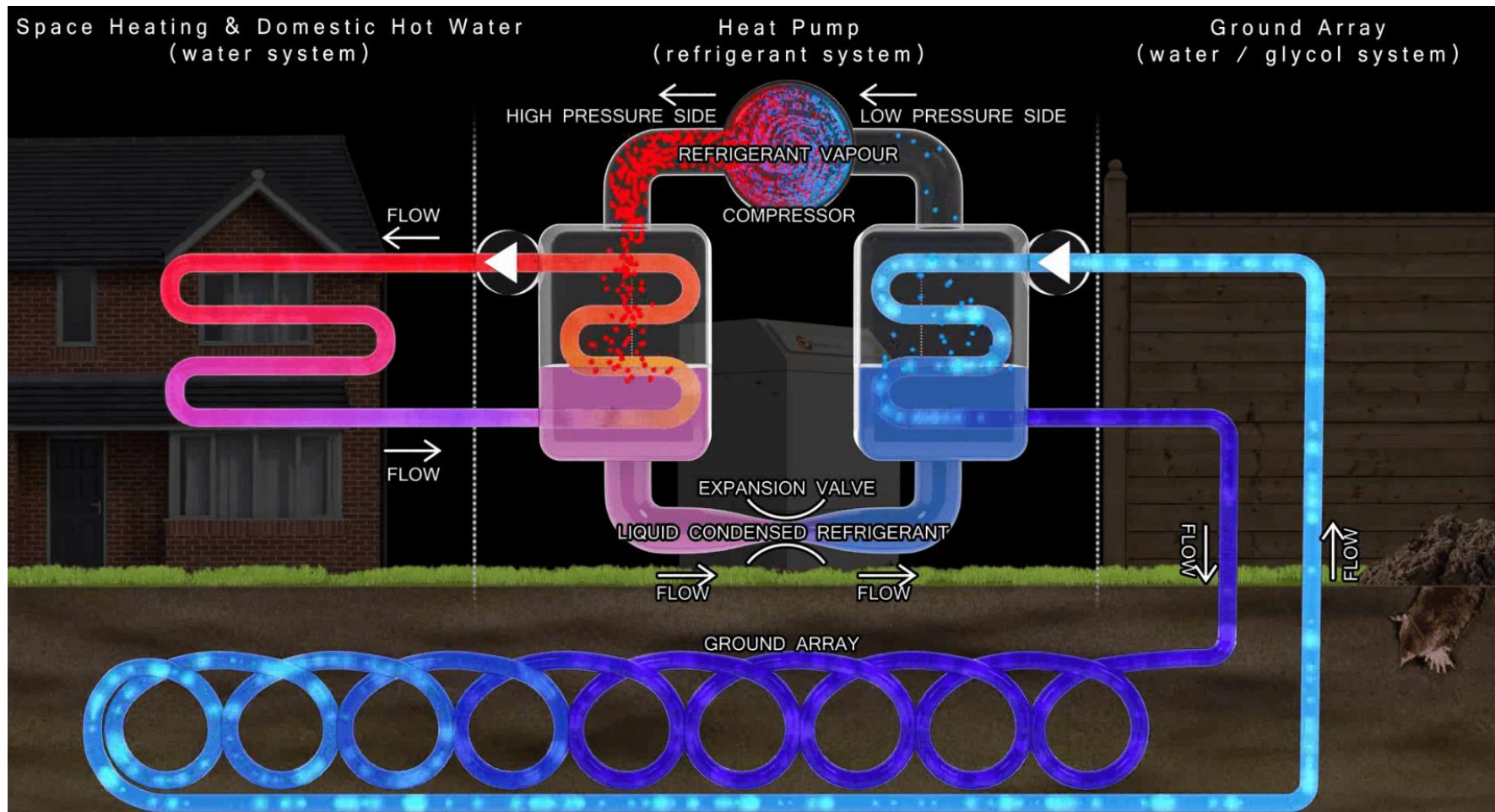
10. Appendices

Appendix 1 – How heat pumps work

Appendix 2 – Equalities Impact Assessment

APPENDIX 1 – HEAT PUMP EXPLANATION AND OPTIONS APPRAISAL

The below diagram demonstrates how a ground source heat pump system works. An air source system works in the same way, with the exception that the heat is extracted from the air, rather than the ground array shown below.



Options Appraisal:

Option 1 – Ground Source Heat Pump (Shared Loop)

This option would see approximately 40 boreholes drilled on site. This work would be staggered in order to minimise disruption to residents' and the parking arrangements. Once completed, each borehole would be capped with a manhole cover, which would seldom need to be accessed for maintenance. No car parking spaces would be lost once the installation is commissioned.

A glycol solution would be circulated through each borehole, absorbing heat from the ground before entering the building. This solution would be transported to each flat via pipework, prior to increasing the temperature of the flow. This minimises heat distribution losses and the risk of overheating in communal areas and is referred to as an 'ambient temperature' system.

Each flat would contain its own, independent heat pump and hot water cylinder, located in existing cupboards and run from the communal electricity supply. Solutions available in the market at present would still permit at least half of the existing cupboard space to be retained for storage, with access only required for infrequent maintenance. The control system would be similar to those for central heating systems installed across the council housing estate. Training will be provided for those tenants who require it.

This system would enable each flat to operate independently. This means if one heat pump were to need maintenance, the remainder of the building will continue to be heated.

The common areas would be heated with a larger, communal ground source heat pump serviced from a centralised plant room in a current void space in the building. Subject to viability, this could be designed to enable cooling in the summer months.

For the individual flat systems, the council would receive fixed, index-linked Renewable Heat Incentive (RHI) payments for a period of 20 years. The amount of heat produced by the communal heating system would be metered and RHI payments made based on actual consumption.

There would be a significant reduction in carbon emissions as the amount of electricity is projected to reduce significantly.

Option 2 – Air Source Heat Pump (ASHP) Centralised

This option would locate a number of large ASHP units external to Elwyn Jones Court. The feasibility study identified the rear of the garages (facing Carden Avenue) as a suitable location. These units would be screened by the existing mature trees and protected from vandalism and leaf drop by cages. An alternative location was proposed by the current bin store, however it is felt that the potential for noise pollution and possible loss of car parking is best avoided.

Electricity, hot and cold water supplies would also need to be installed in a duct under the car park, but no other external works would be required.

Warm water would be circulated round the interior of the building in insulated pipework. Each flat would then require a heat exchanger in order to deliver heat and hot water. This system is identical to that operated across many BHCC housing blocks. The control system would be similar to those for central heating systems installed the BHCC Housing estate. Training will be provided for those tenants who require it.

RHI income would be determined by the heat actually produced, meaning income streams will be more variable than the GSHP option.

Given ASHPs are less efficient than GSHPs, the electricity and carbon emission reductions would be lower, although still considerable.

Option 3 – Electric Heaters

In order to present a 'Business as Usual' scenario, a quotation was sought to cost the full upgrade of all existing storage heaters to modern storage heaters. This would replace each existing storage heater with a *Heatstore Intelirad* Oil Filled Radiator of equivalent heat output to the existing units. These would be very unlikely to deliver any discernible benefit in terms of space heating cost.

Whilst this solution would modernise the system and be maintainable, there is no proposed change in the domestic hot water production method and residents would continue to pay for this through their own electricity bills. There would also only be a negligible reduction in electricity consumption (through improved user controls) and therefore a correspondingly small reduction in carbon emissions.

Summary table

Scenario:	GSHP Shared Loop	ASHP Centralised	Electric heaters*
Capital Expenditure	£590,000	£360,000	£90,400
Bill savings (BHCC):	£30 000	£26,381	Negligible
Bill savings (tenants):	£11 880	£11 880	Negligible
RHI income:	£34,966	£12,075	Nil
Annual Operating and & Maintenance Costs:	£7,500	£7,500	Replacement only
Project Payback (BHCC):	Year 9	Year 9	None

Carbon savings (tCO ₂ e/yr):	75	70	Negligible
Heat source:	40-borehole array	Series of heat pumps located by existing garages	Oil filled radiators
Efficiency**:	370%	300%	100%
Distribution temperature:	Ambient	Medium	n/a
Heat pump location:	Individual flat. Small plant room	Twin-plant rooms	n/a
Disruption (internal)	Medium	Medium	Low
Disruption (car park)	High	Very Low	None
Installation timescales	6 months	4 months	1 month

*no POU boiler replacement in this scenario

**these figures are recommended by CIBSE. In practice, it is felt that GSHPs more reliably outperform these figures than ASHPs.



Equality Impact and Outcome Assessment (EIA)

EIAs enable us to consider all the information about a service, policy or strategy from an equalities perspective and then action plan to get the best outcomes for staff and service-usersⁱ. They analyse how all our work as a council might impact differently on different groupsⁱⁱ. They help us make good decisions and evidence how we have reached these decisionsⁱⁱⁱ.

We aim to work closely with residents before, during and after works. For projects such as this we discuss options and proposals with residents as early as possible to ensure we capture their priorities, so we can feed this into any proposals where possible. We also write to tenants following works to ask for their feedback on how the project went and whether the work made a difference. We intend to increase the information we gather to include asking whether we have met the tenants individual needs during the period of the works.

Title of EIA	Elwyn Jones Court- Heating & Hot Water Upgrade
Team/Department	Housing Sustainability & Mechanical & Electrical Teams Miles Davidson Housing Sustainability & Affordable Warmth Manager, Interim Manager M&E Team Dan Goodchild – Home Energy Efficiency Project Manager
Date of Checklist	15.11.2019
Focus of EIA^{iv}	The focus of this EIA is on the impact of works on heating and hot water upgrade at Elwyn Jones Court. It also allows us to examine the potential impacts on groups resulting from the installation of a new heating and hot water system.

Scope of Works:

The works will encompass the provision of a new heating and hot water supply to communal areas and domestic dwellings at Elwyn Jones Court

Options considered are Ground Source Heat Pump, Air Source Heat Pump with a wet central heating system

Alternatively an electric heating upgrade limited to replacement of night storage heaters with more modern electric panel heaters.

(Preferred option of a ground source heat pump will be presented to Housing Committee in January 2020, this option will form the basis of this assessment)

- The works would include the drilling of up to 40 bore holes in the grounds of EJC and installation of ground source heat pump infrastructure.
- Removal of existing night storage heaters (communal and flats), point of use heaters and electrically heated hot water storage tanks in flats.
- Installation of new wet distribution system and radiators in flats and communal areas.
- Installation of individual heat pumps into existing storage cupboard in each flat.
- Conversion of existing unused communal area and old staff office for plant.
- There will be making good and redecorations to all disturbed areas.

The proposed works will provide residents with a new heating and hot water supply both connected to the landlord electricity supply, residents

will be therefore pay for all hot water and heating through service charges.

There will be disruption to residents during the works as follows:

- Access to the grounds surrounding the building will be restricted in a phased manner during the drilling of the bore holes.
- There will be some disruption in communal areas to allow for the installation of new pipe runs and radiators.
- There will be some disruption in individual flats during the installation of individual heat pumps, pipework and radiators.
- A storage container will be located in a designated parking bay in the main car park area.
- The main entrance will be subject to restricted access during material movement

Age	Findings / Evidence / Comments	Suggested actions
Proposal		
<p>There is a clear pattern of increasing depth of fuel poverty in older households (Annual Fuel Poverty Statistics Report 2015). In 2013, people in England aged 75 or over had the largest average fuel poverty gap.</p> <p>Excess winter deaths (EWD) are higher among people aged 65+. In 2013/14 51% of cold related deaths were among people aged 85 and older; 27% were among those aged between 75 and 84; 22% were among people under 75. ('Statistical bulletin: excess winter mortality in England and Wales, 2013/14'). In Brighton & Hove (for the three years of 2010/11 to 2012/13) 50% EWD of were in people aged 85 or over.</p> <p>The installation of a new heating and hot water system will provide a more reliable, controllable and potentially cheaper source of heating to residents. Reducing likelihood/depth of fuel poverty and EWD</p>		
Works		
Lack of communication about the proposed work and timescales causes problems for tenants and residents. Creating issues with physical access to parts of the building and grounds, and anxiety.	Residents are unable to plan ahead and put measures in place to reduce the impact this work will have.	The project lead, site manager and resident liaison officer (RLO) will meet with the residents prior to work starting. Regular residents meetings and newsletters will be provided during the works providing details of any planned or likely disruptions to access.
Building work is disruptive and noisy and tenants and residents have told us that this can be very distressing	The nature of some of the works does create noise and this must be	Working hours on site are 08:00 – 16:00, noisy works and the use of noisy tools is

to live with for long periods of time.	addressed.	restricted to 09.00-16.00. Work will be concentrated in areas, so only certain parts of the site will be affected at any one time
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Disability

Proposal

People in England (2013) who have a long term illness or disability are more likely to be fuel poor (12%) than those who do not (10%). In Brighton & Hove, Health Counts Survey respondents who had a limiting long-term illness or disability were significantly more likely to be unable to keep their home warm in winter. 16.3% of people living in Brighton & Hove have their daily activities limited a little or a lot by a long term health problem or disability (Census 2011). Nationally, disabled people are more likely to live on low incomes and experience poverty than non-disabled people.

Disabled people are more likely to need a warmer home environment to maintain their health; some disabled people may need to use benefits intended to support their independence to ensure their home is warm enough.

The installation of a new heating and hot water system will provide a more reliable, controllable and potentially cheaper source of heating to residents. Reducing likelihood/depth of fuel poverty and EWD

Works	Findings / Evidence / Comments	Suggested areas for development
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Tenants have told us that there are days when their health issues restrict what they are able to do or may mean they require more care.	Residents may need flexibility around scheduling to allow for health issues (bad days) and other commitments such as Occupational Health visitors or carers.	The project team will liaise directly with residents or via scheme managers and can within reason work around these issues. Whilst we would not be able to hold up a programme due to individual requirements on a long-term basis we will provide as much assistance as possible.
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Dust and debris can have an adverse effect on tenants with respiratory conditions such as Asthma or Chronic Obstructive Pulmonary Disease (COPD).	The nature of some works – external borehole drilling, concrete repairs, brickwork repointing – will produce levels of dust we will endeavour to keep this to a minimum.	Any residents with particular respiratory conditions will be met by the RLO and arrangements will be made to assist. At the end of the working day all dust and debris will be cleaned and cleared.
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Some residents have told us that they find our signage and information difficult to read and understand and it	Residents are not aware of important information especially around health and	Information/signage will be written clearly and where possible in pictorial form so it's
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has been placed too high.	safety issues.	easier for a range of people with different needs to understand. It will be placed at a height that can be read by someone in a wheelchair. Where a resident has told us that they have difficulty with reading we will visit them individually to provide the information in person.
Residents have expressed concerns that the addition of a storage container, a waste skip and contractor's vehicles will reduce available parking spaces which are invaluable to residents and visitors such as wheelchair users or other mobility issues.	Elwyn Jones Court car park has 12 marked parking bays. It is proposed to use the bays currently (Nov 2019) used for storage related to the installation of the new lift shaft. The temporary loss of 2 bays can be considered acceptable to enable works. Measures should be undertaken to eliminate further loss of bays.	Visiting contractors will be allowed to unload tools and materials but will be asked to park off site on local roads during the working day.

Gender Reassignment	Findings / Evidence / Comments	Suggested areas for development
Proposal <p>The Brighton & Hove Trans Needs Assessment found that the trans community; Have more people with a disability or long term health need than the general population. 44% of respondents reported that they have a limiting long term illness or disability, compared with 26% of all respondents to the Health Counts Survey.</p> <p>The installation of a new heating and hot water system will provide a more reliable, controllable and potentially cheaper source of heating to residents. Reducing likelihood/depth of fuel poverty and EWD</p>		
Works		

We will consider the needs of the trans community during the works.	No specific feedback received relating to this group.	No specific actions identified for this group.. All contractors will be respectful of people who are trans or non-binary and will use the names and pronouns (like 'he', 'she', they) that the person uses.
Race and Ethnicity & Religion and Belief	Findings / Evidence / Comments	Suggested areas for development
Proposal People in England (2013) who are of minority ethnic origin are more likely to be fuel poor (18%) than people who are of white ethnic origin (9%) (Dept. of Energy and Climate Change 2013). The installation of a new heating and hot water system will provide a more reliable, controllable and potentially cheaper source of heating to residents. Reducing likelihood/depth of fuel poverty and EWD		
Works		
Where English is not their first language residents may have difficulty reading and understanding the content of letters and posters relating to the planned major works.	Residents will not be aware of the works and how this will impact on them.	We will be utilising the services of a translation / interpreting service should this be a requirement
Some religions or religious beliefs prevent gender mixing.	Contractors or staff visiting a tenant may need to be of the same sex.	Where we know it's a requirement of the resident's religious belief for the contractor to be of the same sex we try to accommodate this. Contractors will be sensitive to religious dress codes and ensure they are not dressed in a manner that could give offence, e.g. bare arms and shorts. Ensure that staff and contractors are aware of significant religious holidays and cultural events for all faiths, where these mean that people will not want to meet with visitors or will be observing religious rituals.

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Sex / Gender	Findings / Evidence / Comments	Suggested areas for development
Proposal		
In Brighton & Hove (for the three years of 2010/11 to 2012/13) there were 373 EWD. Of these, 58% were female. Of EWD in Brighton & Hove of people aged 85 years or over, 79% were female.		
The installation of a new heating and hot water system will provide a more reliable, controllable and potentially cheaper source of heating to residents. Reducing likelihood/depth of fuel poverty and EWD		
Works		
No specific feedback received relating to this group.	Women may feel anxious or have negative perceptions about contractors.	Ensure that all contractors abide by BHCC and the main contractors code of conduct and are courteous and polite to all residents.

Sexual Orientation	Findings / Evidence / Comments	Suggested areas for development
Proposal		
No specific impacts identified		
Works		
No specific feedback received relating to this group.	No specific positive or negative impacts identified for this group.	Ensure that all staff are respectful of people who are lesbian, gay or bisexual and do not make assumptions about the gender of partners.

Marriage and Civil Partnership	Findings / Evidence / Comments	Suggested areas for development
Proposal		
No specific feedback received relating to this group.		
Works		
No specific feedback received relating to this group.	No specific positive or negative impacts	No specific actions identified for this group.

	identified for this group.	
Other Relevant Groups	Findings / Evidence / Comments	Suggested areas for development
Proposal Unemployed households in England have the highest rates of fuel poverty across all economic activity groups, but have smaller average fuel poverty gaps. The installation of a new heating and hot water system will provide a more reliable, controllable and potentially cheaper source of heating to residents. Reducing likelihood/depth of fuel poverty and EWD		
Works		
Key safes are extremely important to enable carers to access properties. Restricting existing onsite parking causes problems with carers and hospital transport.	The removal of key safes without prior notice can cause serious issues for tenant's care needs. Tenants may miss hospital and carers appointments.	Give residents prior notice if removing a key safe and ensure that alternative arrangements are made for the safe storage of tenant's spare keys. Be flexible around scheduling to allow access for health workers/carers where possible. Discuss the needs of the resident to ensure that this is considered. The complaints and enquiry procedure is issued with the monthly newsletter.
Hoarding is a sensitive issue and major work at a block may cause added stress for residents that hoard.	Residents may not allow access to their property, holding up the work and the improvements to their flat.	Where Housing officers are aware of a resident who hoards they will liaise directly with the Tenancy Sustainment Team.

EIA sign-off: (for the EIA to be final an email must sent from the relevant people agreeing it or this section must be signed)

Lead Equality Impact Assessment officer:

Dan Goodchild

Date: 15th November 2019

Team Manager:

Miles Davidson

Date: 15th November 2019

Source of data

The data has been obtained from BHCC Open Housing Management System (OHMS) as of date of this document and the data used to inform the EIA for the Brighton & Hove Fuel Poverty & Affordable Warmth Strategy 2016-20.

Data

Gender Identity	
Category	No. of Residents
Female	38
Male	37
Unknown	
Total	75

Sexual Orientation	
Category	No. Residents
Heterosexual	29
Lesbian	1
Gay	1
Bisexual	1
Other	1
Prefer not to say	5
Unknown	37
TOTAL	75

Ethnic Group	
Category	No. Residents
White	66
Mixed Race	
Asian or Asian British	4
Black or Black British	
Other Ethnic Group	1
Unknown	4
TOTAL	75

Age	
Category	No. Residents
16-24	
25-34	
35-44	
45-54	2
55-64	9
65-74	21
75-84	31
85-94	10
95 & Over	2
Unknown	
Total	75

Disabilities	
Category	No. Residents
Has disability or long term health problem	31
None or unknown	44
TOTAL	75

Religion	
Category	No. of Residents
Christian	31
Buddhist	
Hindu	2
Jewish	
Muslim	
Sikh	
Other religion	2
No religion	4
Prefer not to say	2
Unknown	34
Total	75

ⁱ The following principles, drawn from case law, explain what we must do to fulfil our duties under the Equality Act:

- **Knowledge:** everyone working for the council must be aware of our equality duties and apply them appropriately in their work.
- **Timeliness:** the duty applies at the time of considering policy options and/or before a final decision is taken – not afterwards.
- **Real Consideration:** the duty must be an integral and rigorous part of your decision-making and influence the process.
- **Sufficient Information:** you must assess what information you have and what is needed to give proper consideration.

-
- **No delegation:** the council is responsible for ensuring that any contracted services which provide services on our behalf can comply with the duty, are required in contracts to comply with it, and do comply in practice. It is a duty that cannot be delegated.
 - **Review:** the equality duty is a continuing duty. It applies when a policy is developed/agreed, and when it is implemented/reviewed.
 - **Proper Record Keeping:** to show that we have fulfilled our duties we must keep records of the process and the impacts identified.

NB: Filling out this EIA in itself does not meet the requirements of the equality duty. All the requirements above must be fulfilled or the EIA (and any decision based on it) may be open to challenge. Properly used, an EIA can be a tool to help us comply with our equality duty and as a record that to demonstrate that we have done so.

ii **Our duties in the Equality Act 2010**

As a public sector organisation, we have a legal duty (under the Equality Act 2010) to show that we have identified and considered the impact and potential impact of our activities on all people in relation to their 'protected characteristics' (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership).

This applies to policies, services (including commissioned services), and our employees. The level of detail of this consideration will depend on what you are assessing, who it might affect, those groups' vulnerability, and how serious any potential impacts might be. We use this EIA template to complete this process and evidence our consideration.

The following are the duties in the Act. You must give 'due regard' (pay conscious attention) to the need to:

- **avoid, reduce or minimise negative impact** (if you identify unlawful discrimination, including victimisation and harassment, you must stop the action and take advice immediately).
- **advance equality of opportunity.** This means the need to:
 - Remove or minimise disadvantages suffered by people due to their protected characteristics
 - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people
 - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low
 - Consider if there is a need to treat disabled people differently, including more favourable treatment where necessary
- **foster good relations between people who share a protected characteristic and those who do not.** This means:
 - Tackle prejudice
 - Promote understanding

iii EIAs are always proportionate to:

- The size of the service or scope of the policy/strategy
- The resources involved
- The numbers of people affected
- The size of the likely impact
- The vulnerability of the people affected within the context

The greater the impacts, the more thorough and demanding the process required by the Act will be.

iv **Focus of EIA:** A member of the public should have a good understanding of the policy or service and any proposals after reading this section. Please use plain English and write any acronyms in full first time – eg: ‘Equality Impact Assessment (EIA)’

This section should explain what you are assessing:

- What are the main aims or purpose of the policy, practice, service or function?
- Who implements, carries out or delivers the policy, practice, service or function? Please state where this is more than one person/team/body and where other organisations deliver under procurement or partnership arrangements.
- How does it fit with other services?
- Who is affected by the policy, practice, service or function, or by how it is delivered? Who are the external and internal service-users, groups, or communities?
- What outcomes do you want to achieve, why and for whom? Eg: what do you want to provide, what changes or improvements, and what should the benefits be?
- What do existing or previous inspections of the policy, practice, service or function tell you?
- What is the reason for the proposal or change (financial, service, legal etc)? The Act requires us to make these clear.

Subject:		Draft Homelessness and Rough Sleeping Strategy	
Date of Meeting:		15th January 2020	
Report of:		Executive Director of Housing, Neighbourhoods and Communities	
Contact Officer:	Name:	Justine Harris and Jenny Knight	Tel: 01273 293772
	Email:	Justine.harris@brighton-hove.gov.uk Jenny.knight@brighton-hove.gov.uk	
Ward(s) affected:		All	

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

- 1.1 This report summarises the development to date of the Homelessness and Rough Sleeping Strategy 2020-2025.
- 1.2 The draft strategy identifies the key homelessness and rough sleeping issues in Brighton and Hove and action which will be taken to address these.
- 1.3 The draft strategy provides evidence to support related funding opportunities and collaborative working to meet a range of shared citywide priorities.
- 1.4 The draft Homelessness and Rough Sleeping Strategy 2020-2025 reflects the national approach focusing on Prevention, Intervention and Sustainability. This approach was supported during citywide consultation.

2. RECOMMENDATIONS:

- 2.1 That Housing Committee note the consultation on the Homeless & Rough Sleeper Strategy undertaken to date, our response, and how this has shaped the development of the new draft strategy.
- 2.2 That Housing Committee approve the draft Homelessness and Rough Sleeping Strategy for further consultation.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 [Section 1\(1\) of the Homelessness Act](#) 2002 requires housing authorities to carry out a homelessness review for their district and formulate and publish a homelessness strategy based on the results of the review.
- 3.2 The draft strategy is consistent with other local plans and has been developed following citywide consultation with residents, people who are rough sleeping in

city, businesses, other council departments and statutory and non-statutory partners.

- 3.3 The Review of Homelessness, summarised in the strategy, brings together information on homelessness and housing issues including causes of homelessness and work done to prevent homelessness.
- 3.4 The values included in the draft strategy align with the thirteen areas outlined in Brighton and Hove Housing Coalition's Homeless Bill of Rights.
- 3.5 Following the adoption of a strategy, action plans will link to the identified values and priorities, taking into account legal and resource implications.
- 3.6 In order to achieve transparency and accountability, action plans reflecting work linked to the strategy will be produced annually. Housing Committee will receive an annual report in the summer of each year on the progress of the actions commencing 2021.
- 3.7 A final draft of the Homelessness and Rough Sleeping Strategy will be presented to Housing Committee in March 2020 following further consultation.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Homelessness Act 2002 Section 1(4) requires housing authorities to publish a Homelessness Strategy, based on the results of a homelessness review. This Review of Homelessness is summarised in the draft Homelessness and Rough Sleeping Strategy.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The themes of the strategy and priority actions have been developed through consultation with community groups, public sector service providers, residents, businesses and landlords.
- 5.2 179 people attended 19 consultation events, 57 organisations were represented.
- 5.3 There was also an open online consultation questionnaire which received 336 responses. The main findings are included in the consultation report and are summarised in the draft Homelessness and Rough Sleeping Strategy.
- 5.4 Before presenting a final draft to Housing Committee further consultation will take place to ensure that the strategy fully reflects the city's feedback and priorities.

6. CONCLUSION

- 6.1 Any resolution of much of the city's homelessness and rough sleeping is a citywide issue and requires a citywide response from statutory bodies and community groups, along with service user engagement.
- 6.2 The draft Homelessness and Rough Sleeping Strategy looks to resolve the city's homelessness crisis by promoting effective partnerships, cross city collaboration,

and securing and sustaining people in good quality accommodation that meets their needs.

- 6.3 Under guidance issued by Ministry of Housing Communities and Local Government, the council will have responsibility to produce an action plan published annually.
- 6.4 The development and delivery of the annual action plan will be the responsibility of a new Homeless Reduction Board. This will ensure accountability and transparency around the work done to date and the future planned actions that will be taken to resolve homelessness, and housing need. The first annual plan will be drafted by 1st April 2020.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The costs associated with undertaking consultation to support this strategy will be met from existing resources within Housing General Fund budgets. Following the adoption of a strategy, action plans will link to the identified values and priorities. Any action plans requiring further financial resources will need to be reported to the relevant Committee(s) for approval.

Finance Officer Consulted: Monica Brooks Name Date: 06/01/2020

Legal Implications:

- 7.2 Section 1 of the Homelessness Act 2002 imposes a duty on the council as a local housing authority to carry out a homelessness review for their district; and to formulate and publish a homelessness strategy based on the results of that review. The new strategy must be published within 5 years of publication of the previous one. The proposals outlined in the report will assist the council in discharging its obligations under the Act.
- 7.3 As the proposal is for further consultation on this draft strategy, this should take place and then further legal advice can be given to any finalised version.

Lawyer Consulted: Simon Court Date: 06/01/2020

Equalities Implications:

- 7.4 Will be considered as part of the development of the final Homelessness and Rough Sleeping Strategy.

Equalities Impact Assessment:

- 7.5 The Equalities Impact Assessment will be presented with the final draft of the Homelessness and Rough Sleeping Strategy.

Sustainability Implications:

- 7.6 None identified at this time.

Crime & Disorder Implications:

- 7.7 Rough sleepers are known be victims of crime in the city. Cases are reported of rough sleepers being verbally abused and physically attacked. A proportion of rough sleepers will be in the judicial system and leaving prison without somewhere to live is a driver to rough sleeping.

Public Health Implications:

- 7.8 Reducing and resolving homelessness should have a positive impact for public health. The will be kept under review in the development of the Homelessness and Rough Sleeping Strategy.

Corporate / Citywide Implications:

- 7.9 The Homelessness Code of Guidance 2018 states “For a homelessness strategy to be effective, housing authorities should ensure that it is consistent with other local plans and is developed with, and has the support of, all relevant local authority departments and partners. Corporate and partnership involvement in identifying strategic objectives will help to ensure all relevant departments and agencies are committed to supporting their delivery”. The action plans and the annual report will set out how the proposals affect other services and the city as a whole.

SUPPORTING DOCUMENTATION

Draft Homelessness and Rough Sleeping Strategy 2020-2025

Background Documents

Background documents relating to the draft Homelessness and Rough Sleeping Strategy are included in the Review of Homelessness in Brighton and Hove.

The following draft background documents have been made available in the Members Room and on line.

- Draft Homeless Review;
- Homelessness and Rough Sleeping Strategy - Consultation Feedback Report December 2019.

Draft Homelessness and Rough Sleeping Strategy 2020-2025

Forward

Councillor Gill Williams Chair Housing Committee

Introduction

Homelessness and Rough Sleeping

Homelessness means that someone has no home in the UK or anywhere else in the world, that is available and reasonable for them to live in.

Examples of homelessness:

- Rooflessness (e.g. sleeping rough)
- Houselessness (with a place to sleep but temporary, or a shelter)
- Living in insecure housing (threatened with eviction, domestic violence, or staying with family and friends known as 'sofa surfing')
- Living in inadequate housing (in caravans on illegal campsites, in unfit housing, extreme overcrowding).

The causes of homelessness can be structural, individual, or both.

Structural factors include:

- Poverty
- Inequality
- Housing supply and affordability
- Unemployment or insecure employment
- Access to social security.

Individual factors include:

- Relationship breakdown
- Poor physical health
- Mental health problems, including the consequences of adverse childhood experiences
- Experience of violence, abuse, neglect, harassment or hate crime
- Drug and alcohol problems (including when co-occurring with mental health problems)
- Bereavement
- Experience of care or prison
- Refugees.

There isn't a single intervention that can tackle homelessness and rough sleeping, there needs to be a citywide partnership approach in the context of the national approach.

The Homelessness Act

The Homelessness Act 2002 requires local authorities to carry out a review of homelessness and homelessness services in their area and publish a homelessness strategy based on this review.

In 2019 Brighton & Hove carried out a review of homelessness and rough sleeping and related services. It also carried out consultations with residents, service users, voluntary and statutory services, charities & community activists with experience in this area as well as other interested parties such as landlords and the business community, an online citywide consultation was open in November and December 2019.

Over the past 16 years, Brighton & Hove has developed four homelessness strategies, in addition to a separate strategy that addressed the needs of people sleeping rough and a number of related strategies covering youth homelessness, single homelessness and temporary accommodation.

Aims & Principles of the Strategy

This strategy sets out a strategic framework to inform work plans, engagement with communities and the citywide response to homelessness and rough sleeping. The strategy is agile to allow the city to meet emerging challenges during its lifetime.

Values:

We believe that everyone who is homeless should have:

- A safe, secure home, and if needed, an appropriate level of support to create a good quality of life
- The full protection of the law, and not be subjected to violence, abuse, theft and discrimination
- Respect and a good standard of service
- Equality of access to information and services
- Equality of opportunity to employment, training, volunteering, leisure and creative activities.

We will work with partners making sure:

- That people experiencing homelessness, including rough sleeping, are listened to, involved in determining the solutions to their own housing need, and are given a voice in the development of solutions to homelessness and rough sleeping.
- We communicate effectively across services and communities to ensure a consistent person centred approach is delivered across all services.

Principles

People

- We work collaboratively with people and families to find a solution to their homelessness.
- We will support peoples' strengths whilst recognising the barriers that may prevent people resolving their own homelessness or rough sleeping.
- We will try to prevent or resolve homelessness working with people holistically to promote wellbeing, greater social inclusion and positive relationships.

Partnerships

- We will work in collaboration with all services and agencies providing services and support around homelessness prevention, interventions and sustainability.
- We will co-produce services addressing homelessness and rough sleeping with people who have lived experience of homelessness or being at risk of homelessness in the design, delivery and evaluation of our services.
- We will work with partners to ensure that we are working collaboratively to support the aims and principles of the Homelessness & Rough Sleeping Strategy.

Progress in delivering Previous Strategies

The Homelessness Strategy 2014 – 2019 was agreed by the Housing Committee in June 2014. Its aim was to prevent homelessness or provide accommodation and various support services to tackle a range of issues. The Rough Sleeping Strategy was agreed in June 2015. Below sets out some of the Key achievements over this period.

Homelessness Strategy 2014–19

- Accommodation finding workshops established
- Trailblazer funding awarded to trial new ways of working and intervening to prevent homelessness at a much earlier stage
- 1645 young people engaged with Prevention Workshops as part of the Trailblazer project, 95% reported improved knowledge
- Implemented service change in response to the Homelessness Reduction Act 2017
- 1043 households were helped to move to the private rented sector.
- Personal Housing Plans introduced for those at risk of or actually homeless
- Out of Area Temporary Accommodation Placement Policy adopted by Housing Committee
- Allocations policy reviewed, 40% of social housing now allocated to statutory homeless
- Nomination rights given to Adult Social Care to access social housing, increasing options for people who are ready to move on from supported accommodation.

Rough Sleeping Strategy 2016 – 2019

The Council and its partners worked hard to coordinate activity and to focus combined energies on preventing homelessness and improving services for homeless people. Despite homelessness and rough sleeping providing an ongoing and growing challenge for the city, there have been a number of achievements as follows:

- The development of new services for people sleeping rough in the city, including those without a local connection to improve reconnection work 'No Second Night Out', 'Somewhere Safe to Stay', and a 365 day a year night shelter.
- A successful bid to establishment a Social Impact Bond (SIB) as a means to fund the resolution or prevention of rough sleeping for a group of 100 people.
- The establishment of the Multi-Disciplinary Rough Sleeper Navigator Team, an assertive outreach service working to end the rough sleeping of people with

multiple and compound needs by working holistically, assertively and through the lens of trauma informed care.

- The delivery of a cross-sector client database that prevents the re-traumatisation of clients by limiting the need for them to re-tell their story and allows live tracking of client's journeys, and improved information sharing.
- The ongoing delivery of dedicated primary health care services to homeless people via Arch Healthcare.
- A successful bid to expand our Housing First service recognising the effectiveness and impact of the model.
- A successful bid to expand the work of our dedicated third sector private rented scheme Umbrella, working with the Credit Union to increase access to housing in the private rented sector for people with a history of homelessness and rough sleeping.
- The establishment of a cross sector partnership to co-ordinate a welfare first approach to the growing issues of unauthorised tent encampments
- An enhanced Severe Weather Emergency protocol offer with a lower trigger point
- The completed re-modelling and re-commissioning of our supported housing service offer to establish psychologically informed environment models and better support positive change.
- The delivery of a gender informed service for women with multiple and compound need and the establishment of a gender informed move on pathway for vulnerable women.
- The development of a new risk and needs assessment process to better inform effective placements in supported housing and put the client's story at the centre of the assessment.
- Improved access to social housing for Housing First and older age adults leaving supported housing.
- The development and implementation of a Homeless Mortality review process to ensure that learning and improvement is captured, and deaths are prevented.

A full list of action are contained in the Homelessness & Rough Sleeping Review document.

Summary findings from the Homelessness and Rough Sleeping review

As a council, we collect information and data on homelessness and housing issues each year. Whilst this review has not given new information, it does support the fact that affordability in the city is growing issue as the housing market continues to be out of the reach of average households. The main findings are:

- Our population now stands at 290,395. This is an increase of 12,395 since 2013.
- The population is predicted to increase at a faster rate than the South East and England by 2030 (by 23,300 people or 8%).
- By 2030, Brighton & Hove's age profile is predicted to get older.
- Energy and Industrial Strategy estimates that there are 15,125 households in Brighton & Hove (11.7%) in fuel poverty.
- Out of all the people in paid employment 62% are employed on a full time 38% part time.

- The English Indices of Deprivation 2019 reported that when looking at the barriers to housing and services domain 3.4% of the areas in the city were in the 10% most deprived areas of England.
- Average annual rent inflation is higher than RPI (2.4%) or CPI (1.5%) in all bedroom categories, especially rooms (5.8%) and four bed (5.6%).
- The gap between the average rent and Local Housing Allowance has increased from £306 per month (£70pw) in 2013/14 to £771 per month (£177pw) in 2018/19.
- Household income needed to buy a flat in the city had increased to 10.3 times and to buy a semi-detached house had increased to 16.2 times.
- The average prices in the city not only continue to be above the national average but the gap between the average property prices has widened over the years.
- 876 people have been found rough sleeping in the city in the last two years. Of these 43% have been found once.
- Of people approaching the Council for assistance 24.97% were homeless from the private rented sector, 17.92% had no fixed address (excluding rough sleepers), 16.67% were living with family, 7.73% were living with friends, 7.29% were rough sleeping.
- Of people accommodated in high supported housing the most support needs were recorded as being most prevalent in the following order: mental health, joint second drug misuse and alcohol misuse, drug misuse and mental health, stress and anxiety.
- Approximately 50% of people rough sleeping in the city have a local connection to another area.
- 2011 census reported 6.2% of households are living in overcrowded homes with at least one additional bedroom needed. Households living in the private rented sector or living rent-free were more likely to be overcrowded than those living in other types of tenure.
- 48% of all households accepted as being owed a statutory housing duty during 2018/19 had a child in the household or a member of the household was pregnant compared to 62% during 2013/14. This indicates an increased number of people being owed a duty due to old age, mental or physical disability.

Full details of a comprehensive review will be published in April 2020.

Summary of findings from the City Wide consultation

The Council carried out consultation with a range of individuals and organisations across the city. A full report on the analysis has been produced and the findings have been used to develop this strategy. There were 336 responses to the online consultation. 179 people attended consultations as representatives of different groups. The Consultation Report will be published in April 2020.

The three main priorities of Prevention, Intervention and Sustainability were overwhelming endorsed by those taking part. Other priorities identified were

1. Meaningful partnerships
2. Communication
3. Support
4. Education & training

5. Affordability

Meaningful Partnerships

The Council understands that partnerships will be a major factor in developing the annual action plans associated with the delivery of the strategy. For this reason, Partnerships and Collaboration are contained as values & principles that underpin the strategy.

Communication

Communication is also contained within the strategy as part of the values and principles of the way we and partners work with homeless people and their households, making sure they are listened to, involved in determining the solutions to their own housing need and are given a voice in the development of solutions to homelessness and rough sleeping.

It is also important that partners are communicating effectively, both in regards people they are working with and with each other.

Support

Support is at the heart of what we do at each stage of homelessness, we provide support to prevent homelessness, we support people with our interventions and we need to look at how we can support people in the future to avoid repeat homelessness from occurring.

Education & training

Education and training was a recurring theme. This was mentioned in respect of education in schools, to highlight homelessness and rough sleeping issues. It was also highlighted to help the homeless and rough sleepers to improve their chances in the future as a way out of homelessness or rough sleeping.

The third group was in respect of staff having the right knowledge and skills to be able to advise and support rough sleepers and the homeless households with their individual issues.

Affordability

We accept that this is a major factor for the City. The impact of this is felt particularly by those who live in the private rented sector and in temporary accommodation. Whilst the council cannot not intervene directly in the private rented sector it is aiming to reduce the need for temporary accommodation and develop more council owned temporary accommodation to reduce to the associated costs.

Challenges

Universal Credit Full Service (UCFS)

UCFS rollout in Brighton and Hove began in October 2017. Housing cost decisions for UCFS claimants are not made locally. The Housing Options and Housing Benefits Team are co-located to assist in resolving claims and was therefore a good

homelessness prevention model. Steps have been taken to mitigate the move of payments to Universal Credit including a funded worker, co-located in Housing Options and the Job Centre. Other staff involved in this area who do not have the same access arrangements, report challenges in obtaining Assisted Payment and delays in first payments leading to immediate rent arrears cases.

Private rented sector

Around 30% of the city's housing stock is privately rented. Whilst such a large supply of accommodation should be seen as an opportunity, there is still excess demand which pushes up rents. Private market rents are usually higher than low income households can afford, as the Local Housing Allowance is considerably lower than the market demands. The student population in the City has stabilised and it is anticipated that the building of purpose built student accommodation may lead to an increase in family sized accommodation coming back into circulation.

Single person private renters

Most people up to the age of 35 are only entitled to the shared accommodation rate for Local Housing Allowance. This means that they receive housing benefit at the rate for a single room in a shared house. Although Brighton & Hove has the sixth highest number of Houses in Multiple Occupation in England, there is a large gap between the Local Housing Allowance (£359 per month) and the rents charged for this type of accommodation (£570 per month). The gap has increased from £89 per month to £211 per month and therefore out of the reach on those on Housing Benefit or Universal Credit. This increase has decreased the housing options for this group in the city.

Hidden Homelessness

This group of people do not appear in official statistics and it is therefore difficult to quantify this issue. Polling conducted by ComRes, in 2017, suggests that two-fifths of 16- to 25-year-olds in the UK have sofa-surfed at one time because they had nowhere to live. One in ten of these young people did so for more than a month in total. Crisis Homeless Monitor estimate that the number of hidden homeless nationally has risen since 2008 by one third. It is believed that the tight housing market and the worsening real income/living standards are key drivers to homelessness in this group. It is known that the Hidden Homelessness can be in a dangerous position leaving people at risk of abuse, assault and exploitation.

Social housing

There are 17,910 social rented properties in the city. Council housing stock has fallen by 778 properties since 2011 but the council remains the largest landlord. There are just under 10,000 households on the council waiting list for social housing. In 2018/19 only 787 properties became available to let, which means long waiting times for many. The number of households in temporary accommodation with a full housing duty and those with a duty owed by Children or Adult Social Care remains high. Under the Council's Allocations Policy 40% of available properties are prioritised to accepted homeless households. Homeless acceptances have fallen in 2018/19 to 283 as a result of the prevention work we have undertaken and whilst 314 social tenancies were allocated to those accepted homeless this will have a small positive impact on the number of households in temporary accommodation. We therefore need to increase prevention and reduce the number of accepted

households still further or develop more options for moving in to the private rented sector.

Providing additional affordable homes is a key priority in our Housing Committee Workplan 2019-2023 approved by Committee in September 2019, including developing 800 additional council homes and 700 other new homes.

Multiple and Compound Needs and Rough Sleeping

We know that over a quarter of people sleeping rough in Brighton & Hove have multiple and compound needs, which means that they may experience several overlapping problems at the same time, such as mental ill health, homelessness, drug and alcohol addiction, offending and family breakdown. This group of people require greater levels of support to find a route of the streets and can struggle to engage with services including Health & Adult Social Care, and Substance Misuse Services.

Supported Housing

Brighton & Hove commission almost 600 units of supported housing however many people find it hard to move on due to the unavailability of social housing and access to private rented homes.

Strategic Context

National context

The National Rough Sleeper Strategy 2018

Brighton and Hove Homelessness and Rough Sleeping Strategy will reflect the national approach. The national strategy includes the targets to halve rough sleeper numbers (from the 2017 baseline) by 2022 and to end rough sleeping by 2027. The national strategy is rooted in three 'pillars', Prevention, Intervention, Recovery. These are reflected in Brighton and Hove's Homelessness and Rough Sleeping Strategy.

- Recovery once rough sleepers are off the street to build positive lives and to prevent new people from starting to sleep rough.
- To intervene rapidly when people start to sleep rough to help them off the street.
- To promote an approach to support people not to return to rough sleeping.

The Homelessness Reduction Act 2017

The Homelessness Reduction Act came into force in April 2018, key measures in the Act include:

- An extension of the period 'threatened with homelessness' from 28 to 56 days.
- A duty to prevent homelessness for all eligible applicants threatened with homelessness, regardless of priority need.
- A 'duty to refer' - public services need to notify a local authority if they come into contact with someone they think may be homeless or at risk of becoming homeless.

The Act has prompted a comprehensive review of delivery of homelessness prevention services.

Care Act 2014

The Care Act 2014, which came into effect in 2015, represents the most significant reform of care and support in more than 60 years, putting people and their carers in control of their care and support. It sets out key principles on how health and social care colleagues should work, reflecting the person centred, holistic approach set out in the Homelessness and Rough Sleeper Strategy 2020-2025.

Tenant Fees Act 2019

The Tenancy Fees Act introduced in June 2019 has made restrictions on charges that landlords are able to charge tenants in the private rented sector.

Domestic Abuse Services & Domestic Violence Bill May 2019

Future Delivery of Support to Victims and their Children in Accommodation-Based Domestic Abuse Services is expected to be reintroduced in the new session of Parliament in 2019.

Research reports

LGiU Homelessness Commission 2019:

The Local Government Information Unit (LGiU) held a commission on homelessness that reported in 2019. The LGiU is a local authority membership organisation.

The report notes that the drivers of homelessness are:

- Growth in the Private Rented Sector
- Low Housing Supply
- Broken Welfare System
- Young people and other vulnerable groups often fall through the cracks of a fragmented and overly centralised public sector.

The report made the following recommendations:

- A sustainable housing and homelessness strategy, with adequate funding.
- Local variation of housing allowance varied by local councils
- Introduce minimum three-year tenancies.

Crisis - The Homelessness Monitor: England 2019

The Homelessness Monitor series is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in England and elsewhere in the United Kingdom. This eighth annual report for England updates Crisis account of how homelessness stands in 2019, or as close to 2019 as data availability allows.

The report allows local authorities to see what is going on regionally and nationally. The year includes some feedback on the introduction of the Homelessness Reduction Act 2017. This contextualises the issues seen in Brighton and Hove and assists in our development of the strategy. Some of the key points are:

- Rough sleeping may have levelled off somewhat in England after rapid growth since 2010, with official estimates recording a 2 per cent decrease nationally, and a 19 per cent reduction in those areas targeted by the Rough Sleeping Initiative, between 2017 and 2018.

- Three quarters of local authorities responding to this year's survey (75%) consider rough sleeping a problem in their area, and for nearly one council in four (23%) it was said to be a "major problem".
- Statutory homeless acceptances fell slightly in 2017/18, although still remain 42 per cent above their 2009 low point.
- The rise since 2010 in the number of households made homeless by the ending of private tenancies seems to have peaked.
- Homelessness temporary accommodation placements, have continued to rise, and now stand 71 per cent higher than in 2011, with a disproportionate rise in Bed & Breakfast use.
- By mid-2018 some 85,000 homeless households were living in temporary accommodation, equating to over 200,000 people.
- Most local authorities (62%) reported that the Homelessness Reduction Act 2017, which came into force in April 2018, had enabled a more person-centred approach to managing homelessness.
- There are concerns about impacts of future welfare reforms. Nearly two thirds of local authorities anticipate a "significant" increase in homelessness as a result of the full roll-out of Universal Credit, with a further 25 per cent expected some level of increase.

Homelessness National Audit Office 2017

The National Audit Office (NAO) scrutinises public spending for Parliament. In 2017 the published a report on Homelessness in England. It can be seen from the recommendations that this is now a driver for the Ministry of Housing, Communities and Local Government (MHCLG) in its direction of travel. The recommendations have translated into action plans for the MHCLG which aim to increase transparency on Local Authority Plans and accountability in delivering against the plans.

- The MHCLG should develop and publish a strategy that sets out how it will achieve its objectives relating to homelessness.
- The MHCLG should work with local authorities to establish how they are making use of measures to tackle homelessness, in order to gain a full understanding of effectiveness and share best practice.
- The MHCLG should work with local authorities to ensure that they are making the most effective use of temporary accommodation. This work should include enabling local authorities to increase their use of the innovative short-term solutions that they are taking.
- The government, led by the MHCLG and the Department for Work & Pensions, should develop a much better understanding of the interactions between local housing markets and welfare reform in order to evaluate fully the causes of homelessness.

To date a [National Rough Sleeping strategy](#) has been developed.

Homelessness: Applying All Our Health Public Health 2018

This is a public health resource to help front-line health and care staff use their trusted relationships with patients, families and communities to take action on homelessness.

Health and care professionals play an important role, working alongside other professionals to:

- Identify the risk of homelessness among people who have poor health and prevent this.
- Minimise the impact on health from homelessness among people who are already experiencing it.
- Enable improved health outcomes for people experiencing homelessness so that their poor health is not a barrier to moving on to a home of their own.

There needs to be clear local action, partnership working (across the local authority, clinical commissioning group and other local organisations), understanding, and alignment of commissioning decisions to prevent and respond to homelessness across the life course. This can include:

- Reducing the risk of homelessness to children and young people to strengthen their life chances.
- Enabling working-age adults to enjoy social, economic and cultural participation in society.
- Breaking the cycle of homelessness or unstable housing by addressing mental health problems, or drug and alcohol use, or experience of the criminal justice system.

This requires strong local leadership and prioritisation to identify unmet need, funding and actions to address gaps in provision.

A full list of other reports that have been considered in the development of this strategy can be found in the Homelessness Review.

Local Context

The Corporate Plan 2020-2023

The Corporate Plan was approved by full Council on the 19th December 2019. The Council has identified six outcomes that we want to achieve for the city. They are:

- A city to call home
- A city working for all
- A stronger city
- A Growing and learning city
- A sustainable city
- A healthy and caring city.

A city to call home has five key areas of action. These are:

- Reduce homelessness and rough sleeping
- Provide genuinely affordable homes
- Improve private rented housing
- Improve council housing
- Make better use of existing housing capacity.

The Corporate Plan places the issues of homelessness and rough sleeping at the heart of work. This signifies that the progress of this Homelessness & Rough Sleeping Strategy will be monitored by elected Members and the Executive Leadership Team.

Health and wellbeing in Brighton & Hove Joint Strategic Needs Assessment 2019 (JNSA)

The JNSA for Health and Wellbeing contains a section on Rough Sleeping and Single Homelessness. It acknowledges the areas that we are doing well but it also highlights the issue of hidden homelessness in the city. Hidden homelessness is a key driver to homeless and rough sleeping and also links the issues of mental health, substance misuse, alcohol, dual diagnosis and urgent care, which are known factors in homelessness.

Brighton & Hove Joint Health & Wellbeing Strategy 2019-2030

Brighton & Hove has a Joint Health & Wellbeing Strategy agreed with the Brighton & Hove Clinical Commissioning Group. The Strategy looks at the health needs of the city and has as a key action “The underlying causes of homelessness will be tackled.” It is known that homelessness is impacted by a person’s health.

There are a number of other pieces of work within the council that impact on this Strategy, including: Public Health JNSA on Multiple and Complex Need; Sussex Domestic Violence and Violence Against Women and Girls Strategy.

Homelessness and rough sleeping services are involved in the development of this work and any outcomes will be incorporated into the action planning process of this strategy when they are known.

Rough Sleeping

We know from the review of homelessness that rough sleeping is a significant challenge for the city. Brighton and Hove has some of the highest numbers of rough sleeping outside London. We have been successful in bringing in much needed funding in this area and have used this to develop a number of projects to work across this area including No Second Night Out, Somewhere Safe to Stay, Navigator Project & Housing First. Different projects look to address the needs of different groups of rough sleepers from transient and low need to those with multiple and complex needs.

Homelessness & Temporary Accommodation

The review of homelessness shows that we have some of the highest property prices in both the home ownership and private rented sectors. Large swaths of housing in the city is totally out of the reach of residents in terms of affordability and this is compounded by the widening gap in the Local Housing Allowance and the rental market in the city.

We also have high numbers of households in temporary accommodation, with limited options for moving on within our city boundaries.

Homeless Bill of Rights

The Homeless Bill of Rights was launched in 2017 by FEANTSA (European Federation of National Organisations working with the homeless). The aim of the European campaign is to encourage cities in Europe to reaffirm their commitment to respect the rights of people experiencing homelessness.

Brighton and Hove Housing Coalition (BHHC), in partnership with Housing Rights Watch, FEANTSA and Just Fair have progressed the Bill of Rights locally. On 25th July 2019 the BHHC submitted a petition to the full Council, this was then referred to the Housing Committee, where it was agreed it would be consulted on with the strategy. The Bill of Rights covers 13 areas

The Right to Housing	The Right to Emergency Services
The Right to Shelter	The Right to Vote
The Right to Use Public Space	The Right to Data Protection
The Right to Equal Treatment	The Right to Privacy
The Right to a Postal Address	The Right to Survival Practices
The Right to Sanitary Facilities	The Right to Respect for Personal Property
The Right to Life	

The values of the Homelessness & Rough Sleeping Strategy align to aspirations contained in the Housing Coalition's Homeless Bill of Rights <https://homelessrights.org.uk/>. Some of the rights included in the BHHC's Homeless Bill of Rights are also enshrined in UK law. However, some of the rights listed such as the right to survival practices have wider legal and financial implications.

The rights listed should be viewed as a standard against which the Council and its partners judge our policies and practices.

Once the strategy is adopted, action plans will be developed. Where appropriate the action plan will link to the 13 areas in the Homeless Bill of Rights. For example, mitigating food poverty will link in with the right to survival practices. This is set out in the Governance and Delivery of the Strategy.

Strategic Priorities 2019–24

Prevention

“The best way to tackle homelessness is to stop it happening in the first place. To do so is both cost effective and humane.”¹

Prevention is about addressing the issues that give rise to people being at risk of homelessness or rough sleeping, supporting people to sustain suitable

¹ The Plan to end Homelessness 2018

accommodation and enabling people to lead fulfilling lives as independently as possible.

This means reducing risk factors and, supporting people to manage risks as effectively as possible.

Effective prevention can only be achieved if there is a whole system approach to prevention with all services, agencies and the community working to an early intervention model and knowing where to signpost people for support or how to offer support to prevent people from becoming homeless.

The earlier we can identify a risk to accommodation the more likely we can prevent homelessness by enabling a household to sustain suitable housing or by supporting them to find alternative suitable housing.

Homelessness and rough sleeping are traumatic experiences; emotionally costly to the people who experience them and financially costly to services, including health, social care and housing that have to provide a response. The response needs to be joined up in order for it to be effective and make best use of available resources.

Examples of prevention activity are:

- Mediation Services
- Early Intervention Options Advice
- Holistic Personal Housing Plans
- Private Rented Sector Access Scheme
- Gateway service for young people
- Substance Misuse preventing accommodation loss
- Use of Discretionary Housing Payments
- Effective Welfare rights
- Referral protocols with Health, Probation, and Prison Services.

Interventions

Interventions are required in a number of areas when homelessness cannot be prevented and to tackle issues such as rough sleeping or issues that affect our communities of interest.

There is no “one size fits all” when it comes to interventions. What works in one area may not be suitable in Brighton & Hove. At the heart of interventions is listening and learning from people with experience of homelessness or currently in services. Service user involvement should therefore be at the heart of developing, evaluating or changing our interventions.

Examples of Interventions are:

- No Second Night Out Hub (NSNO)
- Tenancy Ready Workshops
- Welfare officers working with people in temporary accommodation
- Somewhere Safe to Stay Hub
- Assessment Centre.

Sustainability

Providing somewhere to live is not the end of the story. In order to succeed we need to make sure that the accommodation is sustainable for the household. This means that resettlement plans for individuals and households are in place. Ensuring that people understand their rights and responsibilities and importantly where people can continue to receive support to build positive relationships.

Ending the cycle of homelessness is not just about housing. When people are ready to move on or receive an offer of permanent accommodation things may be stable. However, we know that for some people things can change very quickly. We need partners to work with us to ensure that referral routes back into a service are quick and as seamless as possible.

We also need staff to be able to work with people in a way that means that do not feel stigmatised or feel that they have failed if they ask for support. Therefore, it is key to have staff appropriately trained.

Governance and delivery of the strategy

No one organisation alone can solve the complex issues that the City faces on homelessness. The next five years will require a multi-agency approach to deliver excellent services, look for innovation and drive forward this strategy. We need to ensure that together with our partners we have the structures and skills in place for the delivery of the strategy's priorities.

Delivering the Strategy

There is a lot of work already going on in the city around the issues of homelessness. However, in order to ensure that the work meets need there must be transparency and accountability.

In order to achieve this, we will produce annual action plans. These plans will take account of the work of the council and its commissioned services. We will work with other partner agencies in health, social care, prisons, probation and others to see what commitments they will make from their own organisations to assist in the development of this strategy. Following government guidance, actions related to partner agencies will not be included in an action plan unless formally adopted by that agency. Once these commitments are made, they will be included in the action plan and monitored. This will mean that all agencies are committed to playing an active role ending homelessness.

Governance

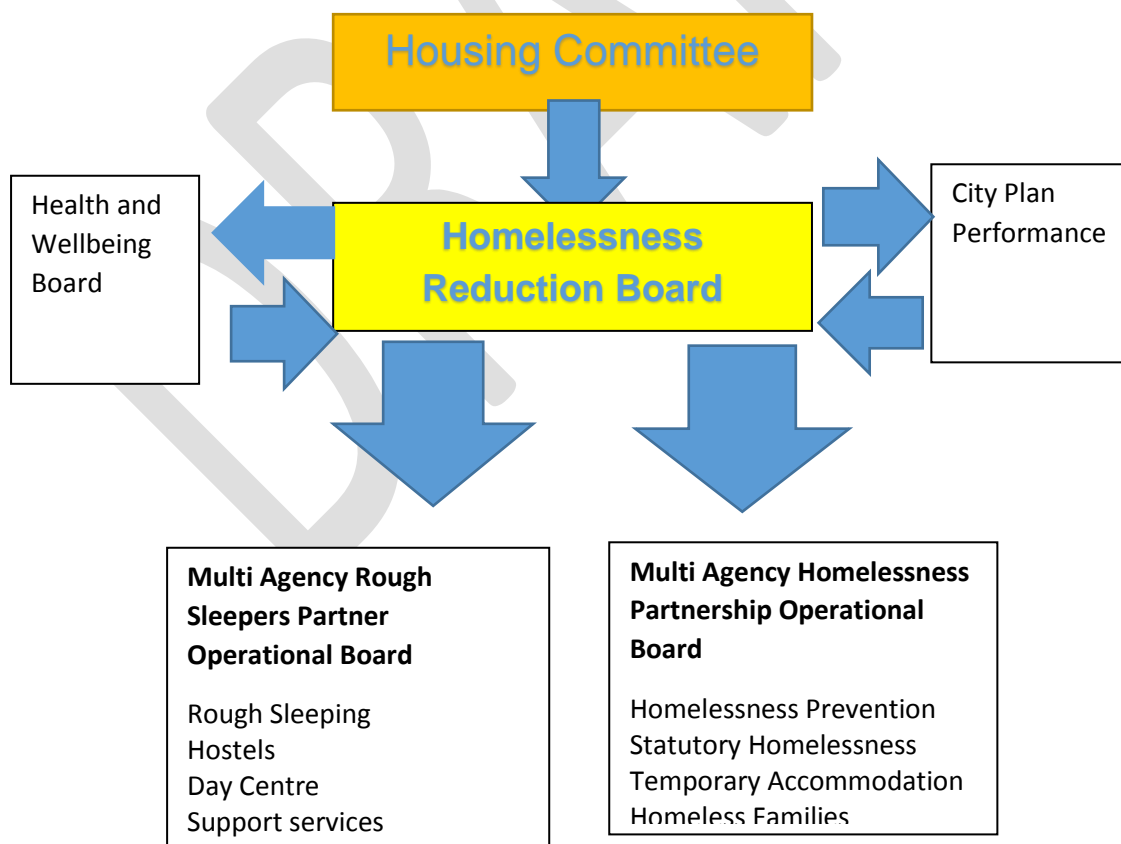
Housing Committee has the overall responsibility for the Homelessness and Rough Sleeping Strategy. Housing Committee will receive an annual report in the summer of each year on the progress of actions. The first report will be delivered in June 2021.

In order to keep this strategy agile, the progress report will account for all bids and successful funding and any new legislation, with outlines of the impact on local services and any changes that are required to future action plans.

A Homeless Reduction Board will be established, this will be responsible for developing the strategic vision for reducing homelessness in the locality and monitoring progress in achieving it, including:

- Monitoring any key actions;
- Using data, evidence, and user and lived experience to identify the homelessness challenges in the area, including those that may apply to particular groups of people, and priority actions. We discuss a particular role in shaping local homelessness strategies below;
- Evaluating the effectiveness of service provision and interventions;
- Coordinate and agree to all funding bids in respect of homelessness and rough sleeping;
- Mapping homelessness services and the delivery chain in the locality, redesigning them where appropriate to improve effectiveness and outcomes;
- Identifying and co-ordinating across all partners the effective use of funding for homelessness services and interventions; and,
- Promoting and facilitating the joint-commissioning of homelessness services and interventions.

What Happens below the board and how does this tie together?



Two Operational multi agency partnership boards will be established one for Rough Sleepers and one for Homelessness Prevention, Statutory Homeless & Temporary Accommodation. These two boards will be made up of relevant operational staff from various statutory, third sector and community services, including from organisations that contribute to the day-to-day delivery of homeless services in the area.

Where strategic actions are contained in other strategies, these will also be reported to the relevant board.

DRAFT

Subject:	Future Repairs & Maintenance to Council Housing Stock.		
Date of Meeting:	15 January 2020		
Report of:	Executive Director for Housing, Neighbourhoods and Communities		
Contact Officer:	Name:	David Canham	Tel: 01273 293165
		Martin Reid	Tel: 01273 293321
	Email:	david.canham@brighton-hove.gov.uk martin.reid@brighton-hove.gov.uk	
Ward(s) affected:	All		

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

- 1.1 This report updates committee on the progress of the programme to set up the future delivery of responsive repairs, empty property refurbishments, planned maintenance and improvement programmes, and major capital projects to council housing stock post April 2020.

2. RECOMMENDATIONS:

- 2.1 That the Committee notes the progress with the programme which is outlined in the body of this report.

3. CONTEXT/BACKGROUND INFORMATION

- 3.1 Brighton & Hove City Council currently operates a ten year partnering contract with Mears Limited ('Mears') under which the following services and works are provided for the council's housing stock:
- Responsive repairs and empty property refurbishments
 - Planned maintenance and improvement programmes
 - Major capital projects
- 3.2 Following extensive consultation, a special Housing & New Homes Committee held on 28 September 2018 and Policy, Resources & Growth Committee on 11 October 2018, the following recommendations were approved for the delivery of the above services following the expiry of the contract with Mears from April 2020:

That:

- Customer service and quality assurance services are brought in-house
- Responsive repairs and empty property refurbishment works to council housing stock are brought in-house
- Planned maintenance and improvement programmes are procured through at least one contract for a term of five years with the option to extend for up to a further two years
- A multi-contractor framework agreement is procured for major capital projects with a term of four years

For a full list of decisions please see Appendix 1.

4. KEY AREAS OF PROGRESS

Setting up the in-house responsive repairs service

- 4.1 Approximately 160 Mears staff will transfer into the council on 1 April 2020. TUPE (Transfer of Undertaking Protection of Employment) protects the terms and conditions of employment of transferring staff, which will mean the staff will maintain their current contractual terms and conditions.
- 4.2 Between January and March, a number of on-boarding activities will take place to ensure that the transferring staff are welcomed into the council and that all processes are complete to enable staff to carry out their jobs from day one. This includes 1-2-1's with staff, DBS (Disclosure and Barring Service) and right to work checks, and the issuing of a formal measures letter. Measures are anything which will change for staff as part of the transfer. The council is seeking to ensure that change is minimised for staff through the transfer process.
- 4.3 A full induction and training plan has been created for transferring staff. This includes the standard induction courses for any new council employee, as well as new eLearning courses which will ensure staff have adequate health and safety training to undertake their jobs. The new health and safety eLearning will be delivered by the iHASCO system, an online eLearning platform which provides a suite of health and safety and human resource compliance training courses. Much of the course content has been accredited by CITB (Construction Industry Training Board), IOSH (Institution of Occupational Safety and Health), and ROSPA (Royal Society for the Prevention of Accidents). The iHASCO system can be integrated with the council's Learning Gateway training system to track completion of courses.
- 4.4 The training and induction plan will be spread out over a number of months, and where possible will be delivered before April to minimise disruption to service levels. Joint training for transferring staff and the council's Housing Property and Investment team has also been planned to support the development of these teams and help build close working relationships.
- 4.5 The responsive repairs service will be called 'Housing Repairs & Maintenance', and the phone number which residents will call to report a repair will remain the same as it is now to enable continuity of service.

- 4.6 The council's Print & Sign team will procure the new uniforms for operatives and carry out the logo printing. The design of the new uniforms was made in consultation with the resident Task & Finish group as well as the staff who will be transferring into the council.
- 4.7 Pest control services to council housing stock are currently sub-contracted out by Mears. This service will be delivered by the council's in-house Pest Control team from April through a service level agreement to carry out the works to council housing stock. By delivering this service directly, the in-house team can focus on providing more long-term solutions to pest related issues, resulting in better quality housing and potential long-term savings.
- 4.8 An out of hours call handling provider is being procured via an existing framework agreement. The provider will take calls for emergency repairs outside of working hours which will then be directed to the on-call operatives. Further consideration on how this service can best be delivered in the future will be undertaken in future years when the council has robust data around the demands and use of this service outside of working hours.

Contract with Mears

- 4.9 In order to bring the services in-house there are some discrete products which the Council will purchase from Mears for a limited period. Officers are currently negotiating a contract which will cover the areas set out below. Officers will only go ahead with this contract(s) if terms can be agreed, and are developing contingency plans in case it is not possible to agree beneficial terms with Mears.

(i) Works management system

- 4.10 The provision of IT platforms and systems to support the service are key to ensuring that customer experience is maintained at a high level and that the council continues to deliver core services for residents without any reduction in customer services or the efficiency of the service. In order to ensure this, council staff will utilise the current MCM works management system to manage individual repairs and monitor the performance of the Housing Repairs & Maintenance service.
- 4.11 MCM, the IT works management system currently supplied and used by Mears will continue to be used by the staff who transfer over, until the new Northgate Housing Management IT system is implemented by the council (along with the procurement of a new works management system which will interface with the Northgate system). The Northgate implementation is separate to the future repairs programme, and is expected to go live in January 2021. The transition from MCM onto Northgate and a new works management system is expected to take approximately two years from April 2020.

(ii) Materials

- 4.12 The Housing Repairs & Maintenance operatives will be supported by supply chain arrangements for purchasing materials to complete repairs. This will be delivered through a range of materials suppliers in the city through the MCM system. This supply chain will be provided by Mears as part of the use of the

MCM system. This will enable the service to avoid delays or disruptions to the core repairs work and critical urgent works. Materials can be purchased automatically via MCM, allowing real-time cost capture and van stock replenishment via an operative's PDA device. If the council were to procure its own supply chain whilst using MCM, it would not be possible to automate back office processes in the same way, resulting in a less efficient service, a limited ability to track the true cost of jobs, and an increased risk of fraud.

- 4.13 The materials supply chain will be reviewed in line with the arrangements for new IT systems, so that any system procured can be fully integrated into a council operated materials supply chain.

(iii) Sub-contractors

- 4.14 The existing Mears contract uses subcontractors for certain works e.g. asbestos, scaffolding and some routine works for the repairs service where additional resources are required. These subcontracted works will need to continue from April, and to ensure stability over the transition period the council will continue to utilise the Mears subcontractor supply chain for an initial period. Many of the subcontractors used by Mears for these works are local SMEs (small and medium sized enterprises). For the avoidance of doubt, these works are not the 'specialist works' referred to in recommendation 2.6 of the October 2018 report which are for mechanical and electrical contracts including gas heating servicing and maintenance, lift servicing, maintenance and installation, door entry systems etc. These will require separate contracts which will come back to committee for authority to provide and award when required.
- 4.15 A DPS (Dynamic Purchasing System) is also currently being set up to allow the council to procure its own subcontractors in the longer term, but this will need to be implemented in a staged process to ensure continuity of works and services to residents, and to allow for the process of awarding and managing works to be integrated into existing IT systems. This is expected to be fully in place by April 2021.

(iv) Vehicles

- 4.16 The repairs service currently operates with a fleet of 107 vehicles, the majority of which are Ford Transit Customs/Connects. These vehicles, to be sub-leased from Mears, will be used in the first year with an option to extend for a further year of the service so that options to procure a more sustainable fleet can be explored, including the use of hybrid and electric vehicles. Introducing electric vehicles for April 2020 would be problematic due to the infrastructure required in the city to maintain the fleet and the levels of works required of the responsive repairs service.
- 4.17 By continuing to use the current fleet in the first year, it enables the service to meet the demands of carrying out approximately 40,000 repairs jobs annually, whilst carrying out a small pilot of electric/hybrid vehicles to inform a wider procurement for the whole service going forward. The fleet will be rebranded with council branding for April 2020.

Planned maintenance and major capital works

- 4.18 Planned maintenance and improvement works will be delivered by 3-7 contractors who will competitively bid for the works. The works are split into seven lots and contracts are to be awarded for a five year period with the option for the council to extend by up to a further two years. The lots are as follows:
- Lot 1: Kitchens and bathrooms
 - Lot 2: Internal and external decorations and repairs
 - Lot 3: Windows
 - Lot 4: Roofs
 - Lot 5: Doors – flats and street property doors (including fire doors)
 - Lot 6: Doors – main entrance doors
 - Lot 7: Communal and domestic rewiring
- 4.19 Following feedback from residents on the importance of robust contract management and performance, NEC (New Engineering Contract) has been chosen as the contract type for the planned maintenance and improvement works. The NEC contract is an industry standard for these types of works, and the terms are written in clear and plain English.
- 4.20 Service levels (also known as Key Performance Indicators or KPIs) have been incorporated into the contracts to support the management of the contracts and maintain the quality of works. Break clauses are also covered in the contract to enable the council to terminate if necessary.
- 4.21 The expected contract award date for the contracts for planned maintenance and improvement works is July 2020. Although this is later than first anticipated due to the complexity of the procurement documents, this will not cause any material delay to the planned maintenance works and there has been significant legal and procurement oversight in the development of the full range of contract documents and procurement processes to ensure that robust contracts are in place to meet the programme objectives.
- 4.22 The planned works programme is still in development and will be delivered in line with the outputs from the stock condition surveys currently being carried out. Arrangements will be in place should the council need to carry out any ad hoc work, such as kitchen and bathroom replacements in empty properties, ahead of the full mobilisation of these contracts.
- 4.23 The delivery plans for next years' major capital works programme is in development and a reduced level of capital spend is anticipated to reflect the large number of contracts being mobilised and the increased level of tenant and leaseholder engagement undertaken for larger projects. Alternative procurement routes are being explored with Procurement colleagues so that any urgent major capital works required can be delivered on time alongside the new framework arrangements for future capital works.

Stakeholder engagement

- 4.24 A 'task and finish' group meets with the programme team monthly to support the programme. This group is made up of tenant and leaseholder representatives from our existing resident engagement structure.
- 4.25 The task and finish group has recently provided feedback on service levels and break clauses which has informed the planned maintenance contracts as described above.
- 4.26 The programme team also provides updates at other resident interest groups, such as the Home Service Improvement Group, and the Leaseholder Action Group (LAG).
- 4.27 Engagement with Members has been undertaken through regular Housing Committee updates, Members briefing sessions, and the Procurement Advisory Board (PAB). The forthcoming re-introduction of PAB plus (PAB Members plus Housing Committee Chair and Spokespersons) will help maintain the oversight and assurance from Members in the run up to the transfer in April 2020.
- 4.28 A report on the recently completed programme audit will be taken to Audit and Standards Committee in January 2020.

5 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 5.1 This report updates Committee on the progress of the programme and therefore alternative options are not required.

6 COMMUNITY ENGAGEMENT & CONSULTATION

- 6.1 In developing the proposal approved by the Special Housing & New Homes Committee held on 28 September 2018 and Policy, Resources & Growth Committee on 11 October 2018, extensive stakeholder engagement was undertaken. The outcomes of this stakeholder engagement were presented to Members in briefings and as part of the report pack which informed the Committee decisions on the series of recommendations and alternative options for the delivery of responsive repairs and empty property refurbishments, planned maintenance programmes and major capital projects to council housing stock following the expiry of the current contractual arrangements.
- 6.2 Details of the engagement exercises undertaken to ensure that stakeholder's views were considered in determining the preferred option for the delivery of works and services in the future are outlined below.
- 6.3 Programme officers attended the following meetings to provide an initial brief of the programme and next steps for tenant and leaseholder engagement:
- Area Panels
 - Home Service Improvement Group
 - Leaseholder Action Group – Annual General Meeting
 - Business and Value for Money Service Improvement Group

Area Panel meetings provided some initial feedback around the current contractual arrangements and raised some questions about delivery methods moving forward. Feedback was included in the March 2018 report to Housing & New Homes Committee.

- 6.4 Representatives at the Home Service Improvement Group were keen to be updated at future meetings of the progress of the programme and noted the scale of the programme.
- 6.5 The programme team presented on the programme at the Leaseholders Action Group (LAG) – Annual General Meeting in April 2018 and worked with the then newly elected LAG representatives to engage with leaseholders and collect feedback on the current arrangements.
- 6.6 The programme team then completed the following engagement activities:
 - Running four workshops for tenants and leaseholders to share their views on what works well with the current service, what doesn't and what we should change in the future.
 - Carrying out over 1,000 door to door surveys of tenants and leaseholders across the city.
 - Running an online and postal survey for tenants and leaseholders to feedback their views.

The results of the door to door surveys and the online and paper surveys were analysed independently by ARP Research and included in the final report to Committee.

- 6.7 Staff and union engagement was also undertaken. Staff received regular updates on the programme through the initial phase. The programme team presented on progress with the programme at the regular all staff meetings held for the Housing Property & Investment team. In addition, the team received email briefings alongside the development of reports and the release of any public reports on the programme.
- 6.8 Staff workshops were held as part of the engagement work undertaken on the project. These included:
 - Two workshops for Property & Investment staff and unions.
 - Workshop for other housing staff.
- 6.9 Member and committee engagement was as follows.
 - A report initiating the programme was taken to Housing & New Homes Committee (H&NHC) and Policy, Resources & Growth Committee (PR&G) in March 2018.
 - A further update report was taken to H&NHC and PR&G in June 2018.
- 6.10 There was regular engagement with members through the Members Procurement Advisory Board (PAB) with additional attendance of lead members for Housing. Officers briefed at PAB in January and March 2018 and attended with consultants to discuss the options in detail at PAB meetings in April and

June 2018. A further meeting was held with PAB members in July 2018 to review the options available and identify any which should be discounted. The options discounted and the grounds on which they were discounted were detailed in the report to Special Housing Committee. The PAB meeting also considered a supplementary report produced by consultants to answer questions raised by the board. This included details about the council's market position and risk statement. A copy of this report was also included in the papers considered at Special Housing Committee. Officers also met with PAB in September 2018 to provide information on tenant and leaseholder engagement and the site visits undertaken by the programme team.

6.11 All Members were invited to an open question session which was held on 21st August 2018. A detailed discussion took place with those in attendance covering the following areas:

- Tenants and leaseholder engagement and feedback
- The remaining timeline
- The delivery options available, costs and contract terms.

6.12 Ongoing engagement with tenants, leaseholders, and Members is detailed in the body of this report in section 4.

7. CONCLUSION

7.1 This report updates committee on the key areas of progress of the programme. As the programme enters the final few months before the transfer, work is being focused on welcoming the staff transferring into the council, and ensuring that they are equipped to carry out their roles to maintain the continuity of service for residents.

8. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

8.1 The 2019/20 HRA budget for programme management is £0.250m with a further earmarked reserve for mobilisation and set up costs of £0.982m. Current forecasts assume that £0.482m will remain in the reserve for use in 2020/21. Current HRA budget proposals for 2020/21 also include a budget of £0.393m for the continuation of this significant change programme.

8.2 The HRA budget proposals currently include a budget of £9.725m for the repairs functions including the following:

- Responsive repairs
- Estate Development Budget (EDB)
- Call Centre
- Concessionary Decorating
- Concessionary Gardening
- Electrical Test & Report
- Infestations (Pest Control)
- Mutual Exchange Surveys

- Asbestos Surveys
- Fire Safety

- 8.3 As a comparison, the total revenue repairs budget for 2019/20 for all of these services, uplifted for 2% inflation, would cost £8.945m. The difference is £0.830m which reflects the repairs service pressures shown in the budget report, namely, the extra £0.150m for Seniors Housing carpeting and decorating and £0.630m for the extra pension costs for staff transferring from Mears.

Finance Officer Consulted: Monica Brooks

Date: 06/01/19

Legal Implications:

- 8.4 Authority from the relevant committee is usually required prior to awarding any contract which is over £500k in value. The proposed contract with Mears will be over £500k. Following a report taken to October 2018 Policy, Resources & Growth committee, delegated authority has already been given to the Executive Director Neighbourhoods, Communities and Housing to award contracts required to implement the recommendations set out in that report. The proposed contract with Mears enables the Council to implement the recommendations at 2.1 (Customer service and quality assurance) and 2.2 (Responsive repairs and empty property refurbishments) of the original report. The proposals are also consistent with the wording set out in paragraph 3.56 of that report which sets out that in relation to mobilising an in house team and supply chain the council would need to procure contracts in order to provide systems and support for the delivery of the works by an in-house team in time for 'go-live' following the expiry of the current contractual arrangements. Therefore, no further authority from this committee is required in order to award the proposed contract to Mears.
- 8.5 However, a waiver of Contract Standing Order ('CSO')¹² is required prior to the council entering into the proposed contract with Mears. The Executive Director Neighbourhoods, Communities and Housing may, after consultation with the Chair of this Committee and the Procurement Strategy Manager, waive the requirements of CSO 12 in accordance with CSO 20 and approve the award of the proposed contract to Mears. Officers intend to put this waiver in place if terms can be agreed with Mears.
- 8.6 The Public Contracts Regulations 2015 apply to the procurement and award of the proposed contract. Regulation 32 permits the direct award of contracts in certain circumstances and these apply in relation to the proposed contract. Detailed legal and procurement implications will be set out in the waiver report.
- 8.7 The heads of terms for the proposed arrangements with Mears have been drafted and will be legally binding once signed. A contract (or contracts) will be drawn up to set out the arrangements in further detail.
- 8.8 Given the amount of legal work needed for the project, it has been necessary to procure external solicitors under the OPL Legal Services Framework to support the project and assist the council's in-house legal team.

Lawyer Consulted:

Isabella Sidoli

Date: 11/12/19

Equalities Implications:

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

Sustainability Implications:

- 8.10 There are no direct sustainability implications arising from this update report.

SUPPORTING DOCUMENTATION

Appendices:

1. Decision record from Policy, Resources & Growth committee 11 October 2018, and Special Housing Committee on 28 September 2018.

Background Documents

None

**Brighton & Hove City Council
Policy, Resources & Growth Committee
4:00pm 11 October 2018
Council Chamber, Hove Town Hall**

Options for future delivery of housing repairs, planned maintenance and capital works

Resolved: That the Committee:

Customer service and quality assurance

- (i) Agreed that the customer service and quality assurance services are brought in-house and delivered by the council following the expiry of the current contractual arrangements;

Responsive repairs and empty property refurbishments

- (ii) Agreed that responsive repairs and empty property refurbishments works to council housing stock are brought in-house and delivered by the council following the expiry of the current contractual arrangements;
- (iii) Approved a 'set-up and mobilisation' budget of £0.112m for 2018/19 funded by an in-year virement transferring this budget from the capital financing costs budget in the Housing Revenue Account (HRA) and the creation of an earmarked 'set-up and mobilisation' reserve of £0.982m for use in 2019/20 funded from HRA general reserves;

Planned maintenance and improvement programmes

- (iv) Approved the procurement of at least one contract for the provision of planned maintenance and improvement programmes to council housing stock with a term of five years with the option to extend for up to a further two years;

Major capital projects

- (v) Approved the procurement of a multi-contractor framework agreement for major capital projects with a term of four years;

Specialist works

- (vi) Noted that the specialist works will continue to be delivered through individual contracts, with reports coming back to committee for authority to procure and award such contracts if required in accordance with the council's Constitution;

Delegation

(vii) Granted delegated authority to the Executive Director Neighbourhoods, Communities & Housing to:

- (1) Commence the procurements and award the contracts required to implement the recommendations;
- (2) Use the 'set-up and mobilisation' budget to create and appoint to new roles to enable these recommendations to be delivered;
- (3) Award call-off contracts under the major capital projects framework agreement
- (4) Take any other steps necessary to implement the recommendations in this report

(viii) Affirmed its intention to review whether further elements of the services and works may be brought in-house in such a way that any timescales would ensure thorough preparation and a smooth transition.

Subject:	Update on progress against the Housing Committee Work Plan.		
Date of Meeting:	15 January 2020		
Report of:	Executive Director Housing Neighbourhoods & Communities		
Contact Officer:	Name:	Martin Reid	Tel: 01273 293321
	Email:	Martin.reid@brighton-hove.gov.uk	
Ward(s) affected:	All		

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

- 1.1 In September 2019, Housing Committee agreed the priorities and work plan for the service for the next four years. This will inform future reporting to Committee on: key areas of officer focus and delivery; budget strategy, asset review, investment plans and resource allocation; resident engagement and formal consultation; engagement and consultation with partners and key agreement for stakeholders.
- 1.2 The key areas of work the report covered include: Providing additional affordable homes; Improving Private Rented Housing; Alleviating homelessness and rough sleeping; Achieving carbon reductions and sustainability in housing including; addressing fuel poverty; Improving council housing and community involvement; Enabling more affordable home ownership; Making fuller use of spare housing capacity.
- 1.3 Housing Committee agreed that a progress report is brought to alternate housing committees, with RAG (red, amber, green) rating of the delivery progress on each area of work set out in the joint programme against the timeline reported to Committee.
- 1.4 This is the first progress report since the Committee agreed to the Work Plan and sets out progress to date for members to review. Members are requested to note that this initial report will evolve in terms of content and measures reported as we develop activity over the next four years. In particular, officers propose to work with lead members to develop and agree SMART criteria so we can approve red, amber and green thresholds to inform future RAG rating of progress to be reported to Committee. Members are also invited to suggest any additional information they may find of use in future reports to enable effective tracking of progress against the Work Plan.

2. RECOMMENDATIONS:

- 2.1 That Housing Committee note the progress reported against the Housing Committee Work Plan 2019-23.

- 2.2 That Housing Committee suggest any further monitoring measures that may be useful to support provision of additional information on progress against the Housing Committee Work Plan and agree that a small group of Committee members work with officers on measures and report format for inclusion in future update reports to Committee.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Housing Committee on 18 September 2019 agreed a Work Plan, outlining priorities for the Committee and service over the next four years. Progress against priorities shown on the Work Plan timeline as due to be reported to Committee by Year 1 (2019/20), Quarter 3 is outlined below.

3.2 Providing additional affordable homes

Priority	Report to Committee	Progress
Develop 800 additional council homes.	Year 1 (19/20) Q2	Housing supply update 2019-2023 agreed HC 18 September 2018. 90 additional council homes are projected for delivery in 2019/20 (including new build and acquisitions).
Develop 800 additional council homes.	Year 1 (19/20) Q2	Home Purchase Policy update agreed HC 18 September 2018. Home Purchase Policy has secured 44 new homes to date with up to 18 homes due for completion by end 2019/20.
Develop 700 other new homes.	Year 1 (19/20) Q3	Housing supply update 2019-2023 agreed HC 18 September 2018. Planning permission granted for 346 new joint venture homes by 2021/22. Current Registered Provider schemes are due to deliver 255 rented and 457 shared ownership homes over next four years.
Review the rent policy to	Year 1 (19/20) Q3	Rent Policy for new council

maximise the number of council homes replaced at social or living wage rents.		homes is to be considered at HC 15 January 2020.
Bring a report to committee identifying suitable sites to work in partnership with Community Land Trust for development.	Year 1 (19/20) Q3	<p>Disposal by lease of two sites at Dunster Close, Hollingdean agreed HC 18 September 2018.</p> <p>Community led housing – site identification update considered by HC on 13 November.</p> <p>Plumpton Road co-op pilot scheme is nearing completion. Further council owned sites identified and being assessed.</p>

3.3 Improving private rented housing

Priority	Report to Committee	Progress
Review & resubmit selective licensing scheme proposal to improve private rented sector properties in the City.	Year 1 (19/20) Q3	<p>Private Rented Sector Selective Licensing Update considered by HC on 13 November 2019.</p> <p>As of end September 2019, there are 3,190 licensed HMOs citywide, including those which were issued licences without special conditions and/or less than 12 months ago.</p> <p>As of end September 2019, 55.28% of houses in multiple occupation (HMOs) have met all special conditions after 12 months of their licence being issued (623 of 1,127 HMOs).</p>
Develop the enforcement approach to private sector housing to reflect the full range of potential options available to improve management and standards.	Year 1 (19/20) Q2	<p>Private Sector Housing Enforcement Policy approved by HC on 13 November 2019.</p> <p>Processes to be in place April 2020 to commence enforcement as against the policy.</p>

		<p>218 Requests for Assistance received during first half of 2019/20.</p> <p>On track to bring 161 long-term empty private sector properties back into this use during 2019/20.</p>
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3.4 Alleviating homeless and rough sleeping

Priority	Report to Committee	Progress
Develop a rough sleeping strategy (to include partnerships with community homeless and faith projects and delivery of homeless enterprise projects).	Year 1 (19/20) Q2	<p>Homelessness and Rough Sleeping Strategy Development and Consultation report agreed at HC 18 September 2019. Homeless & Rough Sleeper Strategy Update report to be considered at HC on 15 January 2020.</p> <p>53 rough sleepers counted during December 2019.</p>
Review /consult/adopt the Homeless Bill of Rights.	Year 1 (19/20) Q3	<p>HC 18 September 2019, Homeless & Rough Sleeper <i>'Strategy development will also align to consultation, consideration and decisions over adoption of a Homeless Bill of Rights for the city following the recent petition to Council'</i></p> <p>Homeless & Rough Sleeper Strategy Update report to be considered at HC on 15 January 2020.</p>
Provide a 365 day night shelter.	Year 1 (19/20) Q3	<p>HC 18 September 2019 approved delegation of authority to procure and award a contract for the provision of a joint night shelter service and supported accommodation service for Rough Sleepers.</p> <p>Shelter opened in November 2019 – funded for one year only from November 2019 to</p>

		November 2020. Contract has been issued for two years with a break clause of one year should funding not be made available.
Develop a strategy for the provision of council run temporary accommodation including Seaside Homes.	Year 1 (19/20) Q3	<p>Procurement of Council Owned Short Term Temporary Accommodation, and council managed emergency short term accommodation, Gladstone Court, Hartington Road, Brighton. To be considered at HC on 15 January 2019. Aim is to reduce Temporary Accommodation through increased prevention and enabling people to move on to more settled accommodation. We are aiming to reduce short term accommodation as follows:</p> <p>March 2020: 420 units March 2021: 250 units March 2022: 200 units March 2023: 170 units March 2024: 148 units</p> <p>Between April and September 2019, 378 households had their homelessness prevented by the council and 451 by partner agencies.</p>
Develop a Homeless Strategy, ensuring homeless people are involved in the design and development of services which directly affect them.	Year 1 (19/20) Q2	Homelessness and Rough Sleeping Strategy Development and Consultation report agreed at HC 18 September 2019. Homeless & Rough Sleeper Strategy Update report to be considered at HC on 15 January 2020.

3.5 Achieving carbon reductions and sustainability in housing including address fuel poverty

Priority	Report to Committee	Progress
Develop an action plan to set out how we will work	Year 2 (20/21) Q1	Housing is working collaboratively with the

collaboratively to ensure housing contributes to making the city carbon neutral by 2030.		Corporate programme to become carbon neutral by 2030. A specific delivery plan for housing will be developed and presented to Committee.
Develop a new PV and energy efficiency strategy for council homes to include standards for new homes.	Year 2 (20/21) Q1	<p>An European Regional Development Fund (ERDF) bid for £1.8m (£900k funded) to identify and pilot strategies to reduce emissions from council housing was submitted in September. Currently awaiting further information from awarding body.</p> <p>Standards for new council homes are guided by the revised new build specification, this has been reviewed with an increase in standards to a minimum Energy Performance Certificate rating of A on new build council homes. Proposals for a further solar PV programme on existing council homes is being developed for consideration with a detailed report expected at June 2020 Housing Committee.</p> <p>As of September 2019, the average energy efficiency rating of council homes stands at 67.4 (out of a maximum of 100).</p>
Review the energy efficiency and provision on all new developments.	Year 2 (20/21) Q1	The government is currently consulting on the Future Homes standard and building regulations. This proposes New domestic buildings will have 75-80% less carbon emissions than current Building Regs Part L. This will be achieved through very high fabric standards and a low carbon heating

		system (eg heat pump, triple glazing). The council is drafting a response to the consultation taking place currently.
Investigate and report the possibility of bulk buying PV panels and other energy saving resources.	Year 2 (20/21) Q1	We are working with Your Energy Sussex partners to develop a 'Solar Together' offer for Brighton & Hove residents. Expected to launch 2020.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 This report sets out current progress against the agreed priorities for delivery for the next four years. Although it is understood that changes in legislation or priorities may affect this work plan, it enables work streams to be linked to ensure that work is completed in a coherent and planned way.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Housing Committee Priorities and work plan will inform planning for future engagement and consultation with our residents, partners and key stakeholders. The report to September 2019 Housing Committee was also considered by Area Panels.

6. CONCLUSION

- 6.1 Housing is a key issue in the city. By having a clear work plan for the service and regularly reporting on progress, we will have the best chance of meeting the needs of city and maximise resources to improve performance in key areas.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The HRA Budget & Capital Investment Programme 2020/21 and Medium Term financial Strategy report (HRA Budget report 2020/21) to this committee includes proposals for the continuation of the Housing Committee Work Plan to achieve 800 more council homes by 2023/24 for approval by Policy and Resources Committee as well as £0.100m for solar panels in 2020/21. The HRA budget report 2020/21 also includes proposals for extra staff resources to support this Work Plan. Any further Work Plan commitments requiring financial resources (either general fund or HRA) will require a separate committee report including full financial implications for approval by Policy and Resources Committee. There are other reports on this agenda that support this Work Plan and identify specific financial implications, for example, the Procurement of Council Owned Short Term Temporary Accommodation Report and the Homelessness and Rough Sleeping Strategy Development and Consultation Report.

Finance Officer Consulted: Monica Brooks Date: 06/01/2020

Legal Implications:

- 7.2 There are no specific legal implications to draw to Members' attention arising from this report. The implications of each priority will be assessed at the appropriate time.

Lawyer Consulted:

Name Liz Woodley

Date: 06/01/2020

Equalities Implications:

- 7.3 There are no significant Equalities Implications arising directly from the report. Equalities implications will be assessed for each project.

HOUSING COMMITTEE	Agenda Item 51
	Brighton & Hove City Council

Subject:	Housing Management Performance Report Quarter 2 2019/20		
Date of Meeting:	15 January 2020		
Report of:	Executive Director Housing, Neighbourhoods & Communities		
Contact Officer:	Name:	Ododo Dafé	Tel: 01273 293201
	Email:	ododo.dafe@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

1.1 The housing management performance report covers Quarter 2 of the financial year 2019/20. The report is attached as Appendix 1 and notable results include:

- **Rent collection and current arrears** – 97.22% of rent collected.
- **Customer services and complaints** – 91% of calls answered and 64% of stage one complaints responded to within 10 working days.
- **Empty home turnaround time** – 115 homes re-let in an average of 20 days (or 37 days including time spent in major works).
- **Repairs and maintenance** – routine repairs took an average of 11 days to complete and 96.7% of appointments were kept.
- **Estates service** – 82% of bulk waste jobs completed within 7 working days.
- **Anti-social behaviour** – 90% of people surveyed were satisfied with the way their anti-social behaviour complaint was dealt with.
- **Tenancy management** – 38 tenancies sustained following difficulties.
- **Seniors housing** – 97% of residents have had their annual review.

2. RECOMMENDATIONS:

2.1 That the Housing Committee notes and comments upon the report.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 The report uses 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 full copy of this report went to Area Panels in December 2019. Changes made following resident feedback at these meetings are noted in 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. Over the last two years the percentage of rent collected has fallen in the HRA, and although the performance still compares favourably when benchmarked against other stock holding councils around the country, this is of concern and a review is underway to identify actions that will help to improve this. Indicator 1.14 shows that during Quarter 2, arrears for current tenants have increased by £0.166m to £1.450m. The majority of the arrears relate to tenants on Universal Credit. The Housing Income Management team is undertaking targeted work with tenants who are transferring to Universal Credit, and an additional post is proposed as part of the draft HRA Budget for 2020/21 to enhance the support the council can directly offer tenants around welfare rights and appeals. The impact of this work on arrears recovery will be closely monitored to ensure that these measures are effective. The Housing Income Management team has had a high level of staff vacancies this year which is also impacting on the recovery of both current and former tenant arrears. The vacancies are currently being recruited to.

Finance Officer Consulted: Monica Brooks Date: 05/12/19

Legal Implications:

- 5.2 There are no significant legal implications arising from this report to draw to the Committee's attention. The reference to section 41 notices in the commentary to the Estates section of the report is a reference to section 41 of the Local Government (Miscellaneous Provisions) Act 1982. That section provides a procedure for dealing with lost and uncollected property found on council land.

Lawyer Consulted: Liz Woodley Date: 21/11/19

Equalities Implications:

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

Sustainability Implications:

- 5.4 The average energy efficiency rating of council homes stands at 67.4 (out of a maximum of 100) and efforts to increase this rating contribute towards the council's sustainability commitments and help to reduce 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 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.

SUPPORTING DOCUMENTATION







Appendices:

1. Housing Management Performance Report Quarter 2 2019/20

Housing Management Performance Report

Quarter 2 2019/20

This housing management performance report covers Quarter 2 of the financial year 2019/20. It uses 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.

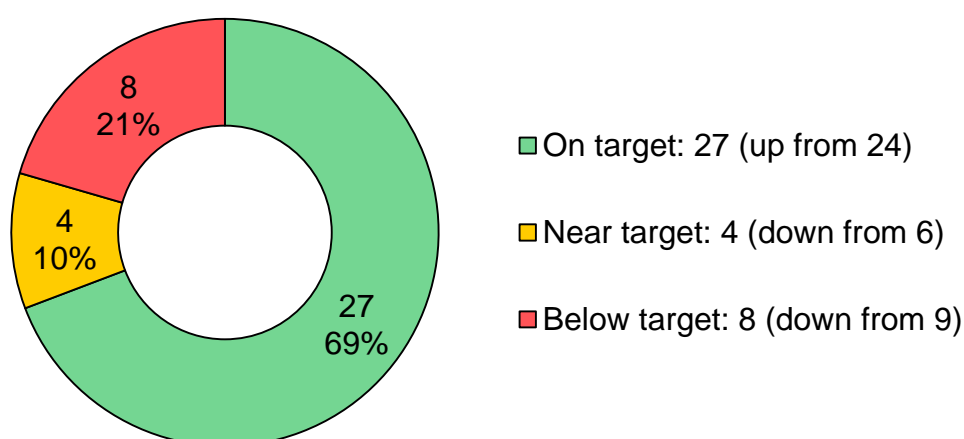
Status		Trend	
	Performance is below target (red)		Poorer than previous reporting period
	Performance is close to achieving target, but in need of improvement (amber)		Same as previous reporting period
	Performance is on or above target (green)		Improvement on previous reporting period

Comments on performance are given for indicators which are near or below target.

A total of 39 performance indicators are measured against a quarterly target:

- 27 are on target (of which 21 were on target, 4 near and 2 below target last quarter)
- 4 are near target (3 were on target and 1 was below target)
- 8 are below target (2 were on target, 1 near target and 5 were below target).

Quarterly indicators










In terms of movement since the previous quarter:

- 20 have improved
- 8 are the same (7 are on target and 1 is near target)
- 11 have declined (of which 2 are on target, 2 are near target and 7 are below target).


1. Rent collection and current arrears

Row 1.1 is an end of year forecast and the others are cumulative for the year to date.

 Rent collection and current arrears indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
1.1	Rent collected as proportion of rent due for the year	97.20%	97.51% (£50.3m of £51.6m)	97.22% (£50.6m of £52.1m)		
1.2	Former tenant arrears collected	25% (12.5% for Q2)	4.69% (£33k of £714k)	8.05% (£60k of £740k)		
1.3	Rent loss due to empty dwellings	Under 1%	0.63% (£92k of £14.5m)	0.61% (£166k of £27.0m)		
1.4	Tenants served a Notice of Seeking Possession	For info	126	131	n/a	n/a
1.5	Tenants evicted because of rent arrears	For info	0	0	n/a	n/a

Former tenant arrears collected – 4.45 percentage points below target for the quarter

- **Contributory factors** - vacancies in team; prioritising staff time on current tenant arrears and Universal Credit.
- **Improvement actions** - recruitment to seven Income Management posts.

 Welfare reform information		Q1 2019/20	Q2 2019/20
1.6	Universal Credit – affected households*	1,511 (13% of all tenants)	1,759 (15% of all tenants)
1.7	Universal Credit – arrears of affected households	£753k (59% of total arrears)	£957k (66% of total arrears)
1.8	Universal Credit households in arrears which have an alternative payment arrangement	38% (369 of 969)	39% (445 of 1,153)
1.9	Under occupiers on Housing Benefit – affected households	468 (4%)	460 (4%)
1.10	Under occupiers on Housing Benefit – arrears of affected households	£43k (3%)	£45k (3%)
1.11	Benefit Cap – affected households	38 (0.3%)	36 (0.3%)
1.12	Benefit Cap – arrears of affected households	£14k (1.1%)	£5k (0.3%)
1.13	Total households	11,429	11,450
1.14	Total current tenant arrears	£1,284k	£1,450k

*It is currently projected that the majority of working age households who claim benefits will be on Universal Credit by the beginning of 2021. This information has been provided following an Area Panel query.

1.15 Area breakdown of rent collected

The figures below are end of year forecasts.










Rent collection area	Q1 2019/20	Q2 2019/20
North (includes Seniors housing)	98.03% (£14.3m of £14.6m)	97.82% (£14.5m of £14.8m)
West	97.00% (£10.1m of £10.4m)	96.65% (£10.1m of £10.5m)
Central	97.03% (£8.9m of £9.2m)	96.79% (£9.0m of £9.3m)
East	97.62% (£17.0m of £17.4m)	97.27% (£17.1m of £17.5m)
All areas	97.51% (£50.2m of £51.5m)	97.22% (£50.1m of £52.1m)

1.16 Households in arrears by amount

All figures in the table below are end of quarter results.

Amount of arrears	Q1 2019/20	Q2 2019/20
No arrears	77% (8,813)	76% (8,680)
Any arrears	23% (2,616)	24% (2,770)
... £0.01 to £99.99	7% (861)	7% (859)
... £100 to £499.99	9% (987)	9% (996)
... £500 and above	7% (768)	8% (915)
Total households	11,429	11,450

2. Customer services and complaints

 Customer services and complaints indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
2.1	Calls answered by Housing Customer Services Team (HCST)	90%	90% (8,793 of 9,727)	91% (8,428 of 9,256)		
2.2	Stage one complaints responded to within 10 working days	80%	88% (88 of 100)	64% (70 of 109)		
2.3	Stage one complaints – average time to respond when not within 10 working days	For info	13 days	16 days	n/a	n/a
2.4	Stage one complaints upheld	For info	46% (46 of 100)	39% (43 of 109)	n/a	n/a
2.5	Stage one complaints escalated to stage two	10%	12% (12 of 100)	11% (12 of 109)		
2.6	Stage two complaints upheld	18% or under	25% (3 of 12)	8% (1 of 12)		
2.7	Housing Ombudsman Complaints upheld	For info	0% (0 of 2)	0% (0 of 2)	n/a	n/a

Customer services and complaints






Stage one complaints responded to within 10 working days – 16 percentage points off target

- **Contributory factors** - backlog of repairs complaints with contractor; contractor staff vacancies.
- **Improvement actions** - backlog of repairs complaints now cleared with help from contractor's regional office; two new members of staff recruited by contractor; ensuring complaints aren't going to contractors when they should be going to Housing.

Stage one complaints escalated to stage two – 1 percentage point off target

- **Contributory factors** - some complaints could have been resolved at stage one (better communication needed with customer).
- **Improvement actions** - Customer Feedback Team have assessed stage one complaint responses and have produced guidance for responding officers to improve quality of responses.

3. Empty home turnaround time and mutual exchanges

 Empty home turnaround time and mutual exchange indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
3.1	Average re-let time, excluding time spent in major works (calendar days)	21	25 (129 lets)	20 (115 lets)		
3.2	... as above for general needs dwellings	For info	21 (109 lets)	17 (95 lets)	n/a	n/a
3.3	... as above for seniors housing dwellings	For info	45 (20 lets)	36 (18 lets)	n/a	n/a
3.4	Average 'key to key' empty period, including time spent in major works (calendar days)	For info	47 (129 lets)	37 (115 lets)	n/a	n/a
3.5	New dwellings let for first time	For info	0	20	n/a	n/a
3.6	Mutual exchange decisions made within 42 calendar days	100%	100% (25 of 25)	100% (24 of 24)		
3.7	Total empty dwellings at end quarter*	For info	82	68	n/a	n/a
















*Total general needs and seniors housing stock is 11,518 of which 11,450 are let and 68 are empty. The total housing revenue account (HRA) stock of 11,574 also includes 30 council owned temporary accommodation dwellings, 11 long term leases to housing associations and 15 new builds which are nearing completion (at Tilbury Place).


















3.8. Long term empty dwellings by ward (empty six weeks or more as of 30 September 2019)








Ward name (excludes those with no long term empty dwellings)	No. dwellings	Average days empty	Range of days empty	Average rent loss*	Total rent loss*	Comment
East Brighton	1	71	71-71	£0.9k	£0.9k	1 house ready to let.
Hangleton and Knoll	3	55	50-64	£0.8k	£2.4k	1 house and 2 flats in major works.
Hanover and Elm Grove	2	183	50-316	£2.9k	£5.7k	1 house requiring extensive major works (on hold for casework to help affected neighbours); 1 house in major works.
Hollingdean and Stanmer	1	148	148-148	£1.7k	£1.7k	1 seniors flat in major works.
Moulsecoomb and Bevendean	5	294	43-610	£2.7k	£13.3k	3 seniors studio flats; 1 house ready to let; 1 house with ongoing casework.
North Portslade	1	57	57-57	£0.8k	£0.8k	1 house ready to let following major works.
Patcham	2	120	120-120	£1.2k	£2.4k	2 seniors flats in major works.
Preston Park	2	634	505-764	£7.4k	£14.9k	2 adjoining flats requiring health and safety works (on hold for casework to help affected neighbours).
Queens Park	8	74	43-113	£0.9k	£6.9k	2 flats ready to let; 3 seniors flats ready to let; 2 flats in major works; 1 flat with ongoing casework.
St Peter's & North Laine	1	71	71-71	£1.2k	£1.2k	1 house with ongoing casework.
Westbourne	1	78	78-78	£0.8k	£0.8k	1 flat with ongoing casework.
Woodingdean	1	197	197-197	£4.5k	£4.5k	1 house undergoing roof conversion (due for completion in February 2020).
Total	28	169	43-764	£2.0k	£55.5k	Of 28 properties, 8 are ready to let (28%).

*Snapshot of historic rent loss for whole time since these properties became empty: of the £55.5k total rent loss, £39.3k occurred during 2019/20 to date and £16.2k during 2018/19.

4. Repairs and maintenance

 Repairs and maintenance indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
4.1	Emergency repairs completed in time (within 24 hours)	99%	99.7% (2,062 of 2,068)	99.7% (2,353 of 2,359)		
4.2	Routine repairs completed in time (within 20 working days)	99%	99.5% (3,914 of 3,935)	99.7% (4,347 of 4,361)		
4.3	Complex repairs completed in time (work needing longer than 20 days)	For info	99.2% (117 of 118)	96.9% (93 of 96)	n/a	n/a
4.4	Average time to complete routine repairs (calendar days)	15 days	12 days	11 days		
4.5	Appointments kept by contractor as proportion of appointments made	97%	97.2% (10,366 of 10,664)	96.7% (10,097 of 10,446)		
4.6	Tenants satisfied with repairs	96%	98.2% (969 of 987)	98.6% (784 of 795)		
4.7	Responsive repairs passing post-inspection first time	97%	94.4% (1,013 of 1,073)	93.8% (575 of 613)		
4.8	Repairs completed at first visit	92%	86.8% (5,209 of 6,003)	86.6% (5,821 of 6,720)		

 Repairs and maintenance indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
4.9	Dwellings meeting Decent Homes Standard	100%	100% (11,511 of 11,511)	100% (11,518 of 11,518)		
4.10	Energy efficiency rating of homes (out of 100)	67	67.2	67.4		
4.11	Planned works passing post-inspection	97%	100% (172 of 172)	100% (161 of 161)		
4.12	Stock with a gas supply with up-to-date gas certificates	100%	100% (9,973 of 9,973)	100% (9,993 of 9,993)		
4.13	Empty properties passing post-inspection	98%	99.0% (98 of 99)	91.1% (102 of 112)		
4.14	Lifts – average time taken (hours) to respond	2 hours	2.7 hours	1.8 hours		
4.15	Lifts restored to service within 24 hours	95%	96% (187 of 195)	97% (177 of 182)		
4.16	Lifts – average time to restore service when not within 24 hours	7 days	8 days	5 days		

 Repairs and maintenance indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
4.17	Repairs Helpdesk – calls answered	90%	91% (16,459 of 18,154)	91% (16,957 of 18,644)		
4.18	Repairs Helpdesk – calls answered within 20 seconds	75%	54% (8,965 of 16,459)	65% (11,069 of 16,957)		
4.19	Repairs Helpdesk – longest wait time	5 mins	16m 48s	34m 02s		
4.20	Estate Development Budget main bids – completions (year to date)	For info	12% (14 of 117)	43% (51 of 118)	n/a	n/a
4.21	Estate Development Budget main bids – average duration of work (year to date)	For info	1 day	12 days	n/a	n/a

Repairs and maintenance

Appointments kept by contractor as proportion of appointments made – 0.3 percentage points below target

- **Contributory factors** - less operatives available over summer holiday period.
- **Improvement actions** - closer monitoring to ensure this comes back on target.

Responsive repairs passing post-inspection – 3.2 percentage points below target

- **Contributory factors** - 38 of 613 jobs failed post inspection with majority due to poor quality work (31 of 38) and the rest due to admin errors (incorrect recording of volume of labour and materials required for job).
- **Improvement actions** - focus remains same as last quarter (improving contractor's quality of work through training; ensuring all inspection reports are correctly recorded).

Repairs completed at first visit – 5.4 percentage points below target

- **Contributory factors** - higher proportion of jobs requiring non-standard parts (eg plumbing and electrical works) remains a factor.
- **Improvement actions** - continue to improve van stocks (so more parts are available for these types of jobs).

Empty properties passing post-inspection – 6.9 percentage points below target

- **Contributory factors** - most jobs failed inspection due to poor quality work (6 of 10) and the rest due to admin errors (incorrect recording of volume of labour and materials required for job).
- **Improvement actions** - improving quality of work through training; ensuring all inspection reports are correctly recorded.

Repairs Helpdesk – calls answered within 20 seconds – 10 percentage points below target

- **Contributory factors** - continued contractor staff turnover; delays in recruitment; staff time spent training new recruits.
- **Improvement actions** - council and contractor to discuss how staff retention and recruitment can be improved.

Repairs Helpdesk – longest wait time – 29 minutes and 2 seconds longer than target

- **Contributory factors** - longest wait time due to staff evacuation of office at time of call.
- **Improvement actions** - performance was affected by one-off issue but action for previous indicator also applies.

4.23 Major projects programme summary 2019/20 (as of October 2019)

Project	Total budget 2019/20	Latest Budget	Status	Number of dwellings		Leaseholder costs range (estimated)
				Council	Leasehold	
Tyson Place / St Johns Mount – structural repairs	£1,640k	£1,640k	On site	109	39	£15k to £22k
Wickhurst Rise – structural repairs	£25k	£25k	Complete	26	6	£22k to £41k
Ingram Crescent – structural repairs	£570k	£160k	Complete	130	24	£4k to £5k
Sylvan Hall – external repairs	£771k	£506k	Complete	30	19	£14k to £25k
Clarendon Road – structural repairs	£950k	£742k	On site	23	9	£27k to £30k
Freshfield Estate – Tyfoam extraction	£750k	£1,200k	On site	24	0	n/a
Albion Hill (Saxonbury) – structural repairs	£1,194k	£1,094k	On site	29	16	£33k to £37k
Hidden Homes – new dwellings	£1,498k	£1,498k	On site	n/a	n/a	n/a
Oxford Street conversion	£1,314k	£1,314k	On site	n/a	n/a	n/a
St Aubyns Gardens – external repairs	£600k	£600k	On site	4	11	£31k to £54k
Unity Housing (condensation and damp works)	£336k	£336k	Completed	6	0	n/a
Citywide Conversions & extensions	£520k	£260k	On site	10	0	n/a
St James' House car park	£479k	£479k	On site	n/a	n/a	n/a
Holbrook and Downford – roofing	£123k	£123k	Complete	10	3	£14k to £18k
Tilbury Place – renovation	£500k	£500k	On site	n/a	n/a	n/a
Laburnum Grove – roofing	-	£650k	On site	59	0	n/a
Somerset Point – windows and external decoration	£500k	£500k	On site	71	0	n/a
Theobald House – concrete repairs	£50k	£50k	Complete	83	33	n/a
Leach Court – concrete coatings	£79k	£79k	On site	108	0	n/a
Total	£11.9m	£11.8m	13 projects on site	722	160	£4k to £54k

4.24 Details of major projects on site (as of October 2019)

Project	Tyson Place / St Johns Mount – structural repairs						
Exp. Start	22/10/18	Finish	31/01/20	2019/20 Budget	£1,640k	Latest budget	£1,640k
Act. Start	22/10/18	Current Status	On site	Council dwellings	109	Leasehold dwellings	39
Major external works including concrete repairs, roof replacement (St John's Mount only), replacement of windows and external wall insulation. Currently on site with completion expected by January 2020.							

Project	Ellen Street low rises – structural repairs						
Exp. Start	02/01/19	Exp. Finish	17/11/2019	2019/20 Budget	£950k	Latest Budget	£950k
Act. Start	02/01/19	Current Status	On site	Council dwellings	23	Leasehold dwellings	9
Refurbishment works including roof conversion, new windows and doors. The works will be completed once the scaffolding is taken down and the site cleared, which is due by mid-November.							

Project	Freshfield Estate – extraction of Tyfoam wall insulation (phase four)						
Exp. Start		Exp. Finish	31/03/20	2019/20 Budget	£750k	Latest Budget	£1,200k
Act. Start	18/11/18	Current Status	On site	Council dwellings	24	Leasehold dwellings	0
Removal of Tyfoam insulation from wall cavities and rebuilding of outer walls with new external insulation. New phase began in April 2019 and budget was increased by £450k to take account of additional works required.							

Project	Albion Hill (Saxonbury) – structural repairs						
Exp. Start	22/10/18	Exp. Finish	28/02/2020	2019/20 Budget	£1,194k	Latest Budget	£1,094k
Act. Start	22/10/18	Current Status	On site	Council dwellings	29	Leasehold dwellings	16
Installation of infill cladding system to rectify defects with de-bonded brick panels. Unforeseen design changes following removal of brickwork resulted in delays to works during 2018/19. Latest budget has decreased by £100k based on trends in current spending. Currently expected for completion by end of February 2020, depending on weather conditions.							

Project	Hidden Homes						
Exp. Start		Exp. Finish	28/02/20	2019/20 Budget	£1,498k	Latest Budget	£1,498
Act. Start	30/04/18	Current Status	On site	Council dwellings	n/a	Leasehold dwellings	n/a
<p>Programme of works to transform neglected or redundant spaces into quality homes. There are currently three conversion projects underway at:</p> <ul style="list-style-type: none"> • Elwyn Jones Court (2 new dwellings – awaiting electric meter installations before letting) • Woods House (1 new dwelling – new communal room is complete and new flat is expected to be completed in November) • Swallow Court (3 new dwellings – expected to be ready for letting by end October). <p>Planning permission has been granted and designs agreed for 10 new dwellings at the Bristol Estate, with the first five flats expected for completion by end February 2020. Surveys of the Albion Hill area are also being undertaken for a project next year.</p>							

Project	Oxford Street conversion						
Exp. Start		Exp. Finish	31/03/20	2019/20 Budget	£1,314k	Latest Budget	£1,314k
Act. Start	19/11/18	Current Status	On site	Council dwellings	n/a	Leasehold dwellings	n/a
Now part of the Hidden Homes programme. This project is to redevelop and convert old office space into 10 family dwellings for temporary accommodation. Construction is currently underway on two levels and due for completion by end March 2020.							

Project	St Aubyns Gardens – external repairs						
Exp. Start	18/03/19	Exp. Finish	01/12/19	2019/20 Budget	£600k	Latest Budget	£600k
Act. Start	18/03/19	Current Status	On site	Council dwellings	4	Leasehold dwellings	11
Further external repairs following previous structural works, including concrete and render repair, new windows, roof replacement and external drainage replacement.							

Project	Citywide loft Conversions and extensions						
Exp. Start	01/02/19	Exp. Finish	Ongoing	2019/20 Budget	£520k	Latest Budget	£260k
Act. Start		Current Status	On site	Council dwellings	10	Leasehold dwellings	n/a
Programme comprising works at 10 properties, plus two new builds. The latest budget for 2019/20 has reduced by £260k due to delays in the programme.							

Project	St James' House car park						
Exp. Start		Exp. Finish	17/12/19	2019/20 Budget	£479k	Latest Budget	£479k
Act. Start	04/03/19	Current Status	On site	Council dwellings	n/a	Leasehold dwellings	n/a
Improvements to security at the underground car park at St James' House. There had been delays in 2018/19 caused by additional stakeholder engagement and a traffic flow management study which had not been anticipated.							














Project	Tilbury Place – renovation						
Exp. Start		Exp. Finish	15/11/19	2019/20 Budget	£500k	Latest Budget	£500k
Act. Start	18/03/19	Current Status	On site	Council dwellings	n/a	Leasehold dwellings	n/a
Renovation of a block of 15 temporary accommodation studio flats acquired by the council. Currently on budget and nearing completion with scheduled handback to temporary accommodation by mid-November.							

Project	Laburnum Grove – roofing						
Exp. Start	08/05/19	Exp. Finish	07/11/19	2019/20 Budget	-	Latest Budget	£650k
Act. Start	08/05/19	Current Status	On site	Council dwellings	59	Leasehold dwellings	n/a
Roof and window replacements.							

Project	Somerset Point – windows and external decoration						
Exp. Start		Exp. Finish	31/03/20	2019/20 Budget	£500k	Latest Budget	£500k
Act. Start	29/04/19	Current Status	On site	Council dwellings	71	Leasehold dwellings	n/a
Works include new windows, repainting and insulation of external walls.							

Project	Leach Court – concrete coatings						
Exp. Start		Exp. Finish	07/12/19	2019/20 Budget	-	Latest Budget	£79k
Act. Start	07/10/19	Current Status	On site	Council dwellings	108	Leasehold dwellings	0
Concrete coatings due for completion in December 2019.							

5. Estates service

 Estates service indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
5.1	Cleaning quality inspection pass rate	99%	99% (179 of 180)	100% (162 of 162)		
5.2	Estates Response Team quality inspection pass rate	99%	98% (144 of 147)	100% (55 of 55)		
5.3	Cleaning tasks completed	98%	95% (12,994 of 13,612)	95% (13,742 of 14,524)		
5.4	Bulk waste removed within 7 working days	92%	85% (670 of 787)	82% (652 of 798)		
5.5	Lights replaced or repaired within 3 working days	99%	99.6% (224 of 225)	100% (211 of 211)		
5.6	Mobile warden jobs completed within 3 working days	96%	99.2% (1,412 of 1,423)	99.8% (1,283 of 1,285)		

Estates service

Cleaning tasks completed – 3 percentage points below target




- **Contributory factors** - more staff time spent on cleaning up litter in external common areas, for example near communal bins.
- **Improvement actions** - collaboration with CityClean to address growing litter problem.

Bulk waste removed within 7 working days – 10 percentage points below target

- **Contributory factors** - the bulk team are spending more time (two days per week) on ensuring health and safety compliance through issuing and actioning section 41 notices on items left in common areas.
- **Improvement actions** - increased focus on health and safety compliance will hopefully change behaviours and lead to fewer items left in common areas.

6. Anti-social behaviour (ASB)

All indicators below give cumulative year to date results.

 ASB indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
6.1	Surveyed ASB victims satisfied with way their closed case was dealt with*	85%	80% (4 of 5)	90% (9 of 10)		
6.2	Tenants evicted due to ASB	For info	0	1	n/a	n/a
6.3	Closure orders obtained	For info	3	4	n/a	n/a

*Amended for clarity following an Area Panel query (was previously “victim satisfaction with way ASB case was dealt with”).

6.4 New antisocial behaviour (ASB) cases by type

New ASB cases where the reporter or alleged perpetrator is a council property resident or leaseholder.

Type of ASB incident / case	Q1 2019/20	Q2 2019/20	Change between quarters
Verbal abuse / harassment / intimidation	44% 83	44% 92	+9
Noise	11% 21	6% 13	-8
Drugs	11% 21	17% 36	+15
Crime	10% 18	13% 27	+9
Domestic violence / abuse	10% 18	7% 15	-3
Physical violence	6% 11	3% 7	-4
Pets and animal nuisance	4% 8	7% 15	+7
Hate incident	2% 3	1% 2	-1
Alcohol related	2% 4	1% 2	-2
Total	100% 187	100% 209	+22






6.5 New ASB cases by ward

New ASB cases where the reporter or alleged perpetrator is a council property resident or leaseholder.

Ward name	Q1 2019/20	Q2 2019/20	Change between quarters	Council dwellings
Brunswick and Adelaide	0	0	+0	4
Central Hove	1	4	+3	57
East Brighton	45	54	+9	2,246
Goldsmid	6	5	-1	326
Hangleton and Knoll	20	20	0	1,180
Hanover and Elm Grove	6	10	+4	466
Hollingdean and Stanmer	21	15	-6	1,246
Hove Park	0	0	0	10
Moulsecoomb and Bevendean	19	27	+8	1,513
North Portslade	10	5	-5	398
Patcham	7	11	+4	533
Preston Park	1	1	0	62
Queen's Park	28	34	+6	1,720
Regency	0	0	0	28
Rottingdean Coastal	0	0	0	25
South Portslade	3	4	+1	369
St. Peter's and North Laine	8	14	+6	379
Westbourne	6	1	-5	116
Wish	2	0	-2	345
Withdean	1	0	-1	44
Woodingdean	3	4	+1	451
Total	187	209	+22	11,518

7. Tenancy management

The first two indicators below give cumulative year to date results. The last one gives an end of quarter result.

 Tenancy management indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
7.1	Tenancy fraud – properties returned to stock	For info	5	7	n/a	n/a
7.2	Tenancies sustained following difficulties	98%	97% (36 of 37)	96% (74 of 77)		
7.3	Tenancy visit to general needs tenants within last 5 years	90%	92% (9,357 of 10,134)	93% (9,475 of 10,197)		

Tenancies sustained following difficulties – 2 percentage points below target

- **Contributory factors** - three tenants wouldn't engage with the Tenancy Sustainment team and tenancies remain at risk due to arrears.
- **Improvement actions** - to help with arrears, the team take a persistent approach in supporting tenants with applying for benefits including Universal Credit.

7.4 New tenancy management cases by type

New tenancy management cases, other than antisocial behaviour, involving a council property resident or leaseholder.








Type of tenancy management case	Q1 2019/20	Q2 2019/20	Change between quarters
Abandonment	4% 14	2% 10	-4
Assignment request	9% 3	1% 5	+2
Boundary issues	15% 50	16% 67	+17
Caretaking	1% 3	0% 0	-3
Court of Protection	1% 2	0% 2	0
Death of a tenant (including succession)	16% 52	16% 64	+12
Decants and temporary moves	2% 6	0% 1	-5
Fraud	2% 6	0% 2	-4
Leaseholder breach	1% 2	2% 9	+7
Tenancy breach	9% 28	11% 45	+17
Unsatisfactory interiors	4% 13	5% 22	+9
Untidy gardens	27% 90	26% 107	+17
Use and occupation	1% 4	0% 2	-2
Vulnerable adult and safeguarding	17% 55	18% 74	+19
Total	100% 328	100% 410	+82

7.5 New tenancy management cases by ward

New tenancy management cases, other than antisocial behaviour, involving a council property resident or leaseholder.

Ward name	Q1 2019/20	Q2 2019/20	Change between quarters	Council dwellings
Brunswick and Adelaide	0	0	0	4
Central Hove	4	4	0	57
East Brighton	37	71	+34	2,246
Goldsmid	8	11	+3	326
Hangleton and Knoll	49	61	+12	1,180
Hanover and Elm Grove	15	10	-5	466
Hollingdean and Stanmer	35	50	+15	1,246
Hove Park	1	0	-1	10
Moulsecoomb and Bevendean	67	56	-11	1,513
North Portslade	15	18	+3	398
Patcham	12	21	+9	533
Preston Park	0	4	+4	62
Queen's Park	53	50	-3	1,720
Regency	3	1	-2	28
Rottingdean Coastal	1	0	-1	25
South Portslade	9	14	+5	369
St. Peter's and North Laine	6	10	+4	379
Westbourne	2	3	+1	116
Wish	4	10	+6	345
Withdean	0	8	+8	44
Woodingdean	10	8	-2	451
Total	328	410	+82	11,518

8. Seniors housing

 Seniors housing indicators		Target 2019/20	Q1 2019/20	Q2 2019/20	Status against target	Trend since last quarter
8.1	Residents with up to date annual review	96%	96% (871 of 903)	97% (882 of 905)		
8.2	Schemes hosting social, health and wellbeing activities (at least weekly)	95%	100% (22 of 22)	100% (22 of 22)		
8.3	Schemes hosting events in collaboration with external organisations	90%	100% (22 of 22)	95% (21 of 22)		

Subject:	Procurement of council owned short-term temporary accommodation – Gladstone Court, Hartington Road, Brighton		
Date of meeting:	15 January 2020		
Report of:	Executive Director Housing, Neighbourhoods & Communities		
Contact Officer:	Name:	Ododo Dafé Scott Lunn	Tel: 01273 293201 01273 290282
	Email:	ododo.dafe@brighton-hove.gov.uk scott.lunn@brighton-hove.gov.uk	
Ward(s) affected:	Hanover and Elm Grove		

For General Release**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Over the next five years, the council are planning to change the model of temporary accommodation (TA) provision to reduce the ratio of short term and emergency temporary accommodation to longer-term leased accommodation and to provide more council owned short-term accommodation. Overall, the council plan to reduce the use of TA over the next 5 years.
- 1.2 Housing Committee on 19 June 2019 considered a report setting out options and considerations to achieve the delivery of short-term temporary accommodation by the council. Committee noted the contents of this report and that business cases would be developed to assess available properties as being potentially suitable for consideration at a future Committee.
- 1.3 This report presents to Housing Committee an opportunity to acquire Gladstone Court, a block of 38 flats. The Council is the freeholder of the site which the vendor holds on a long lease for a term of 150 years. The opportunity enables the Council to meet short-term temporary and emergency accommodation needs, and thereby supports the programme agreed by the Housing & New Homes Committee to purchase council owned short-term temporary accommodation which it will manage itself. It accords with the Housing Committee Work Plan commitments agreed at Housing Committee on 18 September 2019 relating to additional affordable homes, as well as the provision of council run short-term temporary accommodation.
- 1.4 The proposal also supports the Council's housing strategy priorities to increase housing quality and supply.
- 1.5 The proposal aligns to a decision of Budget Council in February 2019 which agreed a budget of £2.1m to purchase short-term temporary accommodation to

be managed in-house subject to detailed report of the full revenue and capital financial implications to demonstrate its viability and value for money. This is to be funded by prudential borrowing in the General Fund. Separately to this the Housing Revenue Account (HRA) Capital Programme for 2019/20 includes £3.5m capital budget funded by borrowing (70%), and Right to Buy receipts (30%), again subject to a detailed viability report.

2. RECOMMENDATIONS:

- 2.1 That Housing Committee agree the purchase of Gladstone Court for the use of emergency and short-term temporary accommodation for a sum to be negotiated up to the maximum set out in the Part 2 report.
- 2.2 That Housing Committee recommends to Policy & Resources Committee that the Council makes an offer of up to the agreed sum detailed in the Part 2 report to acquire Gladstone Court.
- 2.3 That Housing Committee recommends to Policy & Resources Committee that the freehold of the site is appropriated from the General Fund for Part II Housing Act 1985 purposes for a fee of up to £250,000, as estimated by external valuation.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 As part of the Council's drive to reduce the use and relatively high cost of spot-purchase temporary accommodation, consideration is being given to purchasing property on the open market so that the Council can run and manage its own short-term and emergency accommodation. Council purchases of short-term temporary accommodation would make the council less reliant on the need to procure from the private sector. In the short term, it is unlikely that it would be possible for the Council to purchase sufficient short-term temporary accommodation to preclude the need to procure some TA from the private sector.
- 3.2 Gladstone Court is a 4-storey purpose built 1980s block of 38 flats located on the northern side of Hartington Road, Brighton. The Council hold the freehold interest in the land, with the long leasehold interest belonging to the vendors. The building was formerly used by Anchor Housing to provide social housing and is now used by the current leaseholders as student housing. Vacant possession of the building is anticipated in mid-2020 when the students' tenancies end. The building appears as a three-storey building to the front elevation and four storeys to the rear due to the change in level across the site, from south to north. There are seven car parking spaces provided to the east of the property.
- 3.3 The flats are arranged as follows:-

	1 bed	2 bed	3 bed	4bed	Total
Second floor	11				11
First floor	11				11
Ground floor	7			1	8
Lower ground floor	7		1		8
Total	36		1	1	38

- 3.4 Given the layout of the block across 4 floors, there is the possibility of meeting the housing needs of a range of client groups and the demand for predominantly 1 bed temporary accommodation (TA) homes. The purchase would support the initiative for the Council to run and manage its own short term and emergency temporary accommodation. The accommodation also offers the flexibility of providing a longer-term opportunity to use Gladstone Court to meet other housing needs should demand for temporary accommodation change in the future. The following analysis of strengths, weaknesses, opportunities and threats concerning the purchase and management of Council-owned short-term temporary accommodation was presented to Committee in the report approved in June 2019:

SWOT (strengths, weaknesses, opportunities and threats) Analysis

Strengths:

- More control to set and achieve property and management standards.
- Achieve and maintain consistent quality of accommodation.
- Social value – sense of security and improved wellbeing through being managed by the council.
- Negate the risk of private sector providers withdrawing from providing accommodation.

Weaknesses:

- More expensive due to terms and conditions for council staff.
- Inexperience of managing emergency and short-term temporary accommodation leading to higher costs and/or anti-social behaviour.

Opportunities:

- Flexibility to change provision to reflect changing priorities.
- Council gaining and retaining the asset.

Threats:

- Council taking on the financial risks of managing property turnaround times, maintenance costs and the collection of service charge income. If costs are not managed within current resources, this will create a budget pressure.
- Reputational damage should there be any property management issues such as anti-social behaviour or repairs not being completed in a timely manner.

- 3.5 Gladstone Court has been measured against an assessment tool developed to assess the varying open market opportunities against the following criteria areas:
- Strategic fit
 - Social, economic and environmental considerations
 - Development potential
 - Stock condition and compliance
 - Sustainability
 - Valuation and financial viability assumptions

The tool uses a five-point rating scale of excellent, good, acceptable, marginal or unacceptable; and Gladstone Court achieved a positive overall grading of 'good' across all criteria.

Background

- 3.6 In October 2017 the cross-party members' Estate Regeneration Board (now called the Housing Supply Member Board), approved that negotiations take place with the vendor of Gladstone Court. However, it was not recommended to proceed as the proposal was not deemed to be financially viable. The position has now changed, and it affords the council a better proposition than the situation previously.

Due diligence surveys

- 3.7 As part of the stock condition and compliance criteria of the assessment tool mentioned in paragraph 3.5, an independent condition survey and specialist surveys by council teams were undertaken. They focused on the critical areas of fire safety and compliance, mechanical and electrical systems, and drainage. Enquiries were also made with Building Control on the history of the building's refurbishment in 2013. An asbestos survey has not been commissioned at this stage due to its intrusive nature.
- 3.8 Generally the building was found to be in a reasonable condition within the flats which were refurbished in 2013. Both kitchens and shower rooms were replaced at that time and, although showing a small amount of wear, seemed serviceable in the five flats that were available to inspect.
- 3.9 The common parts of the building require some improvement, particularly to bring them up to current health and safety standards. The communal heating system is of an age that it will require replacement in the medium-term. The building has limited thermal efficiency so improvements to the building envelope would be required including the replacement of all windows. Some areas such as the lift were decommissioned and closed off, so replacement would need to be considered - dependent on client group.
- 3.10 The design and installation of the foul drainage system requires further investigation to ascertain if the current pumping arrangement is adequate and robust as this could present a significant issue if this was to fail. This has been reflected in the valuation and a provisional sum placed against a risk of remedial work. Due diligence surveys, with the leaseholder's permission, are scheduled for early January.
- 3.11 There are opportunities to install sustainable sources of power generation (PV/solar thermal) owing to the favourable orientation of the building and the available roof space - subject to individual feasibility.
- 3.12 A total investment of an estimated £1.400m is needed to bring this building up to current standards over a five-year period. An estimated core cost of £0.750m including fees would be required to bring the building up to a lettable standard. Work required to bring it up to a lettable standard includes fire safety doors, asbestos survey, lift replacement or refurbishment, and drainage work.

4 ANALYSIS & CONSIDERATION OF ANY OPTIONS

- 4.1 The lease between Brighton & Hove City Council and the vendor (dated 26th May 2016) is for a term of 150 years. The appropriation of the freehold will result in a loss of the annual rent income to the General Fund as outlined in the Part 2 paper to this report.
- 4.2 The Council commissioned an independent 'Redbook' 'valuation (a valuation report that adheres to the Royal Institution of Chartered Surveyor's Valuation Professional Standards). The details of the valuation are set out in Paragraph 2 of the Part 2 paper and provide value for the Council.

Financial appraisal

- 4.3 Financial appraisals have been undertaken for purchasing these units for differing uses. The first is for use as short-term temporary accommodation units, and the second is for general needs housing purposes. The appraisals are set out in the Part 2 paper, with refurbishment costs of £1.4m assumed for each option.

Risk and Opportunity Management Implications:

- 4.4 The potential risk of purchasing Gladstone Court for council owned short-term and emergency temporary accommodation is that the exact management and maintenance costs for the scheme are currently unknown including the costs of repairs, voids and equipment/furniture costs.
- 4.5 The benefits of the proposed purchase are that it enables the council to have control over the management of short-term emergency temporary accommodation and can better support the needs of homeless households which can be complex. This will provide opportunities for the council to own the asset and reduce reliance on external private providers and reduce exposure to the costs of market provision.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Ward members will be notified.

6. CONCLUSION

- 6.1 The purchase of Gladstone Court enables the Council to pursue its aims to have its own in-house provision of emergency and short-term temporary accommodation, and it reflects value for money.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 There are financial risks associated with the council managing and maintaining its own short-term emergency accommodation. The financial viability makes assumptions on the costs of maintenance, costs the staff required to support

residents and the rent loss caused by periods where the flats are empty awaiting repair or refurbishment. If costs are higher than assumed levels, this will lead to a budget pressure for Housing general fund budgets.

- 7.2 Detailed financial implications which are exempt from disclosure are provided in Appendix 2 to the report (circulated to Members only), which is listed as agenda item No. 53.

Finance Officer Consulted: Craig Garoghan/Monica Brooks Date: 9.12.2019

Legal Implications:

- 7.3 As the Council is the freeholder of the site, the 150-year lease to the current leaseholder will need to be surrendered. The surrender of the lease is being treated as the acquisition of land. Section 17 of the Housing Act 1985 authorises a local housing authority such as the council to acquire buildings which may be made suitable as houses. Legal Services will review all documentation associated with the transaction.
- 7.4 As the site is currently accounted for in the General Fund, it will need to be appropriated for housing purposes. Policy & Resources Committee has delegated powers to manage corporately held property and is therefore the proper committee to authorise the appropriation for part II Housing Act 1985 purposes. All land held for part II purposes (provision of housing accommodation) must be accounted for within the HRA.

Lawyer Consulted: Liz Woodley Date: 31/12/19

Equalities Implications:

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

Sustainability Implications:

- 7.6 The purchase of Gladstone Court will provide an opportunity for the council to increase the energy efficiency of the property.

Any Other Significant Implications:

Public Health Implications:

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

Crime & Disorder Implications:

- 7.8 There are no direct crime and disorder implications arising from this report.

Corporate / Citywide Implications:

- 7.9 The Council purchasing this block provides opportunities that supports its priorities for meeting local housing need.

SUPPORTING DOCUMENTATION

Appendices

Appendix 1 - Photograph of Gladstone Court

Appendix 2 – Detailed Financial Information – Exempt Category 3

Appendix 1: Gladstone Court



Document is Restricted

