

BRIGHTON & HOVE CITY COUNCIL**HOUSING & NEW HOMES COMMITTEE****4.00pm 14 NOVEMBER 2018****COUNCIL CHAMBER, HOVE TOWN HALL****MINUTES**

Present: Councillor Meadows (Chair) Councillor Hill (Deputy Chair), Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Bell, Moonan, Sykes, Wares and Wealls

PART ONE**34 PROCEDURAL BUSINESS****34a) Declarations of Substitutes**

34.1 Councillor Wealls substituted for Councillor Lewry. Councillor Wares substituted for Councillor Barnett. Councillor Sykes substituted for Councillor Druitt.

34b) Declarations of Interests

34.2 The Chair, Councillor Mears and Councillor Gibson declared a general interest in item 44 as they were members of the Joint Venture with Hyde.

34c) Exclusion of the Press and Public

34.3 In accordance with section 100A(4) of the Local Government Act 1972, it was considered whether the press and public should be excluded from the meeting during the consideration of any items contained in the agenda, having regard to the nature of the business to be transacted and the nature of the proceedings and the likelihood as to whether, if members of the press and public were present, there would be disclosure to them of confidential or exempt information as defined in section 100I (1) of the said Act.

34.4 **RESOLVED** - That the press and public not be excluded from the meeting during consideration any items on the agenda.

35 MINUTES OF THE PREVIOUS MEETING

35.1 **RESOLVED** - That the minutes of the Housing and New Homes Committee meetings held on 19 September 2018 & 26 September 2018 are agreed and signed as a correct record.

36 CHAIRS COMMUNICATIONS

36.1 The Chair wished Councillor Dawn Barnett a speedy recovery following her hospital admission. Councillor Mears informed the Committee that Councillor Barnett had now returned home.

36.2 The Chair stated the following:

“As we move from the summer through autumn, we continue to be very busy.

We were pleased that the government lifted the HRA borrowing cap, this was something that Brighton and Hove City Council, along with other councils had lobbied for. You will see in our report on housing delivery that our priority is to deliver as many new homes in the city as possible.

We were very disappointed that the government withdrew consent for our Selective Licensing scheme. We had worked hard on this scheme and had cross party and wider city support for it. In support of the application, we commissioned independent evidence, undertook significant city wide consultation and worked closely with the government to achieve consent. We continue to work with the government to identify ways this scheme can proceed alongside to the additional licensing scheme and are committed to using selective licensing to improve the quality of private accommodation in the city.

We are continuing to follow post Grenfell government guidance and following concerns raised nationally about ‘Large Panel System’ high-rise blocks, we’re commissioning new surveys to give us a general overview of our buildings and make sure records are up-to-date. We will contact residents before any survey takes place and will report any works identified as a result of these to future meetings of housing and new homes committee.

I am pleased that there is a report on the agenda in relation to the use of emergency housing at Kendal Court. Whilst the independent investigation is still in its early stages we understand and are committed to providing support on vulnerable homeless people. We are pleased with the outcomes of the Welfare Officer Service we began in 2017 and will be bringing proposals to the January Committee of the Housing & New Homes Committee to look at how we can build on this to help vulnerable homeless people living in temporary and emergency accommodation, both within the city and out of the city. I am also pleased to announce that I have asked officers to look at innovative ways we can work to support applicants and homeless people through the application and assessment procedure and that these proposals will also come back to the Housing & New Homes Committee in January.

Finally I was pleased to attend the city wide conference in October and was really pleased to hear all those engaged tenants talking about how we can improve our neighbourhoods. I look forward to more information on this coming to future committees.”

37 CALL OVER

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

38 PUBLIC INVOLVEMENT**(a) Petitions**

38.1 There were no petitions.

(b) Questions

38.2 Charles Harrison asked the following question:

Transition Plan – Post Mears

“The Committee’s decision on 26 Sept 2018 seems to strike a sensible balance between a single contract and direct works and should create great opportunities for using local resources.

However, changes will be needed to transition from the Council’s current “light touch” construction management approach to manage this strategy efficiently, consistently and transparently.

What are the Council’s priorities and plans for developing:

- *Organisation chart(s), job specifications, and divisions of responsibility*
- *Recruitment and training policies and processes*
- *Procurement and contract strategies for each work category*
- *Processes for scoping, instructing, authorisation, monitoring and payment*
- *Systems for managing and communicating asset information”*

38.3 Councillor Mears stressed that Mr Harrison’s letter referred to a “light touch” construction management approach. As a point of clarity she stressed that the current approach had never been a “light touch” contract. Councillor Mears quoted a letter signed by the Head of Housing and Legal Services that stated that “it was never let as a light touch contract. The problem which the council has experienced over the life of the contract has been due to management of the contract not the form of contract”.

38.4 The Chair replied as follows:

“Thank you for your question. Following detailed discussion at a Special Housing & New Homes Committee in September, Policy, Resources & Growth Committee agreed the recommendations for the delivery of future repairs services at its meeting on October 11th. The recommendations seek to build on the feedback of tenants, leaseholders, councillors, staff and all stakeholders to deliver services in the future.

Whilst you are right there will be opportunities and changes around how we deliver these services in the future we should also reflect the large number of discussions that this committee has had around the existing contract arrangements both in terms of the positive aspects of the current service, the successes achieved and that council officers have been clear that the current contract was not a light touch contract but that there is a need to ensure robust contract management is in place.

Following the committee meetings officers have been working to ensure that all stakeholders are aware of the decisions that have been made. This has included:

- Presenting at all four Area Panels to share the decisions with residents.
- Presenting at the Citywide Conference on October 19th and answering questions from residents
- Producing a briefing document detailing the decisions reached, the objectives for the future service and a set of frequently asked questions. This was shared with members of the committee and residents.
- Staff working for the council and Mears have also been given a briefing document and have had the opportunity to meet with officers and ask any questions they may have.

We have a programme board which meets regularly and is developing work streams for the areas you have mentioned in your question. This group works with staff, councillors and trade unions to ensure that all stakeholders are involved.”

38.5 Mr Harrison stated that he wanted to clarify the reference to “light touch”. This was not his expression but one he had read from the report in September on which the decision was based.

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

38.7 Jane Thorp asked the following question:

“Leaseholders in Hove are being billed for major works to their block of over £100,000 per leaseholder. Leaseholders all over the city are being ruined by these huge bills. By definition, owner-occupiers of council flats are on low incomes. The council has failed to repoint external brickwork or to do concrete repairs for decades, which they are legally required to do. How can they now expect the working poor and pensioners to pay for this neglect?”

38.8 The Chair replied as follows:

“Thank you for your question. However I can confirm that there are no leaseholders anywhere in the city facing bills of £100,000 and since the start of the Mears partnership, the highest service charge contribution passed on for major works has been £30,500. We understand that this is a lot of money; however the council has a legal obligation under the lease to keep the buildings in its portfolio in repair. We do not neglect our buildings and undertake responsive repairs & carry out planned maintenance where required.

I accept that for many leaseholders, the cost of capital works are very expensive, however this is why the council has come up with a range of flexible payment options to address any payment difficulties of resident leaseholders.”

38.9 Ms Thorp replied that she considered the Chair’s facts as incorrect and that she had seen bills and other people had seen bills of over £100,000.

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

38.11 Jane Thorp asked the following question on behalf of David Pearce:

“Some leaseholders in Hanover are facing bills of £44,000 each. The sale of a flat collapsed because this figure was supplied by the council for a conveyancing search. None of the leaseholders had been told about this cost or what works were planned. The non-resident leaseholders still have not been told. Why are leaseholders treated so contemptuously by this council?”

38.12 The Chair replied as follows:

“Thank you for your question. The case you mention followed a conveyancing enquiry in relation to the estimated costs of future works. No one had received a bill and the response was an estimate and we had not met with any leaseholder or tenant to discuss the proposed works.

We are meeting with residents of the affected blocks on 21 November when we will engage fully with both tenants and leaseholder. This engagement will inform what works we will specify and in what order we undertake them.

We have worked with the Leaseholders Action Group committee & a councillors working group over the past 12 months to look to improve our engagement with leaseholders. A range of measures has been adopted that we are now implementing. One change we made was that we would change our practice in relation to pre-sales enquiries. Instead of not giving any information on future works until a Section 20 consultation notice had been issued, we now identify works planned to take place along with an estimate of the cost.

It is our intention to engage leaseholders at the earliest opportunity. This happened already in our projects at Kemptown high rises, on the Bristol estate, at the Clarendon Road high-rises and at Saxonbury, St John’s Mount & Tyson Place.

The fact that this enquiry came in before we had held the meeting with residents is unfortunate; however there is a balance to be struck between giving prospective sellers and purchasers information on possible future spend and engaging with current leaseholders”

38.13 Ms Thorp asked the following supplementary question:

“If prospective buyers are being given a figure of £44,000 then obviously the sale will collapse or the seller will have to reduce their selling price. If that figure is given for conveyancing purposes then it is a set in stone figure in the mind of the council. How could it be otherwise?”

38.14 The Executive Director of Neighbourhoods, Communities and Housing explained that the figure was an estimate on what works the council thought needed to be carried out. Discussion then took place with leaseholders and tenants, as agreed with the Leaseholder Action Group, around the exact works, and the nature of the works that should be carried out and more importantly the timing of those works. Leaseholders had expressed concern to officers that new leaseholders were receiving bills and did not have enough advanced notice. Following work with leaseholders this had been

changed. The most important thing was the council's commitment to give as much information as it could very early on.

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

38.16 Ms Thorp asked the following question on behalf of Dave Spafford:

“Independent surveyors employed by leaseholders on different estates consistently report that the works costs are hugely overpriced and that many works can be better met by repairs. They consistently say that the measurements used to cost a job are not precise or adequate because a proper “measured survey” has not been carried out. Their recommendations are never considered by the council during the consultation period. Why not?”

38.17 The Chair replied as follows:

“Thank you for your question - Any independent surveyors employed by leaseholders whose structural surveying reports are received by the council before the end of the consultation period, and before a final decision is made on the proposal for works, will have those reports scrutinised by our own surveyors and we will issue a full response whether we agree or disagree with their conclusions.

It is the case that a job may be estimated without a full measure, but estimated based on sampling. However, the final cost to the council is calculated on a full measure of what was actually carried out, so the final cost may vary from the estimate. The council is protected because there is an Agreed Maximum Price - a cost above which the council will not incur further costs. This is agreed before the works commence. So the council is paying for works actually done – not those estimated.

In the recent Bristol estate tribunal case, the council asked an independent RICS structural surveyor to prepare an expert witness report which was included in its evidence. The expert witness report showed that an independent analysis of how much those specific works should cost came within 1% of those incurred by the council.”

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

38.19 Ms Thorp asked the following question on behalf of Izabella Rogalska:

“The Housing Revenue Account draws its funds from rents and service charges. What is the amount and percentage of the Housing Revenue Account used in this financial year to date to fund legal cases taken by the council against their leaseholders, such as the recent case against Bristol Estate?”

38.20 The Chair replied as follows:

Thank you for your question. The council's total legal costs for legal arrears recovery, for advice, and for litigation, including tribunal costs, and expert witness costs, for 2018/19 to date are £83,875. This will include a range of work, including, but not

limited to, the Bristol Estate Phase 2 tribunal. This represents 0.14% of the 2018/19 HRA budget.

In terms of the specific costs for the Bristol Estate Phase 2 tribunal case the total cost of legal work on this was £126,996. This includes solicitors, counsel & expert witness. There were no internal charges. These costs were incurred over a number of financial years and not just in 2018/19.

38.21 Ms Thorp asked the following supplementary question:

“ If the council costs were £126,996 and the leaseholder who had to defend their corners costs were £25,000, do we not think that that there is a slight imbalance going on here in terms of power?”

38.22 The Chair replied as follows:

“No. The council has a legal duty and responsibility to cover costs from people who had had work carried out on their properties.”

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

38.24 Ms Thorp asked the following question on behalf of Tony Worsfold:

*“Repayment options for major works include a charge put on the property against its eventual sale. This is delightfully called the **Non-Repayment Equity Loan**. The charge rises proportionately with the market value of the property. This could very well be seen as the council clawing their property back. How can the council demonstrate that this is not its intention?”*

38.25 The Chair replied as follows:

“Thank you for your question – the council offers many flexible payment options to leaseholders who have bills as a result of capital works. One of the payment options the council agreed to offer back in 2012 was an equity loan.

This has been taken up by leaseholders who have limited income but have sufficient equity in their flat. The benefits of this option are

- There are no monthly repayments.
- You only need to pay the council back when the property is sold or transferred.

The equity loan can be provided as a percentage of the loan amount to the value of the property or at a variable interest rate.

In a rising housing market – a cap based on the council’s actual borrowing rate over the period acts as a double-lock for leaseholder in terms of protection in any periods of rampant property prices.

The council is not seeking a profit on these loans; we are simply seeking a method of keeping resident leaseholders who have payment difficulties in their homes.

The council is literally not clawing their property back.”

38.26 Ms Thorp asked the following supplementary question:

“Why is it called a Non-Repayment Equity Loan, because this does actually mislead people?”

38.27 The Executive Director of Neighbourhoods, Communities and Housing explained that the reason it was called a Non-Repayment Equity Loan was due to there being no monthly repayments. When the council offered that option and people took it up, the council provided written information as well as talking it through with the people. People were very well aware of what were the terms of the equity loan were.

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

38.29 Ms Thorp asked the following question on behalf of Amanda Lane:

“BHCC has consistently blocked the Leaseholders Action Group from reaching other leaseholders by refusing to pass on information via their email database. The council claims that their IT system is not up to the task. How can such a large organisation lack the skills to overcome this, or is it simply that the council does not want leaseholders to have a voice?”

38.30 The Chair replied as follows:

“Thank you for your question. The council works with the Leaseholders Action Group & what we have committed to is to publish the contact details of the Leaseholders Action Group in regular newsletters and on our website to signpost any leaseholder in the city who wishes to provide their name to the group to be able to do so.

We also support any group of leaseholders to set up a Tenants Association in their building, with administrative support and advice. We will also contact all leaseholders in the block on their behalf. We will also recognise the tenants association if it meets the legal criteria.

The council cannot email leaseholders en masse as we do not have all their email addresses. We seek to use methods that are inclusive.”

38.31 Ms Thorp asked the following supplementary question:

“You have to have contact details for all leaseholders because you have to send them bills, so why is there no possibility to contact them?”

38.32 The Executive Director replied that the council did send bills out and did send newsletters to leaseholders. However, the council could not give contact details of leaseholders to a separate body without their permission. When the council sent information to leaseholders it put details of the Leaseholder Action Group on all the

newsletters that were sent out twice yearly. Meanwhile, the Leaseholder Action Group AGM was advertised on the council website and was supported by council staff. Details of the Leaseholder Action Group was placed in "Homing In."

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

38.34 Julia Greenslade asked the following question:

"Can this council ensure that Kendal Court will have, in a timely manner, a working facility by provision of a launderette for the use of residents or that it be allowed for individuals to have a washing machine plumbed into their accommodation?"

38.35 The Chair replied as follows:

"Thank you for your question. The specification for short term emergency accommodation which Kendal Court comes under did not include the provision of laundry facilities and so the provider is not obliged to make such provision. However, the provider has looked at the development of laundry facilities but this will involve the building of an extension and associated costs. In terms of individuals being permitted to have a washing machine plumbed in within their accommodation, the kitchen area is compact and has no designated space for a washing machine. Notwithstanding, if an individual made a request we will discuss whether this is possible within their specific unit and explore what could be achieved."

38.36 Ms Greenslade remarked that she did not know if the council was aware that there was now no launderette facility in Newhaven at all. As a result there was nowhere for people to go.

38.37 The Chair replied that this would be looked at when the council were presented with the report in January.

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

38.39 Stephanie Crechriou asked the following question:

Hyde/BHCC Contract

"As a result of the Budget announcement regarding the HRA cap and the response by Councillor Meadows to Councillor Mears at the last meeting of full Council could the Chairperson confirm the withdrawal of the Council from this contract?"

38.40 The Chair replied as follows:

"Thank you for your question. Working in partnership with Hyde the joint venture will deliver 1,000 new lower cost homes for rent and sale. The first three sites have been identified to deliver up to 570 new homes. These are Coldean Urban Fringe, the former Belgrave Centre, Portslade and Whitehawk Urban Fringe. Public consultation has taken place on all three sites with planning applications due by the end of this year.

Our plans for maximising new housing supply via the Housing Revenue Account are outlined in our Housing Supply report to be considered at today's meeting."

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

38.42 Amanda Bishop asked the following question:

“Selective Licensing Scheme

Could the Committee also report at what regularity the Council is checking the database of Rogue Landlords and Property Agents since the Housing and Planning Act 2016 (Banning Order Offences) Regulations 2018 came into force on 6 April 2018 and has the Council made, or considered, use of this legislation?”

38.43 The Chair replied as follows:

“Thank you for question – as you have rightly said, the regulations came into force in April 2018. The council has not yet made any entries on the data base as we have not yet had a landlord or agent convicted of a banning order offence. A number of members of staff have access to the database to assist them in carrying out their duties.”

38.44 Ms Bishop asked the following supplementary question:

“Could the Committee also explain why the Housing Minister has decided that our “Incompetent council [is] kicked out of [the] government housing scheme” according to the Argus”.

38.45 The Executive Director replied that the Government had not stated that the council was incompetent. The council had received a letter from the Government, as stated in the Chair’s Communications, and the council were currently working with the Government on what needed to happen to enable the scheme to go ahead. The work being carried out with the Government was similar to the work that happened before the council were issued the consent. The change that happened since that time was that the government were threatened with judicial review and that was what made them change their mind. It was not due to anything the council had done. The council were now working with the Government to enable the council to be able to proceed at a later date with the full selective licensing scheme.

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

38.47 Miriam Binder asked the following question:

Council Properties and Social Rents

“Could the Committee confirm that the sale of 499 council properties (previously accommodation at Social Rent levels) since 2011 to Brighton and Hove Seaside Community Homes was on the basis that rents were doubled? Have properties other than those sold to Seaside Homes since 2011 also been sold to Housing Associations or other organisations on the same basis? If yes, how many and to which landlords?”

38.48 The Chair replied as follows:

“Thank you for your question. Brighton and Hove Seaside Community Homes was set up by the Council as an investment vehicle to raise finances necessary to bring HRA owned properties up to the decent homes standard. The council had identified a £30m funding gap and this was a way of raising finance. As a result of this investment we

have brought all our properties up to decent homes standard. The 499 properties transferred to Seaside Homes on long leases and were also refurbished. The rents did move from HRA social rents to Local Housing Allowance rent levels. These are higher than social housing rents because the landlord was no longer the council and for the financial model to work, rents needed to be at the higher rate. No other properties have been sold to Housing Associations or other organisations.”

38.49 Ms Binder asked the following supplementary question:

“You mention that, as a result of this proposal with Brighton & Hove Seaside Community Homes, you have managed to bring all properties up to decent home standards. Are we talking about the fact that you can have either one or the other if you meet both criteria? ”

38.50 The Chair replied as follows:

“I understand your confusion, however the decent homes standard is something that the Government outline and we follow that process. I understand the concern about whether you get a kitchen or a bathroom but you can’t have both. That is something we can take away and look at further as a committee. At the moment we follow the regulation Decent Homes Standard.”

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

38.52 Daniel Harris asked the following question:

Deaths in Emergency and Temporary Accommodation

“Given the lack of information and detail in the report (Agenda item 41) will the Chairperson give a commitment that a future report includes;

- *Life expectancy data covering residents, the wider homeless population & the population as a whole*
- *Information on all deaths over the last 2 years in Emergency and Temporary accommodation including details of the properties and those banned or evicted from Emergency and Temporary Accommodation*
- *Results of an independent survey of, and consultation with, residents in the properties involved*
- *Proposed changes in procedures and protocols to prevent unnecessary deaths in the future”.*

38.53 The Chair replied as follows:

“Thank you for your question. The report on today’s agenda is an interim report focused on Kendal Court as was requested by members in a cross party Notice Of Motion. Given the timescale it wasn’t possible to achieve a robust independent survey. A fuller report relating to Kendal Court containing an independent survey of the support needs of residents will be brought back to a further committee. Although the remit wasn’t to extend this out to incorporate the wider homeless population we will be using the learning across all of our Temporary and Emergency Accommodation. I would like to add as I said in my Chair’s Communications that we will be bringing forward

proposals for a Housing Support Service to assist people living in temporary accommodation in and out of the area. ”

38.54 *As a supplementary question Mr Harris stated that in relation to temporary accommodation there were 60 Brighton & Hove Seaside Homes residents currently in tower blocks at the top of Whitehawk Hill. They were paying higher rent than they would have been for the proposed living wage. At the last full Council meeting the Chair had confirmed that if the Government scrapped the borrowing cap that council homes would be on council land. Could the Chair confirm that the deal would be scrapped as the Chair’s branch and Ward had signed a motion to scrap it?*

38.55 The Chair replied that she thought Mr Harris was confusing two things. Councillor Mears had asked the Chair whether she would consider using council housing land first for use of council housing (which she agreed to). The joint venture was another vehicle which the council were using to increase the stock of affordable homes in the city. Each of those would be considered on their merit.

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

38.57 Maria Garrett-Gotch asked the following question:

Buckley Close

“Is it a true representation of Council priorities relating to the environment and the needs of residents with disabilities that this development includes 11 parking bays for 12 properties with one flat that is wheelchair accessible?

Could the Chairperson also explain the absence of any properties at Social Rent?”

38.58 The Chair replied as follows:

“The New Homes for Neighbourhoods programme has delivered 20 homes that are fully wheelchair accessible (Mobility 1 rated) and over 60 Mobility 2 and 3 rated homes in the programme to date. The council analyses and understands the range of needs of people on the Housing Register including residents with disabilities. However there is a need for all types of accommodation in the city with the highest need for 1 and 2 bed general needs homes and the council is therefore building a range of sizes and types to meet this broad range of needs.

The end plot at Buckley Close is not suitable for residential development due to a number of issues and it has therefore been decided to use this space for additional parking bays including 2 disabled bays. This is partly in response to concerns about impact on parking from the new development raised by existing residents.

Rents are agreed by Housing & New Homes Committee in line with the council’s Rent Policy and based on a viability assessment and we will be discussing that later this afternoon. ”

38.59 *As a supplementary question Ms Garrett-Gotch asked why the council were not “using the facilities grant which was a central government fund which in no way affects your monies; which is supposed to be used to adapt the properties and future properties of disabled residents to their own personal needs.” Ms Garret-Gotch mentioned a resident who had been trapped in his attic since 2013.*

38.60 The Chair thanked Ms Garrett-Gotch and explained that the disabled facilities grant was for existing tenants and the council were building for future tenants and were building mostly to lifetime homes standards.

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

(c) Deputations

Deputation from the Living Rent Campaign on Living Rent and Social Rent

38.62 The Committee considered a deputation which had been submitted by Adrian Hart (presenting), Diane Montgomery, Ian Needham, John Hadman, Carrie Hynds and Sheila Rimmer. The deputation urged the Committee to support the Notice of Motion to provide a ring fenced reserve that enabled the council to provide some new council homes at more truly affordable social and living rents for households on the lowest incomes.

38.63 The Chair stated that the committee would normally note the deputation but she was going to allow one speaker from each group to comment on the deputation.

38.64 Councillor Mears explained that in 2008, the council housing stock was in a very poor state and there was a £235M deficit for Decent Homes. Hence the 10 year maintenance contract and the work carried out by Seaside Homes as this was the only way of allowing money to go directly to the HRA for council housing. In 2008 the council started on estate regeneration but worked later stalled. There were problems around affordability, as some sites were difficult and expensive to develop. Meanwhile, the council needed to consider whether it was getting best value for money, so that when the Committee came to a final decision on rents they achieved the level required. Councillor Mears had concern about ring fencing money for lower rents. The most serious priority was to develop more housing. Ring fencing money separately, tied money up that could go towards more building. There needed to be a balance on what the council was able to do and what it could afford.

38.65 Councillor Gibson stated that the proposal contained in the Notice of Motion would provide the means of truly affordable housing for the people on the lowest incomes. There had been a drop of social rents in the city and a lack of living rents that would be truly affordable for households on low incomes. The Notice of Motion was not pre-judging how much the funding will be. It was opening up the possibility for officers to make recommendations that were appropriate.

38.66 Councillor Hill explained that the New Homes for Neighbourhood programme, as it was in 2015 was either 80% of the market rate or LHA rates modelled over a 40 year period. That had now changed so that it was modelled over a 60 year period and living wage rents were included at 37.5% and 27.5% along with social rents. The council had moved significantly towards what was being suggested in the deputation which was looking at rents in terms of affordability and income rather than setting them in terms of the market. Councillor Hill stressed that when the council looked at schemes in terms of social rents, the income received even over 60 years did not cover the costs, which meant that they needed to be subsidised. If the council wanted to provide new build at social rents there needed to be an honest conversation about where the money would come from.

38.67 The Chair thanked Mr Hart for his deputation.

38.68 **RESOLVED:-**

That the deputation be noted.

39 ISSUES RAISED BY MEMBERS

(a) Petitions

39.1 There were no petitions.

(b) Questions

39.2 The questions were taken as read and are set out below with the response from the Chair.

39.3 The following question was submitted by Councillor Gibson:
“As of 1st of October 2018, how much HRA borrowing had been undertaken and how much was still available underneath the borrowing cap in force at that time?”

39.4 The Chair’s response:

“At 1st October 2018, the HRA had borrowed £125.502m. The borrowing cap in force at that time was £156.8m and therefore this is £31.298m below the cap. However, the council only usually borrows at the financial year-end and therefore this figure at 1st October does not reflect the borrowing that will be required for 2018/19 expenditure on new build schemes.”

39.5 The following question had been submitted by Councillor Gibson:
“For 2015/16, 2016/17, 2017/18 and 2018/19 up until 1st of November:

- (a) How many council homes have been sold under the right to buy?*
- (b) How many sheltered units have been decommissioned?*

And for the same period (above) what is the total number of:

- (a) New council homes built*
- (b) “Hidden council homes” created*
- (c) Homes bought under the home purchase policy*
- (d) Temporary accommodation units provided by conversion of decommissioned sheltered housing”*

39.6 The Chair’s response:

How many council homes have been sold under the right to buy?

2015/16: 75
 2016/17: 50
 2017/18: 50
 2018/19: 30

How many sheltered units have been decommissioned?

As previously reported to Housing & New Homes Committee, one Council sheltered unit has been decommissioned – Stonehurst Court with 20 sheltered bedsits replaced by 10 family homes for use as Council Temporary Accommodation.

New council homes built

As reported to Housing & New Homes Committee in the Housing Supply report being considered at today's meeting and Estate Regeneration Board: *since summer 2015 has completed 172 new council homes in 11 projects, has another 12 council homes under construction.*

Hidden council homes" created

As reported to Housing & New Homes Committee in the Housing Supply report being considered at today's meeting: *The programme to refurbish and convert under used or unused spaces within our existing council stock into new homes continues with nine new homes delivered to date, with a further six due to be delivered in 2018/19.*

Homes bought under the home purchase policy

As reported to Housing & New Homes Committee in the Housing Supply report being considered at today's meeting: *The scheme so far has allowed the council to buy back nine properties which will now be used for general needs or temporary accommodation.*

Temporary accommodation units provided by conversion of decommissioned sheltered housing

As reported to Housing & New Homes Committee in the Housing Supply report being considered at today's meeting: *Creating a supply of council owned temporary accommodation allows 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.*

- 39.7 The following question was submitted by Councillor Gibson:
"Can the new homes schemes modelled (in answer to question 8 to full council on April 19th 2018) as estimates using estimates of borrowing and build costs be modelled inputting the actual build cost and the actual capital charges (or if this is not easy to establish using the weighted average capital charge on actual borrowing taken out since 2015) of the loans used to fund the schemes over a 60 year period to establish the projected surplus/deficit based on more accurate inputs?"
- 39.8 The Chair's response:
 "This would be a substantial piece of work and therefore it has not been possible to undertake this in time for this committee. Officers are currently working on the budget setting process for both the HRA and Housing General Fund capital and revenue budgets alongside monitoring in-year budgets and advising on other reports and developments. These must take priority and it is therefore unlikely that officers will be able to consider a response to this until after the budget process is finalised in February 2019'.
- 39.9 The following question was submitted by Councillor Gibson:

“Please provide the total legal costs to the HRA incurred in all activities incurred taking 40+ leaseholders on the Bristol estate to tribunal and break these costs down between the total external payment and internal recharges from the councils own legal services?”

39.10 The Chair’s response:

“Thank you for your question. The total legal costs incurred in all activities was £126,995.98. This includes solicitors, counsel & expert witness. There were no internal charges”.

39.11 The following question was submitted by Councillor Gibson:

(a) “For the written question to full council on July 19th 2018 headed “net costs of spot purchase and short term accommodation” a table was provided which excluded the cost of council staff time managing and operating the service. Please can the cost of staff operating and managing the service be provided for each of the years from 2013/14 to 2017/18 (for which it is known)?

39.12 The Chair’s response:

“Staff within the homelessness service work across the different types of temporary accommodation and therefore in order to calculate the staff costs relating to each accommodation type, their time needs to be apportioned using best estimates of the time spent working on each. This is a time consuming exercise and at best, can only give an estimate of the management cost attributable to each type of accommodation. This analysis has now been undertaken for the current year’s forecast spend 2018/19. Therefore the estimated cost of council staff time for managing and operating spot purchase and emergency accommodation for 2018/19 is £225,000

(b) Information requested in the question about the number of places provided for individuals/households was not answered, so can the total number of accommodation units provided by the different providers be given for each year along with the average cost per person/household per night that is charged?”

39.13 The Chair’s response:

b) The table below sets out all the short term and emergency accommodation we have under various contracts. In addition to the table below we have spot purchase units which are currently 57 but have dropped as low as 5 a couple of years ago. The average cost we pay for spot purchase is £40 pn net of HB.

Provider	Contract Dates	Bedsizes	Units	£pn
Helgor Trading	May '15 - May '20	1 (blocks)	118	27.99
Colegate & Gray	Feb -16 - Nov '19	1 (blocks)	50	24.55
Baron Homes	May '15 - May '20	1 (blocks)	64	28.49

Baron Homes	Mar '15 - Mar '21	1 (flats)	170	37.14
Baron Homes	Mar '15 - Mar '21	2	24	43.08
Baron Homes	Mar '15 - Mar '21	3	9	50.5
Baron Homes	Mar '15 - Mar '21	4	4	60.71

In terms of the average cost that is charged to the household for this accommodation these are as follows:

- spot purchase in Brighton this is £21.43 pn, Eastbourne is £17.14 pn (the difference reflects the different HB rates as they are in different Broad Market Rental Areas)

short term accommodation on contract:

- 1 bed : £19.29 pn
- 2 bed: £25.22pn

39.14 The following question was submitted by Councillor Gibson:

(a) *“For the written question to full council on July 19th 2018 asking for a breakdown of net costs surpluses (i.e. net of HB income) for different categories a table was provided which excluded the cost of council staff time managing and operating the service. Please can this cost be provided for each of the years from 2013/14 to 2017/18 (for which it is known) for each of the 4 categories?”*

39.15 The Chair response:

a) As mentioned in the response to question (v) above, calculating the council staff time for managing and operating the different types of temporary accommodation is a large piece of financial analysis to apportion all of the relevant costs. However, we are able to give you the following information relating to the net spend on management costs:

	2014/15 Net Spend	2015/16 Net Spend	2016/17 Net Spend	2017/18 Net Spend	2018/19 Net Budget
Management of Temporary Accommodation	973,439	885,257	927,415	851,389	956,880

(b) *Information requested in the question about the number of places provided by each category over each of the years was not answered, so can the total number of accommodation units provided in each category be given for each year along with the average cost per person/household per night that is charged within each category?”*

39.16 The Chair’s response:

b) The total number of units for each category was provided in the Council papers in July 2018.

The costs that are charged to the household (rent) are as follows:

For leased properties the costs to the household is as follows:

1 Bed/studio	£19.29 per night
2 bed	£25.22
3 bed	£32.64
4 bed	£42.86

These figures were higher until April 2016 when the £60pw management element of HB was removed to be paid separately and hence rent reduced to reflect this. Prior to this costs have been frozen for 4 years.

For Seaside Community Homes the costs to households are as follows:

1 bed:	£153.02 per week
2 bed:	£198.25 pw
3 bed;	£230.28 pw
4 bed:	£339.36 pw

With regard to previous years, rents are pegged to LHA rates which have been as follows:

Bed size	2011	2012	2013	2014	2015	2016	2017	2018
1	150.00	150.00	150.00	151.5	153.02	153.02	153.02	153.02
2	196.15	184.62	188.68	190.57	192.48	192.48	192.48	198.25
3	253.85	229.62	219.23	228.00	230.28	230.28	230.28	230.28
4	333.31	321.92	323.08	326.31	326.31	339.36	339.36	339.36

(c) Letters

Estate Development Budget – Birchgrove Crescent Flats and Stanmer Heights

- 39.17 The Committee considered two letters from Councillor Wares, Councillor G Theobald and Councillor C Theobald as set out on pages 9 to 12 of the agenda. The letters related to the Estate Development Budget – Birchgrove Crescent Flats and Estate Development Budget – Stanmer Heights. The letters pointed out that the Birchgrove Crescent flats and in areas such as Stanmer Heights there was currently no Resident/Tenant Association and as such the areas were not benefiting from the EDB. A request was made for Birchgrove Crescent flats and Stanmer Heights to be awarded sums from the EDB.
- 39.18 Councillor Wares stated that he was asking formally to have assistance so formal bids could be submitted.
- 39.19 The Chair referred to the proposal in Item 43 of the agenda which would be precisely for these kind of requests. She hoped to hear Councillor Ware's views on that report. It would enable tenants without a tenants' association to improve their areas.

39.20 The Executive Director, Neighbourhoods, Communities and Housing stated that the letters talked about using EDB funding but not in the way that EDB funding was currently permitted. Once it was found by tenants' groups that these letters had been submitted to Committee, officers had received other letters from tenants' groups asking if this was the way EDB bids were now being submitted. The difficulty the council had in giving a positive response to the letters was that it did not fall within the current EDB and it would be disrespectful to tenants to agree something without consulting with the wider tenant body. Officers had identified that valid points had been raised in the letters and through the report submitted at Item 43 on the agenda, officers had come up with a mechanism that could add to the EDB to enable councillors, and individual tenants who were not represented by a group to have the benefit from the EDB.

39.21 **RESOLVED:**

That the letter be noted.

39.22 The Board considered the following Notice of Motion, submitted by Councillors Gibson and Druitt:

"That Housing & New Homes Committee receives a report for consideration at the committee meeting in January 2019:

- (1) Exploring the options available for the creation of a ring fenced reserve as part of the current HRA reserve, to support the building of 27.5% living wage rent or social rent housing in the city; and
- (2) Setting out options for the proposed size of this reserve for 2019/20."

39.23 Councillor Gibson stated that there was a real problem of affordability in the city. The proposal was to allow some rents that could be afforded on lower incomes. Councillor Gibson stressed that there were HRA reserves and a proportion could be ring fenced to enable a few schemes to achieve living and social rents. He requested a report to be submitted to the Housing & New Homes Committee in January 2019 which would recommend a ring fenced reserve.

39.24 Councillor Sykes stated that the Notice of Motion was requesting an official use of the HRA reserve. The city needed more affordable housing. The Notice of Motion was asking for a report and an analysis.

39.25 Councillor Atkinson remarked that it was valuable and useful to have discussions on rents. He would support the Notice of Motion, with one caveat regarding timescales. It was not realistic to have a January deadline.

39.26 Councillor Mears concurred with Councillor Atkinson about the timing of the report. She supported a report coming forward but not in January. The report needed a great deal of detail because if the council was tying money down in a ring fenced pot for rents, it was necessary to know what effect that would have on future bills and how that would impact on the council being able to build more. Councillor Mears stressed that there needed to be continuity and fairness in the way housing was delivered so that people could benefit

equally whatever the number of bedrooms required. There could be equalities issues around people who required larger properties because they had larger families.

39.27 Councillor Gibson stated that he would be happy to change the date at which it was presented to committee. The Notice of Motion wanted to identify a mechanism to provide more affordable housing and was not revisiting policy. With regard to comments about ring fencing and the impact on other schemes, he was not seeking to impact on the programme of building new housing. He was seeking to use a reserve.

39.28 The Chair stated that what was now being proposed was as follows:

- (1) That the options available for the creation of a ring fenced reserve be explored as part of the current HRA reserve.
- (2) That a report be brought to a future committee setting out the options for the proposed size of this reserve.

39.29 Members voted on the proposal set out in 39.28 and it was agreed unanimously.

39.30 **RESOLVED:**

- (3) That the options available for the creation of a ring fenced reserve be explored as part of the current HRA reserve.
- (4) That a report be brought to a future committee setting out the options for the proposed size of this reserve.

40 SUPPORT NEEDS OF PEOPLE IN KENDAL COURT

40.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which had been written in response to a Notice of Motion which had been submitted to the Committee on 19th September 2018 requesting information about the support for people in Kendal Court. It had not been possible to provide all of the information requested in the report in the timescale and as a result the current report contained the information officers had been able to collate. It was proposed that a more comprehensive report would be provided. The report was presented by the Head of Housing Needs accompanied by the Housing Options Manager.

40.2 Councillor Moonan stated that it was a sobering report about a very vulnerable group of clients. She expressed regret and concern for the families involved in these deaths and undertook that the council would look closely at the issue over a period of time. A great deal of work had already been carried out around those most vulnerable clients who were in emergency or temporary accommodation. However there was another level of people who did not reach that threshold who still had a lot of vulnerability. That was possibly the group being discussed in the report.

40.3 Councillor Moonan welcomed the proposal to bring some more support around emergency and temporary accommodation, across all the stock in the city and out of the city. The future report needed to look at working with residents, helping residents to be aware of what local services were in the area, helping them to access health

appointments and engage with services. Building on that was looking at the residents' experience, for example providing a good customer experience through the Housing Options Service. That might be by using volunteers to help people through that process. The Temporary Accommodation Action Group had already carried out a great deal of work with voluntary sector partners and they would play a vital part in bringing forward proposals.

- 40.4 Councillor Bell thanked officers for the report. He raised questions regarding:
- Paragraph 3.6.1. The ages of the people who died and how long they had lived at Kendal Court was requested.
 - Paragraph 3.7.4 regarding budget savings to the Supporting People Commissioning Team. When was this service and function cut?
 - Paragraph 3.8.7. People who had been banned from emergency accommodation within the city still needed care. What was being done for these people for whom the council had a duty of care?
 - Paragraph 3.9.2 relating to the caretaker role. Perhaps some sort of support should be provided at the accommodation.
 - Paragraph 3.10.1. When were Healthwatch commissioned to undertake the survey and when results of that survey would be seen.
 - Paragraph 7.1 – Financial Implications. The Government had announced that a further £2m would be provided to the council. Could some of this money be used to put in places where there were vulnerable people. This also highlighted that there needed to be a separate Adult Social Care Committee.
- 40.5 The Executive Director replied that the ages of the people who died and length of time they had stayed at Kendal Court could be provided. It was stressed that since the independent review was commissioned after the last Housing & New Homes Committee, it had not been possible for Healthwatch to engage with many people, although work had started on the review straight away. That was why there was an interim report. Meanwhile, many people in temporary accommodation did not meet the threshold for Adult Social Care funding; However, if the council could give people good quality support early on as a preventative measure this could stop deterioration. Therefore the proposals that would be brought back to committee would not be using adult social care funding but using funding as a prevention. The report would also recommend working with the residents of Kendal Court and elsewhere to seek their views on the support they required.
- 40.6 The Head of Housing Needs explained that the Housing Support Services was cut in December 2015. Banned people were placed in other accommodation if they were asked to leave due to their mental health problems. One person in Kendal Court had been banned and officers were limited in where to place them. Support for such people could help as officers did not want them to be banned but to be able to stay and remain stable and then move on. The questions about the caretaker and support were covered by the Chair in her communications. A report would be presented to the committee about the support that could be provided to clients.
- 40.7 Councillor Mears stressed that responsibility for homelessness had been diluted across the council with the involvement of the Housing & New Homes Committee, Health & Wellbeing Board and Neighbourhoods, Communities & Equalities Committee. She

expressed concern that the Supporting People budget was no longer ring fenced and expressed concern that there was no longer an Adult Social Care Committee. Councillor Mears stressed that Brighton & Hove had more support services than anywhere else on the south coast. She requested a joined up briefing report for members providing the impact and outcomes of all the organisations working in the city. Councillor Mears noted that St Mungos were not mentioned in the report and she requested information on outcomes for that organisation.

- 40.8 The Head of Housing Needs suggested that the scope of the report to the January meeting should be widened to include the requested information.
- 40.9 Councillor Wealls referred to page 48 of the agenda which stated that there was a significant drug dealing issue at Kendal Court, leading to incidences of relapse as a consequence. If the Healthwatch survey stated that residents did not want there to be a significant drug dealing issue what would be done about it and if they did not come back on this issue would the council do nothing about it? Officers explained that it was necessary to look at how people were managed and supported so that there would not be drug dealing. Some of these problems could be ameliorated if more support was provided. The council would also be working with the police on the issue to prevent any drug dealing. The most important thing was to manage the residents and ensure a safe environment. That was done through a mixture of enforcement and support.
- 40.10 Councillor Atkinson thanked officers for the report. He considered the Equalities Impact Assessment to be excellent.
- 40.11 Councillor Gibson referred to the report being presented to the Committee in January. Would this include the recommendations of the independent Healthwatch survey? The Executive Director explained that the recommendations from the Healthwatch survey would be included but this would potentially be a position statement by Healthwatch because the process of engaging with people would not end.
- 40.12 In answer to a question by Councillor Gibson, The Head of Housing Needs stated that around 13 people had so far been contacted by Healthwatch.
- 40.13 Councillor Gibson thanked officers for the report and presented his amendment. The amendment was stating that the independent review needed to be made available as quickly as possible. It could not wait until June. He agreed that it would be interesting to know more about individuals who had been banned from accommodation in the city. The amendment was seconded by Councillor Sykes and was set out as follows:

“To add recommendations 2.2 and 2.3 as shown below in ***bold italics***”

2.2 That the independent survey report, along with any interim recommendations to improve support for people living in Kendal Court, is provided for consideration of the January meeting of Housing and New Homes Committee

2.3 That the report to January meeting of Housing and New Homes Committee explores options (including any cost implications) for the provision of travel cards, to enable residents to more easily connect with services, friends and family”

40.14 Councillor Mears stated that January was the appropriate time to have a report as there would be elections in May. She queried amendment 2.3 above. If the reference to travel cards was only referring to people in Kendal Court, Councillor Mears would not support the amendment. There were also people housed in accommodation in other towns such as Eastbourne. The amendment needed to be changed to reflect these out of area clients. Councillor Gibson confirmed that he was referring to all out of area clients.

40.15 At this point the Committee had a five minute recess to reword the amendment.

40.16 When the committee reconvened the amended amendment was read out as follows:

“To add recommendations 2.2 and 2.3 as shown below in ***bold italics***

2.2 That the independent survey report, along with any interim recommendations to improve support for people living in Kendal Court, is provided for consideration of the January meeting of Housing and New Homes Committee

2.3 That the report to January meeting of Housing and New Homes Committee explores options (including any cost implications) for the provision of travel cards, to enable residents living in emergency accommodation out of the city to more easily connect with services, friends and family”

40.17 Councillor Moonan considered that an issue should be taken to the Constitutional Working Group regarding a democratic deficit for people the council were placing out of the city. If people were placed out of the city to whom would people seek democratic advice? Could the Constitutional Working Group consider that issue? The Executive Director explained that clients living in emergency accommodation outside the city had two options. They could visit their local ward councillor in the town they were living in or approach any member of the Housing & New Homes Committee. Councillor Moonan suggested that this information should be publicised. The Chair agreed that this should be raised at the Constitutional Working Group.

40.18 The Chair referred to page 17 of the report in relation to the Southdown Housing support worker. This post was funded until the end of March 2019 and the Chair hoped that all the impacts and any learning that came from that support worker would be forming part of the report that would be coming back to committee. The Head of Housing Need explained that the Southdown support worker had been commissioned by Adult Social Care Commissioning and officers would be looking at all the support that was being provided and how that could be considered in the proposals put to the report in January.

40.19 Members voted on the amended amendment which was unanimously agreed. Members then voted on the substantive proposal as amended and this was unanimously agreed.

40.20 **RESOLVED:-**

(1) That the Committee notes the contents of the report.

- (2) That the independent survey report, along with any interim recommendations to improve support for people living in Kendal Court, is provided for consideration of the January meeting of Housing and New Homes Committee.
- (3) That the report to January meeting of Housing and New Homes Committee explores options (including any cost implications) for the provision of travel cards, to enable residents living in emergency accommodation out of the city to more easily connect with services, friends and family.

41 NEW HOMES FOR NEIGHBOURHOODS: BUCKLEY CLOSE

41.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture regarding the project in Buckley Close which had previously been progressed as part of the Small Sites Strategy Modular Pilot. Due to the council's proposed partner Futureform Modular Limited going out of business, the pilot was not able to progress. The current report asked for approval to progress the project into the planning and construction phases to be delivered via the council's Strategic Construction Partnership. If approved the scheme would deliver 12 homes for the council to let within affordable rent levels to applicants on the Homemove register. The report was presented by the Lead Regeneration Programme Manager.

41.2 Councillor Gibson had submitted the following amendment:

To amend recommendation 2.1 (iii) as shown below in ***bold italics***

iii) The ***provisional*** scheme rent levels at ~~37.5%~~ ***27.5%*** of Living Wage ***for 1 bed flats and LHA rents for the 2 bed flats, with these rents confirmed at a future housing committee once the cost estimates are better known.*** ~~in line with the New Homes Rent Policy and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing after consultation with the Estate Regeneration Member Board to adjust the rent within the Rent Policy should scheme costs change;~~

41.3 Councillor Gibson stated that he was proposing a mixed rent option. He considered this a more attractive option that would offer four properties at rent levels of 27.5%. The two bed flats would be at a higher rate. Councillor Gibson stressed that a mixed rent model was agreed for the Rotherfield Crescent scheme. The amendment recognised that rent levels were being proposed at an early stage and that the costs could change. The modelling was based on borrowing cost assumptions. Therefore the preference was for the rent decision to be provisional at this stage. Councillor Sykes seconded the amendment.

41.4 Councillor Atkinson thanked the officers for the report. In relation to the amendment, Councillor Atkinson remarked that there was already an existing policy on rent levels. He considered that the rent levels should remain at 37.5% to avoid confusion and inconsistency.

41.5 Councillor Bell expressed concern that a significant subsidy would be required if the rent levels moved away from 37.5%. There was also a danger that fewer homes would be built. He stressed the need to have equality across all the schemes.

- 41.6 Councillor Mears stated that this was a complex site and the level of contamination of the land was not yet known. She concurred with the comments of Councillors Bell and Atkinson and stressed that agreeing the amendment could lead to fewer homes being built. Councillor Mears was concerned that families should not be penalised for having a larger property. The Conservative Group would not support the amendment.
- 41.7 Councillor Hill had the same concerns about the amendment and considered that it would be better to follow the same policy for all schemes. Councillor Hill expressed concern that the substantive recommendation 2.1 (iii) delegated authority to the Executive Director of Neighbourhoods, Communities & Housing after consultation with the Estates Regeneration Member Board to adjust the rent within the Rent Policy should scheme costs change. Councillor Hill remarked that the Estate Regeneration Member Board was not a decision making body. She asked if a report would be submitted to Policy, Resources & Growth Committee and stressed that the Housing & New Homes Committee should be consulted.
- 41.8 The Executive Director of Neighbourhoods, Communities & Housing explained that there would not be a further report to Policy, Resources & Growth Committee. A report would come back to the Housing & New Homes Committee if scheme costs changed.
- 41.9 Councillor Mears agreed with Councillor Hill. There were only three councillors on the Estate Regeneration Members' Board and it was not a decision making meeting. Any changes to scheme costs should be brought back to the Housing & New Homes Committee for ratification.
- 41.10 Councillor Hill proposed an amendment to paragraph 2.1 (iii) which would delete the words *..”and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing after consultation with the Estate Regeneration Member Board to adjust the rent within the Rent Policy should scheme costs change.”* The amendment was seconded by Councillor Mears.
- 41.11 Councillor Gibson expressed concern that it was suggested that Estate Regeneration Members' Board should not be consulted, leading to less democratic oversight of the decision if costs changed. He referred to Councillor Bell's comments about subsidy and stressed that his proposal would require less subsidy and was predicting a surplus over 60 years. The Committee had agreed a mixed rent option for Rotherfield Crescent which created a precedent. Councillor Gibson referred to Councillor Mears' comments that in achieving affordability the Green proposal was favouring one type of property. In the case of Victoria Road report the Green amendment proposed having lower rents for the two bed flats. He was proposing a package of lower rents overall.
- 41.12 Councillor Moonan echoed some of the previous comments. There needed to be work carried out to ensure fairness in the way rent models were applied. On the question of affordability, if the scheme was achieved at a lower cost she hoped it would be reported back to the Committee with a suggestion that the rents would be dropped. There would still be an opportunity to do that in an open forum rather than only through a closed Estate Regeneration Members' Board.

- 41.13 The Committee voted on the Green Group amendment as set out in paragraph 41.2 above. Members voted in favour of the amendment by 2 votes and against by 8 votes. The amendment was not carried.
- 41.14 The Committee voted on Councillor Hill's amendment as set out in paragraph 41.12. Members voted in favour of the amendment by 8 votes in favour, 1 against and 1 abstention. The amendment was carried.
- 41.15 The Committee voted on the substantive recommendations as amended and these were agreed unanimously.
- 41.16 **RESOLVED:-**
- (1) That the Housing & New Homes Committee approves:
- i. The proposed scheme of twelve new council homes at Buckley Close, Hove under the New Homes for Neighbourhoods programme and notes that an HRA budget variation of £2.930m for this scheme will be proposed for approval by Policy, Resources & Growth Committee as part of the month 7 Budget Monitoring Report;
 - ii. The demolition of the existing garages at Buckley Close;
 - iii. The scheme rent levels at 37.5% of Living Wage, in line with the New Homes Rent Policy;
 - iv. Construction through the council's Strategic Construction partnership with Morgan Sindall;
- (2) That the Housing and New Homes Committee recommend to Policy, Resources & Growth Committee to:
- v. Appropriate the Buckley Close former garages site (Buckley Close, Hangleton, Hove BN3 8EU) for planning purposes and delegate authority to the Executive Director of Environment, Economy and Culture to appropriate for housing once the development is complete.

42 NEW HOMES FOR NEIGHBOURHOODS - SCHEME APPROVAL VICTORIA ROAD

- 42.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture which requested members' approval to progress development proposals for the site comprising the former Housing Office, Portslade Bowls Club and bowling greens (Appendix 1), which the New Homes for Neighbourhoods Programme wished to take through to planning and construction stage. If the proposal was approved it would deliver 45 new homes for the council to let within affordable rent levels to applicants from the Homemove register.
- 42.2 Members were informed that officers had successfully bid for funding (£340k) from the Government's Land Release Fund which would help towards the costs of re-locating the bowls club thereby releasing the entire site for residential development. All costs for the scheme had been independently valued. If the scheme was approved by Committee,

planning applications would be submitted in the Spring of 2019. An error was reported in a figure quoted in paragraph 2.3 (5). This should read £1.454m (not £1.436m). The report was presented by the Project Manager, Estates Regeneration Team.

- 42.3 The Chair thanked officers and stressed that the project involved an immense amount of work.
- 42.4 Councillor Atkinson thanked officers and welcomed the possibility of 45 new council homes. The council had had some extremely constructive discussions with the bowls club and there was a need to ensure that the expectations of the club were met in terms of the re-provision of the facility. The re-provision of the club had led to the provision of another 30 units of accommodation.
- 42.5 Councillor Gibson pointed out some inconsistencies in the figures quoted in Table 4 - Alternative Financial Modelling Results, compared to Table 3 – Financial Modelling Results. The Principal Accountant explained that Table 4 should be amended to state that the 60 year subsidy/surplus should read £0.589 (not £0.501) for LHA/80% mkt Rent and £0.861m (not £0.948m) for Living Wage 37.5%
- 42.6 In relating to the Green amendment, Councillor Gibson asked the Principal Accountant to confirm the mixed rents amendment was modelled as having a payback period of 61.3 years and after the 60 years would be £72,000 in deficit but would recover by 61.3 years. The Principal Accountant confirmed that the amendment to have the 2 bed units at 37.5% living wage rent and the others at LHA 80% market rent meant that the viability model showed that subsidy of £72,000 would be required by the HRA and that it would take 61 years to pay back. A table showing this comparison was circulated to members.
- 42.7 Councillor Gibson asked for confirmation that a report would come back to the committee if the costs came in less than predicted, making it possible to achieve lower rents. The Executive Director explained that she would only report back to the committee in the event that there was a significant difference in costs, leading to a massive surplus. In that event, she would report to the committee and say that officers wanted to change the rent.
- 42.8 Councillor Gibson stated that the report and scheme were excellent and he thanked officers. The Green amendment was trying to make some of these homes more affordable by having a mixed rent proposal with lower rents on 21 two bed properties. The proposal would take longer to pay back and it was proposed that this should be over 61 years rather than the 53 proposed in the report. This would offer substantial savings in rent and costs for people on low wages. The amendment was set out as follows:

“To amend recommendation 2.2 (3) as shown below in ***bold italics***

- 3) The scheme rent levels with ~~one~~ **two** bedroom properties set at 37.5% living wage rent and all other properties at 80% of market rent levels capped at LHA rates in line with the New Homes Rent Policy and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing in consultation with the Estate Regeneration Member Board to adjust the rent within the parameters of the Rent Policy should scheme costs change.”

- 42.9 The amendment was seconded by Councillor Sykes. Councillor Sykes commended the internal service in Property & Design and raised questions relating to risk contingency and utilities. The Project Manager explained that in relation to risk contingency there had been a ground survey carried out and the quantity surveyor had extensive experience. A sum had been set aside to ameliorate the risks. With regard to utilities, it was sensible to set aside additional money to improve existing power capacity and cover every eventuality.
- 42.10 Councillor Hill considered the scheme to be excellent and thanked officers for the briefing offered to councillors which she had attended. Councillor Hill was minded not to accept the Green amendment as the current policy was to ensure schemes were viable. Councillor Hill proposed the same amendment as for the Buckley Close report namely that paragraph 2.2 (iii) should delete the words *..”and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing in consultation with the Estate Regeneration Member Board to adjust the rent within the parameters of the Rent Policy should scheme costs change.”* The amendment was seconded by Councillor Mears.
- 42.11 Councillor Moonan considered the scheme to be excellent and a creative use of the land and a good solution for the bowls club. Councillor Moonan stated that she was a member of the Planning Committee. It was not a conflict of interest at this stage but going forward to planning she was in no way pre-judging her decision by approving both the Buckley Close and Victoria Road schemes at planning as it was a different consideration. Councillor Moonan asked why there was a recommendation that the one bedroom flats had the lower rent level. The Principal Accountant explained that the reason for the recommendation was due to it being a viable scheme. The Green amendment was not viable and did not recover costs over 60 years and required a small subsidy. Table 4 modelled some other combinations of rents that were viable but these were not put forward as recommended options as it was felt it would cause inequity between the 3 beds and the 4 beds or the 2 beds and 3 beds. As a result the 1 beds were recommended at the living wage. Councillor Moonan stressed the need to look at these issues in an in depth way and looked forward to a future report.
- 42.12 Councillor Mears thanked officers for a fantastic scheme. She stressed that the committee had already had an in depth discussion on the rent policy. The Conservative Group would not support the Green amendment. Councillor Mears seconded Councillor Hill’s amendment as set out in paragraph 42.8 above.
- 42.13 Councillor Wares congratulated officers for unlocking the government’s land release funding. £340,000 was a significant amount to help the council’s house building. Councillor Wares asked for clarification about planning and programming for the homes and the bowls facility which were being submitted as separate applications. He asked for assurance that his assumption that the building of the homes was contingent on getting the bowls club facility approved and built first was correct. Finally, Councillor Wares asked for an idea of where the £203,000 of Section 106 money was likely to be spent.
- 42.14 The Project Manager stated that there had been positive early discussion with planning officers and there was a very low risk of the scheme being refused. The plan was to demolish the old sports pavilion and build a new sports pavilion as soon as possible.

There had been initial discussions with the Friends of Victoria Park regarding the 106 agreement. The park was in need of regeneration and some of the money would go to the Friends of Victoria Park to provide a circuit around the whole park. Improved play areas were also being discussed. There was also likely to be an education contribution.

- 42.15 Councillor Wealls stated that he was concerned how the bowls facility fitted in with the whole city strategy on sports provision. He stressed that the new King Alfred provision would not include bowling. The Lead Regeneration Programme Manager explained that the track would be paved and would not be a proper circuit. Officers from the Estates Regeneration Team had communicated with sports development officers. The Chair stressed that the council's New Homes for Neighbourhoods programme was about improving communities.
- 42.16 Councillor Bell thanked officers for the report. He was excited by the social impact of the scheme and stressed that the proposal was vital for its social impact as well as providing. The money from the government was a welcome addition.
- 42.17 Councillor Gibson agreed that a rent policy was a good starting point. The Green amendment was consistent with the policy and was suggesting an alternative recommendation.
- 42.18 The Committee voted on the Green Group amendment as set out in paragraph 42.8 above. Members voted in favour of the amendment by 2 votes and against by 8 votes. The amendment was not carried.
- 42.19 The Committee voted on Councillor Hill's amendment as set out in paragraph 42.10 above. This was agreed unanimously.
- 42.20 The Committee voted on the substantive recommendations as amended and these were agreed unanimously.
- 42.21 **RESOLVED:-**
- (1) That the options contained on page 12 of the Stage 2 (Light) Feasibility Study in Appendix 2 of this report be noted;
 - (2) That Option 3 in the report be agreed and the following be approved:
 - (i) The proposed scheme of 45 new council homes at the site comprising the former Housing Office, Portslade Bowls Club and bowling greens (see Appendix 1), under the New Homes for Neighbourhoods programme;
 - (ii) The provision of a new Joint Sports Pavilion for Portslade Bowls Club, which includes football facilities for users of Victoria Recreation Ground, to facilitate the release of the development site;
 - (iii) The scheme rent levels with one bedroom properties set at 37.5% living wage rent and all other properties at 80% of market rent levels capped at LHA rates in line with the New Homes Rent Policy;

- (iv) Construction through the council's City Build Construction Partnership with Morgan Sindall.
- (3) That the Policy, Resources & Growth Committee be recommended to:
- (v) Approve the site within the redline boundary (see Appendix 1) to be appropriated to the HRA from the General Fund for a capital receipt of £1.454m for planning purposes;
 - (vi) Delegate authority to the Executive Director of Environment, Economy and Culture to appropriate for housing purposes once the development is complete; and
 - (vii) Approve a budget of £12.914m financed by HRA borrowing, right to buy receipts and Government Land Release funding to form part of the HRA capital programme for 2019/20 – 2021/22.

43 PROPOSAL FOR ENVIRONMENTAL IMPROVEMENT BUDGET - HOUSING REVENUE ACCOUNT

- 43.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which proposed that a proportion of the Housing Revenue Account Budget be set aside to support early actions to improve public areas of the council's housing estates. This would enable the council to respond with greater speed to tenant's satisfaction levels with their neighbourhood as a place to live. The Estate Development Budget set aside for tenant voting, remained separate from the proposals. A further report with feedback from residents would be presented to the January committee meeting. The report was presented by the Head of Income, Involvement & Improvement.
- 43.2 Councillor Bell welcomed the report and looked forward to the report back in January. He hoped that the bidding process would become more simple and useable. The Head of Income, Involvement & Improvement explained that in terms of spend there would be a more simple process. Officers needed to collate information from tenants and the survey to see where there was a need.
- 43.3 Councillor Wares stated that the reason he submitted letters earlier on the agenda was because tenants' representatives tended to submit bids. Help was needed where there were no tenants' representatives. Councillor Wares welcomed an easier process. There needed to be clarity as to who could apply and make applications and some consultation was needed. In some areas there was an issue with City Clean, with poor refuse collection in areas such as Stanmer Heights. On the presumption that the report was approved Councillor Wares stressed that there were two letters from him, (Item 39(c)(1) and Item 39(c) (2)). He hoped these would be applications 1 & 2.
- 43.4 The Head of Income, Involvement & Improvement replied that colleagues had already been asked to proceed on improving the dustbin area at Stanmer Heights. When the proposed budget was in place, officers could respond to what tenants really wanted.

- 43.5 Councillor Moonan agreed with the proposal in principle. She stressed that Central Hove had no residents' association although there were council tenants in Central Hove living in terraces. She asked for reassurance that they would be included in the scheme.
- 43.6 The Head of Income, Involvement & Improvement replied that she could give that reassurance. Information was to be placed in "Homing In". Tenants only had to call the council to make a request. The Executive Director stressed that a key consideration with regard to the project was how work was prioritised. Some requests such as improvements to the bin stores would not cost money.
- 43.7 Councillor Mears supported the proposal and welcomed the further report to the January meeting. She would like to see detail of how much money from the HRA would be given to the General Fund. A contribution had already been made from the HRA for the Field Officers. Further detail was requested on how the spend would be administered. Councillor Mears referred to paragraph 3.4 relating to the review of Estate Development Budget and stated that she was keen to see a report on that subject.
- 43.8 Councillor Hill welcomed the report. She mentioned that Hollingdean had not always had a residents' association and had missed out on funding. Even with the association some people did not come to meetings.
- 43.9 Councillor Gibson endorsed much of the previous comments. There needed to be clarity about funding; the contribution of the General Fund; and the EDB. He welcomed the need to address environmental issues. Councillor Gibson asked for assurance that there would be a thorough and full consultation about the contents of the report.
- 43.10 The Head of Income, Involvement & Improvement explained that officers would consult with finance colleagues if there were any suggestions for spend that crossed over to the General Fund. Officers would consult properly if there were issues. Area Panel representatives were supportive of the proposals and future reports would be taken to the Area Panels.
- 43.11 The Chair stressed that the proposal had come forward as a result of officers talking to residents who could not participate in any other way.
- 43.12 **RESOLVED:-**
- (1) That Housing & New Homes Committee agree to receive a full report to the January 2019 committee recommending the sum within the HRA budget to be set aside for enhanced environmental improvements and items on which it will be spent.

44 HOUSING SUPPLY UPDATE

- 44.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which sought to provide an update on the delivery of new affordable housing by the council, and future plans to escalate delivery by utilising the recently announced Housing Revenue Account borrowing flexibilities and revenue underspends in the HRA. The report also incorporated information on the capacity and resources to expand public housing following the Notice of Motion presented and noted at the 13th June 2018 Housing & New Homes Committee. The report was presented by

the Housing Strategy & Enabling Manager, accompanied by the Head of Housing Strategy, Property & Investment.

- 44.2 Councillor Mears thanked officers for the detailed report. She asked for clarity regarding paragraph 5.3 on page 153 relating to key additional resource requirements. Did this refer to new staff or existing staff in the council? Were they consultants or full time staff? Councillor Mears referred to paragraph 3.4 and stated that she did not support the Whitehawk Urban Fringe Scheme. She supported the rest of the work.
- 44.3 The Head of Housing Strategy, Property & Investment stated that seconded staff might be used. Consultants would not be used. More details would be supplied to the Estate Regeneration Members' Board.
- 44.4 Councillor Hill considered that there were excellent proposals in the report. The Government's announcement of lifting the borrowing cap was very welcome. She was excited about the cross directorate housing supply team and pleased that most of this would be funded mainly by capitalisation. Councillor Hill was pleased at the additional £1.5m mentioned in paragraph 2.3. If agreed by Policy, Resources & Growth Committee this was additional money that could be spent in the short term.
- 44.5 Councillor Gibson welcomed the report and the identification of resources as a swift response to the Notice of Motion. It was an urgent matter to use the capacity and create homes the city needed. He welcomed the progress made in terms of identifying the resources. Councillor Gibson considered recommendation 2.3 was confusing. Councillor Gibson questioned whether this was the right way to fund the programme. There were other ways of funding capital programmes and he was sure that Housing & New Homes Committee and Policy, Resources & Growth Committee would bear in mind those options.
- 44.6 The Chair commented that Housing & New Homes Committee would have felt very hard done by if they had not seen the month 7 monitoring report and only Policy Resources & Growth Committee had made a decision on it.
- 44.7 Councillor Wares was concerned that paragraph 3.6 referred to an HRA revenue underspend as there was so much that needed to be done on the council's estates. The £1.5m underspend was recommended to be used as a revenue contribution to the capital programme as stated in recommendation 2.3. Councillor Wares' concern was that revenue money could be put into capital but the council could not reverse that money back into revenue. pCouncillor Wares questioned whether the whole £1.5m revenue should be transferred in this way and suggested it would be better to do this on a piecemeal, project or purchase basis.
- 44.8 The Head of Housing Strategy, Property & Investment the Officers explained that the underspend that had been identified was from a range of factors. One factor was that so much had been invested in the stock. There were two elements of financial underspend. One was projected receipt from service charge received from leaseholders towards major work costs. Another was a trend of spending less money on responsive repairs. A great deal of the investment into council stock to improve it had reduced the repairs spend.

44.9 The Principal Accountant answered a number of other technical questions raised by Councillor Wares as follows.

- Some of the underspends in the HRA were due to the fact that responsive repairs costs were reducing because of the extra capital programme works that had been going on over the last few years.
- Councillor Wares had referred to paragraph 3.6 and questioned why £1.5m would be put against the capital scheme. That was not an issue as officers would be setting up a budget for £1.5m which is the planned capital spend but if that was not spent by the end of the year then there would only be a need to fund the actual capital expenditure incurred from a revenue contribution to capital. So any remaining budget could be used for other HRA capital schemes or re-profiled into the next financial year (with the appropriate level of approval by officers and/or members). Or it could be reported as an underspend thereby leaving the remaining funding that could in fact still be used for revenue purposes either in- year (by way of a revenue budget virement) or in future years as any unspent revenue budget is by default added to the HRA general reserves.
- With regard to paragraph 4.3 where it mentioned borrowing against £81m, some of that £81m was already included in the £29m. It was not an additional £56/57m as suggested.

44.10 Councillor Wares stated that the report was not clear regarding the £81m and asked for some clarification post committee. The Principal Accountant undertook to provide clarity and an email response was sent to all members of housing committee.

44.11 The Chair stated that the number of initiatives to increase the housing stock in the city for those that needed it was impressive. When people made comments that the council were not moving quickly enough, she reminded them that the council had a committee system and that it took time to implement initiatives.

44.12 **RESOLVED:-**

That the Housing & New Homes Committee:

- (1) Notes the work programme to date to increase the supply of affordable housing in the city and proposals to increase cross council resources to support expansion of the programme to realise the council's ambitions to increase housing supply.
- (2) Agrees (subject to government guidance) for the council to utilise HRA borrowing flexibilities to deliver future New Homes for Neighbourhoods Schemes.
- (3) Notes that as a result of current forecast underspend in the HRA, the month 7 Budget Monitoring report to Policy Resources & Growth Committee will propose that £1.5m will be used as a revenue contribution to the capital programme to support further housing delivery via the Home Purchase Scheme for 2019/20.

45 REVIEW OF SENIORS HOUSING

45.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which set out recommendations to undertake an appraisal of the council's seniors housing schemes to ensure that the council had the right investment plans to maintain and improve the council's homes and make sure that they

met residents' requirements into the future. The review would be undertaken in consultation with residents. The report was presented by the Housing Manager, Seniors Housing, accompanied by the Head of Housing Strategy, Property & Investment. Members were informed that the timeline for the review was six months when a report would be brought back to the committee.

- 45.2 Councillor Atkinson stated that he supported the idea of a review. He considered that sheltered accommodation was the right direction of travel especially for those people in the early stages of dementia. He referred to paragraph 3.12 and supported the inclusion of housing associations. He stressed the importance of voluntary organisations involvement in helping to combat loneliness. For example, Hazelholt arranged for an organisation called Volunteering Matters to come along and run activities in the unit. Councillor Atkinson welcomed the report and looked forward to more information.
- 45.3 The Housing Manager replied that when officers last reviewed the Seniors Housing service they had looked predominately at the need to deliver a different service. Work was carried out with voluntary sector organisations such as Volunteering Matters at Hazelholt and the other schemes. The current report was saying that if the service provision was right then the bricks and mortar needed to be right for that type of work.
- 45.4 Councillor Mears thanked the Housing Manager and welcomed the proposal for a future report following the review. She stressed that her only concern was that it would be presented to the committee after the elections in May. Meanwhile, Councillor Barnett had asked for concern to be expressed regarding the cost of the charges in sheltered accommodation. Councillor Mears requested details of charges in the schemes in the form of a report to committee. The Housing Manager agreed to investigate this matter and bring back a report to committee.
- 45.5 Councillor Moonan encouraged officers to link in with public health. The Health and Wellbeing Board were developing a Health & Wellbeing Strategy at the moment which talked about loneliness. She suggested officers spoke to the Director of Public Health as there was much more that could be done in terms of public health.
- 45.6 Councillor Wares welcomed the report which he considered was timely. He stressed that in order to achieve objectives, it was important to carry out impact assessments. Councillor Wares stressed the importance of communication.
- 45.7 The Housing Manager agreed that there was a need to ensure the involvement of residents. There was a huge amount of diversity in that group and they would be involved in the process.
- 45.8 **RESOLVED:-**
- (1) That the Committee agrees a review of the sheltered housing stock and service as detailed below, with a report of review recommendations back to a future Committee.

WELCOME TO JUSTINE HARRIS

The Chair welcomed Justine Harris as the council's new Head of Tenancy Services. She wished Ms Harris all the best in her post.

46 ITEMS REFERRED FOR FULL COUNCIL

46.1 No items were referred to full Council.

The meeting concluded at 8.42pm

Signed

Chair

Dated this

day of

