

Housing Committee

Date: 16 November 2022

Time: 4.00pm

Venue Council Chamber, Hove Town Hall

Members: Councillors: Gibson (Joint Chair), Hugh-Jones (Joint Chair), Williams (Opposition Spokesperson), Mears (Group Spokesperson), Fowler, Meadows, Mcintosh, Osborne, Phillips and Powell

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AGENDA

33 PROCEDURAL BUSINESS

(a) Declaration of Substitutes: Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.

(b) Declarations of Interest:

- (a) Disclosable pecuniary interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

(c) Exclusion of Press and Public - To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

NOTE: Any item appearing in Part Two of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.

A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.

34 MINUTES OF THE PREVIOUS MEETING

7 - 28

To consider the minutes of the meeting held on 28 September 2022.

Contact Officer: Shaun Hughes

35 CHAIRS COMMUNICATIONS

36 CALL OVER

- (a) All agenda items will be read out at the meeting and Members

invited to reserve the items for consideration.

- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

37 PUBLIC INVOLVEMENT

29 - 34

To consider the following matters raised by members of the public:

- (a) **Petitions:** to receive any petitions presented to the full council or at the meeting itself;
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 10 November 2022;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 10 November 2022.

38 ITEMS REFERRED FROM COUNCIL

To consider the following items referred from the Council meeting held on the (insert date).

- (1) Petition
- (2) Deputation
- (3) Notice of Motion

39 ISSUES RAISED BY MEMBERS

35 - 44

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) **Written Questions:** to consider any written questions;
- (c) **Letters:** to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

40 2023/24 HRA BUDGET CONSULTATION

45 - 66

Contact Officer: Martin Reid

41 EASTERGATE ROAD FORMER GARAGE SITE REDEVELOPMENT

67 - 80

Contact Officer: Paul Dalton

42 CHARLES KINGSTON GARDENS LEASE ACQUISITION

81 - 88

Contact Officer: Martin Reid

- 43 NEW HOMES FOR NEIGHBOURHOODS ROTHERFIELD CRESCENT - 89 - 112
PROCUREMENT OF CONTRACTOR**
- Update on the development, request for additional budget allowance and delegated authority to procure and award contract for construction
- Contact Officer: Sarah Potter*
- 44 COMMUNITY HOUSING PILOT UPDATE 113 - 118**
- Contact Officer: Emma Kumar*
- 45 HOUSING REPAIRS & MAINTENANCE, KITCHENS AND 119 - 124
BATHROOMS**
- Contact Officer: Martin Reid*
- 46 ITEMS REFERRED FOR FULL COUNCIL**
- To consider items to be submitted to the 20 October 2022 Council meeting for information.
- In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, any Group may specify one further item to be included by notifying the Chief Executive no later than 10am on the eighth working day before the Council meeting at which the report is to be made, or if the Committee meeting take place after this deadline, immediately at the conclusion of the Committee meeting*
- PART TWO**
- 47 PART TWO PROCEEDINGS**
- To consider whether the items listed in Part Two of the agenda and decisions thereon should remain exempt from disclosure to the press and public.
- 48 CHARLES KINGSTON GARDENS, LEASE ACQUISITION - PART TWO 125 - 128**

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FURTHER INFORMATION

For further details and general enquiries about this meeting contact Shaun Hughes - email shaun.hughes@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

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Brighton & Hove City Council

Housing Committee

4.00pm 28 September 2022

Council Chamber, Hove Town Hall

Minutes

Present: Councillors: Gibson (Joint Chair), Williams (Opposition Spokesperson), Fowler, Meadows, Osborne, Phillips, Powell, Barnett, Shanks and Grimshaw

Apologies: Councillors: Hugh-Jones, Mears and Mcintosh

Substitutes: Councillors: Barnett for Mears, Grimshaw for Mcintosh and Shanks for Hugh-Jones

Part One

18 PROCEDURAL BUSINESS

- (a) **Declaration of Substitutes:** Councillor Barnett substituted for Councillor Mears, Councillor Shanks substituted for Councillor Hugh-Jones, Councillor Grimshaw substituted for Councillor Mcintosh
- (b) **Declarations of Interest:** Councillors Williams, Grimshaw and Osborne stated they were members of ACORN.
- (c) **Exclusion of Press and Public:** The press and public should not be excluded from the meeting when any of the following items are under consideration.

19 MINUTES OF THE PREVIOUS MEETING

- 19.1 The committee agreed that the minutes of 22 June 2022 were a true and accurate record of the meeting.

20 CHAIRS COMMUNICATIONS

- 20.1 Welcome to Housing committee, in my communications I will pick out some points around today's agenda and report on other points of note including likely changes in national housing policy.

Firstly, I have to comment on the new direction of national policy and the implications for housing and homelessness. Whilst the detail is not clear the new government priority is implementing tax cuts for wealthy and business which are likely to be paid for by cuts in public services since their declared direction of travel is to achieve a "small state". The consequence for the council over the coming years is likely to mean fewer resources for tackling homelessness (these

have already been cut back in the Rough sleeper initiative funding which tapers over the 3 year horizon) and arguably less support for public enforcement standards in the private rented sector. In response to this, a report to the Policy and Resources committee next week, will be asking members to support making approaches to government calling compensation for the impact of high inflation partly by increasing Local Housing Allowances and welfare benefits (including changes to the benefit cap) to ensure that they keep pace with inflation as a minimum and for a temporary freezes in evictions and rent controls. These measures would help prevent the wave of homelessness that could result from the cost of living crisis.

At the last housing committee concern was expressed over the backlog of housing repairs and of the number of empty council properties known as voids. I'd like to record appreciation for the good progress made by officers in both reducing the end of month snapshot number of empty properties and the repairs backlog. The number of end of month empty properties has reduced from 210 reported in May to 170 at the end of August. Whereas the repairs backlog is thankfully reducing albeit this is less fast, falling by 481 up till July. A threat to this good progress comes from the current proposals contained in government consultation to restrict the expected formula rent rise. This would be fine if the government were to compensate councils for the loss of income. But since this seems unlikely so with wages materials and repair costs rocketing and we will be facing a squeeze in resources next year and have fewer resources to tackle these problems.

Today's agenda includes an update on work to improve private rented housing. Whilst it is pleasing to see the standards provided by the councils direct lets scheme are comparable to other ethical lettings agencies and pleasing that this area is moving forward and also pleasing that a voluntary ethical charter requested by campaigners is being proposed on today's agenda, nevertheless it is frustrating that the feasibility study into future options for landlord licensing got underway much later than we as elected members were expecting when this action was agreed in March and the report sets out a timeline this. However, we remain committed to reaching a decision on what kind of landlord licensing schemes (including the renewal of our existing HMO licensing scheme) later this year or early next year and will do all we can along with our joint programme partners to speed this up.

On today's agenda there are two reports covering investment to help people reduce heating bills under our warm safe homes funding covering disabled facilities grants and carbon reduction. There are some positives here, we are proposing that committee agrees, in response to the cost of living hikes to energy bills, to increase the money available for warm safe homes paid through the disabled facilities grants for low income household to £1m since we introduced the help last November The main programme of support to help households with improvements to reduce their carbon consumption and energy bills is also progressing and some good research has been undertaken into the swiftest and most effective use we can make of the warmer homes budget. We are asking members to agree to the outline guidelines for the ambitious £7.2m investment in these schemes which are scheduled to be up and running in the spring.

On the agenda is the annual report on evictions. This report shows an improvement in lowering eviction rates since the pandemic and gives helpful information about supported housing. We still need to bring eviction rates down further in the management of emergency and supported accommodation we are responsible for. We need to aim for managed moves instead of the non-consensual ending of a placement or eviction where ever humanly possible. In terms of reducing numbers of households in emergency homeless accommodation and reducing out of area placements, I like to register appreciation of good progress made by officers. Since December 2021 EA numbers have fallen by 190 to 525 in August 2022 and Out of Area placements have fallen from 177 to 104. over the same period This includes closing Kendal court. This good progress which may reflects some early success from the transformation programme and associated improved homeless prevention as face to face work increases. Sadly, it seems that some of the gains reducing rough sleeping made during the everyone in period are being reversed as we are seeing an increase in rough sleeper numbers compared to last year. This is made worse by the loss of most of No Second Night Out beds provided by St Mungos over the summer, but I am hoping that these beds will be restored, and officers will be able to bring the numbers back down over the coming weeks

Also, on the agenda the work plan review and update along with performance monitoring now includes more measures to help us monitor the effectiveness of enforcement strategy in the private rented housing the monitoring report also reports on continued good progress on providing additional council homes. We have achieved 344 by the end of quarter and hope to get to around 500 by the beginning of April next year (this would be almost 250% more than in the previous 4 years) Also in the pipeline are another 342 homes including 176 homes at the lowest rents achieved at scale coming from the joint venture within the next two years in Coldean and Portslade.

Finally, I would like to thank the Housing coalition, (who without any support or funding from the council) for organising an exciting and wide ranging Action on Housing conference on the 19 October at the Brighthelm between 2 and 9 pm. I plan to attend and would encourage others to come along too.

21 CALL OVER

21.1 Agenda items 25, 25, 27, 28, 29 and 30 were called for discussion.

22 PUBLIC INVOLVEMENT

22.1 To consider the following matters raised by members of the public:

(a) **Petitions:** None.

(b) **Written Questions:** There were two public questions for this meeting.

1. **From – Naomi Gann (ACORN)**

Question: *In November 2021 this Council passed a motion to adopt a zero-tolerance approach to rogue landlords. They have also secured £150,000 to invest in private rented sector enforcement and hired four staff for this department. However, this policy has still not been implemented. In the South East almost 50% of renters are victims of illegal behaviour from landlords, and in Brighton, as this Council knows, renters are being harassed, intimidated and illegally evicted by landlords. Why have you still not implemented a zero-tolerance approach to rogue landlords, as you were mandated to do a full ten months ago?*

Response: Thank you for the question. Where landlords have harassed, intimidated and illegally evicted their tenants, should the victim want to pursue prosecution, the Council will offer support through the process. If the Council does succeed in taking legal action against a landlord, this will be widely publicised.

The Council's current Enforcement Policy recognises improvements will be made most quickly by landlords through negotiation. Initially officers will meet with the landlord at the property and discuss the reasonable actions they would be required to make. If those improvements are not completed within a reasonable timescale, matters will be escalated. Ultimately, this can lead to prosecutions and fines, but these would not be necessary if the matters are resolved at an earlier stage. We are expanding the reported monitoring of enforcement with landlords to committee. This will help better understand and interrogate the improvements achieved by our expanded enforcement team and assist with future reviews of the PRS enforcement strategy which was introduced in November 2019 and is scheduled for review shortly. The resources invested into the Private Sector Housing Team are beginning to help in embedding this approach now that pandemic backlogs are being cleared.

We are also keen to establish the evidence base that would allow us to expand landlord licensing since we believe that under licensing the council can enforce standards without the tenant being so much at risk if conditions are not up to scratch.

Supplementary question: As the Green administration is making no progress what are they doing?

Response: The Green Party are working with the Labour group on the way forward and are committed to the joint programme.

2. From – Daniel Harris

“At the last HWB, I asked for a mortality review because of the museum of homelessness reports into homeless housed mortalities in BHCC, it was 61 deaths from 20/21 to 22/22. Cllr Shanks agreed and confirmed there would be discussions with housing and other departments on this, I've heard nothing since.

In Health Scrutiny Healthwatch said they are ready and willing to investigate. Today's report states there were almost 300 evictions in 20/21- 21/22 for those living in homeless accommodations. Do we need to take legal action against BHCC to get justice?

Can you update us on the progression please?"

Response: Thank you for your question. As you have noted this matter was discussed at the Health and Wellbeing Board in July.

The figure of almost 300 evictions for 2021/22 for those living in homeless accommodation is not accurate. The *Evictions from short term Temporary Accommodation and Supported Housing Annual Report* on the agenda, identifies 91 households whose Emergency or Temporary Accommodation was ended over 21/22 reduced to 36% of the year before. This is in relation to a total of 1,485 households who were placed. The percentage of households whose accommodation was ended was 6.10%. This is a considerable improvement from the previous year, where that proportion was 16%.

Your point about joined up working between HASC, public health and Housing on deaths in homeless accommodation is well made and I welcome the initiative of the chair of the HWB to convene discussions and I will provide a written update on these discussions once they have taken place.

Supplementary question: *"Which leads to our own assets such as priory house / Green Diamond, which is a former council building now private sector holiday lets. Some apartments are up for £100s per night.*

The Directors own Moretons, baron Homes and £100's million in assets in this city. plus have contracts with the council for the homeless. We must Ensure the council make use of our assets to bring our emergency and temporary accommodation in house.

Please can the council tell me the full term of the lease and how much that was sold to West Acre Investments for?"

Response: An officer will provide a response in writing.

(c) Deputations: None.

23 ITEMS REFERRED FROM COUNCIL

23.1 To consider the following items referred from the Council.

- (1) Petition - none for this meeting
- (2) Deputation - none for this meeting
- (3) Notice of Motion - none for this meeting

24 ISSUES RAISED BY MEMBERS

24.1 To consider the following matters raised by councillors:

(a) Petitions: None

(b) Written Questions: Three written questions were received.

Question 1: Councillor Meadows to Chair of Housing Committee**Housing Repairs Figures**

At the last meeting of this Committee the Chair presented the following housing statistics for May 2022:

a) Empty homes (210)

b) Repairs backlog (9,608)

c) Capital cost of accumulated repairs (£1.5m)

d) Lost rent from empty homes (£1.343m, exceeding the void rent lost budget of £636,000)

e) Average re-let time (177 days)

Can the Chair update these figures for a-e to the latest available? With void rent lost currently running at more than double what has been budgeted for this item, can the Chair advise the number of the current empty homes that would need to be filled in order to bring this back within budget.

Response: Thank you for your question, Updated figures are as follows:

- a. Empty Homes 170 (August 2022)
- b. Repairs Backlog 9127 (July 2022)
- c. Capital cost of accumulated repairs (£1.5m)
- d. 2022/23 forecast rent loss £1.005m exceeding the void rent lost budget Of £0.721m
- e. Average re-let time 150 days (August 2022)

Officers in the council's Housing Repairs & Maintenance service have worked tirelessly throughout the pandemic to provide tenants with an essential repairs service.

However, as reported to Housing Committee, a backlog of routine repairs and empty council homes has built due to Covid19 impacting staffing levels and contractor capacity required to complete the typical number of jobs raised each month.

The Housing Repairs & Maintenance service continues to make good progress in its Covid recovery programme, in particular, improving performance in relation to empty council homes.

The number of re-lets during 2021/22 (472) was up on 2020/21 (213) and above pre-pandemic levels seen during 2019/20 (445). In August y 2022 the service let 62 empty council homes.

The average 'key to key' re-let time for previously occupied homes was 150 days in August 2022 compared with 177 days in May 2022 and 210 days in 2021/22. While re-let times continue to improve, they remain higher than we would wish, In particular, as we re-let some homes which have been empty for long periods of time.

Our performance on forecast rent loss from empty homes has improved from 1.343m in May 2022 to £1.005m. The focus for rent loss reduction is to increase turnover and reduce the key-to-key time to a minimum. It is not possible at this stage to convert this into a number of void properties as the impact on rent loss of each property is variable. However, if we can improving on estimated void rent loss at the current pace it will be possible to bring the actual rent loss by the end of the year in line with budget. When we get the updated figures in January it will be clearer whether we are on track to achieve this

Officers continue to focus on void recovery. During the first 5 months of this financial year the % of council homes empty on the last day of the month as measured by Housemark has fallen from 2.1% in April to 1.5% in August 2022, The overall figure for the last financial year (2021/22) was 2.2%.

In December 2021 the number of outstanding repairs was had not yet stabilised. At that time, the Council was part way through its recruitment process and therefore the incoming works still exceeded officer capacity. With recruitment now complete, the number of outstanding repairs has begun to level off and reduce, dropping from 9,608 in May 2022 to 9127 in July 2022...

To put these figures into context, over 2000 responsive repairs are completed each month. This level of performance is resulting in a reduction in the volume of work outstanding.

To further speed up progress, the Council is employing additional trade resources, and officers are part-way through recruitment, which will be completed in October 2022. The additional resource should being to show a return to a more typical work-in-progress figure during the next financial year.

As outlined in our Performance Report considered on today's agenda, Housing Repairs & Maintenance service performance against key performance indicators on emergency repairs completed within 24 hours and calls answered by Repairs Helpdesk both show significant improvement and our KOI on surveyed tenants satisfied with repairs standard of work is on target at 96%.

Supplementary Question: Repairs are backing up, and there are 500 have been actioned than before. If the £1.5m budget is not enough what will happen and how many visits are duplicates, and what is the cost?

Response: A written response will be sent to the councillor.

Question 2: Councillor Barnett to Chair of Housing Committee**Estate Inspections and Council Offices**

The Council's Housing Officers used to conduct fortnightly ward inspections of the council's housing estates, which the ward councillors also attended. In my ward these inspections used to take place on Tuesday mornings, every fortnight. They were always in the diary - sometimes the Housing Department had to cancel but not very often.

These inspections were warmly welcomed by the residents and helped resolve issues that had emerged on the estates and put a human face to the council's housing department.

Then in 2018 the then Labour Council decided to change all this and bring in Field Officers instead under its new policy and the regular estate visits immediately stopped. The Field Officers policy has failed housing and left residents in the council's estates feeling completely disconnected from the council.

The problem is that field officers have responsibilities for seven areas, not just housing: including parks, seafront services, community safety, planning enforcement, environmental health and noise nuisance. There is a sense that currently Field Officers are more focused on people dropping cigarettes in the city centre than visiting the housing estates to engage with issues there.

Under the Field Officer policy a disconnect between the council's housing department and housing tenants has opened up. Not only have the regular estate visits from housing officers stopped but housing tenants and leaseholders are now no longer able to visit the housing offices as they used to before the pandemic as these offices are not open, which has put up another barrier.

We recently heard that estate inspections might be starting up again and that there was one in Portslade.

Can the Chair advise:

a) Are estate inspections being brought back?

b) When will the Council's Housing offices fully reopen again for residents so that people can walk in and see someone as they did before the pandemic?

c) Does he accept the Field officer policy has failed Housing?

d) How many of the seven FTE field officer equivalent positions are currently filled and what proportion of their time is currently allocated to housing?

Response: Thank you for your questions.

A) Between May and August this year the Council ran an Estate Walkabout Pilot across the city.

The walkabouts were facilitated by area Housing Managers and involved Residents, an Environmental surveyor, Councillors and Community Engagement Officers.

During the pilot 12 different estates were visited, with an overall aim to improve the look and feel of the local environment. The walkabouts also aimed to raise awareness of the funding available to residents to improve their neighbourhood, such as the Environmental Improvement Budget, and create the opportunity for officers and councillors to engage with residents.

- Following the walkabouts, Officers made several improvements to the estates. Such as, improving bin storage, raising vegetable beds, removing graffiti, and cutting back of overhanging vegetation.

The Community Engagement Team were also able to discuss setting up new tenants & residents associations in areas that don't have representation.

The Council is now reviewing the feedback, gained from Residents, Councillors and council staff, during the pilot to help inform future Estate Walkabouts.

Once this is complete, the Council will promote the walkabout schedule for the year remaining year will be promoted. Officers will also publish and celebrate the improvements made as a result of the walkabout.

- B) The Housing Service aligns to Corporate guidance on opening of customer facing officers.

The Customer Service Centre is open at Bartholomew House, Bartholomew Square, Brighton. This has a drop-in self-help area supported by customer service advisors including telephone and computer facilities. The advisers are linked in with our Housing Customer Services team.

- C) A review of the Field Officer service is currently being undertaken by the Safer Communities team with the expectation that a report on its findings will be presented to TECC in January.
- D) All posts in the service are currently filled. It is difficult to assess what proportion of their time is currently allocated to Housing due to the diversity of the tasks they carry out for a number of services.

Supplementary Question: The misuse of drugs and cuckooing are an issue. Is this monitored?

Response: Monitoring is being carried out and more visits are being arranged. A review is underway, and more walkabouts are being scheduled.

Question 3: Councillor Nemeth to Chair of Housing Committee

Re Knoll House

Please provide an account of the situation from a housing perspective following what was ultimately an eviction by Brighton & Hove City Council of 37 residents of Knoll House in Wish Ward.

Response: Thank you for your question.

The legal relationship of occupation at Knoll House was between those living at the property and the company that in effect employed them to ensure that property was secure. The Council and East Sussex Fire & Rescue Service (ESFRS) have worked with the company in question to ensure appropriate safety measures were put in place but when it became clear actions were not being followed through, ESFRS had little choice but to serve notice that the property was unsafe.

Being aware that such an outcome was likely, the Housing team put in place measures in advance, to prevent those living there from becoming homeless. Several advice surgeries were run on-site, to provide information and assistance to those affected. On the day the closure notice was served, we ensured none of the occupants were street homeless as a result. Where required, temporary accommodation was provided. For those who were unable to find alternative accommodation, individual Personalised *Housing Plans* (PHP) have been agreed setting out the *reasonable steps* both they and the Council would undertake to prevent or relieve their homelessness.

Supplementary Question: How are the council helping residents moving out and why such short notice?

Response: The scenario was unfortunate; however, officers and Members considered this the best way forward. Any one become homeless was supported. It is noted that the council has a statutory need to supply housing and advice surgery's have been held on site and temporary accommodation has been provided.

(c) Letters: Two letters were received

Letter 1: Councillor Barnett to Chair of Housing Committee

Dear Cllr Gibson,

Member Letter (Procedure rule 23.3): Housing policies relating to Travellers

The Housing section of the Council's website states that the St Michael's Way Traveller site (also known as Horsdean Traveller site) has 12 permanent caravan pitches and 21 transit pitches where caravans can be stationed for up to 3 months.

It states all transient pitches have access to water and electricity amenities and a communal shower block. There is a management building for the Traveller Liaison Team that provides links to other council services such as health and education.

In 2012 the Greens and Labour voted for this site to be built on South Downs National Park land at great expense to the city (£2.3 million) and a cost to the environment. This site opened in July 2016 and has been open for six years.

Residents are extremely disappointed that despite this facility having been built, travellers continue to use city public parks for their housing instead – including, this week, St Helen's Park in Hangleton in my ward, which is within a conservation area.

This letter requests that the Committee Chair:

- 1. Outlines the Council's current housing policies relating to travellers.*
- 2. Informs the committee how many travellers are passing through the city each year and how this has changed over time since the Horsdean facility opened.*
- 3. Advises housing take-up rates at the Horsdean Traveller site over the six municipal years it has been open.*

*Yours sincerely,
COUNCILLOR DAWN BARNETT*

Response: Thank you for your letter

1. Current Housing Policies relating to Travellers

The Council aims to balance the needs of the settled and Traveller communities. Unauthorised encampments are jointly assessed by the Traveller Liaison Team and Sussex Police.

Within 24 hours of a report of an unauthorised encampment, welfare checks and a Community Impact Assessment are carried out by officers during joint visits., and the outcome of this assessment determines the enforcement measures that are used to bring an encampment to an end.

The capacity of the 21-pitch transit site allows the Council to ask the Police that they use their powers to re-direct any Traveller households, from an unauthorised encampment to the Council's transit site.

The transit site has water, electricity and washing facilities, and affords households a maximum stay of 12 weeks, during which time Travellers can access health and education services and explore other accommodation options.

In the event of Travellers declining pitches on the transit site, police powers require them to leave the city for 12 months.

In the example of the recent incursion of Travellers on St Helen's Green, the council requested that the Police use their powers to direct the households to the transit site. This was agreed, and notices were served. The families declined the transit site pitches and left the city.

The capacity of the transit site, that enables the use of these powers, is effective in reducing the length of stay of unauthorised encampments, and in returning public land back to use for the local community.

The average length of an unauthorised encampment is three days.

2. Data for Travellers passing through the city.

The number of unauthorised encampments in the city peaked in 2015 at 123, when the transit site was closed whilst the permanent site was being built. The number of unauthorised encampments has reduced over subsequent years since the transit site re-opened in 2016 when there were 79 encampments, to 18 encampments in 2022.

3. Occupancy figures at St Michael's Way.

Since opening in 2016 the permanent Traveller site has been fully occupied.

4. Transit site occupancy rates since 2018:

2018/19	35%
2019/20	30%
2020/21	40%
2021/22	53%

The percentages shown for 2018/19 and 2019/20 are based on 21 available pitches; the percentages for 2020/21 and 2021/22 are based on a reduced capacity of 10 available pitches, due to the pandemic and measures put in place to reduce the spread of infection.

The committee agreed to note the letter.

Letter 2:

Councillor Meadows to Chair of Housing Committee

Dear Cllr Gibson,

Member Letter (Procedure rule 23.3): Tents and the council's homeless bill of rights

I am writing this letter to bring the committee's attention to the high number of tents present in public places and parks in the city over the course of the summer, which has potentially been caused by the Council's new Homeless Bill of Rights policy.

Over the summer, the council has tolerated tents being camped along Valley Gardens and other places for extended periods. The lack of action from the council to remove these encouraged them to multiply further and it reached the point where tables and chairs were being put out by tent occupants.

When Valley Gardens was opened in August 2020 the Council provided assurances to residents that it would not allow these new public gardens to become a place for tents to be pitched. However, since then the Greens and Labour have introduced a Homeless Bill of Rights, changing the City's policy on tents in public spaces.

I am concerned that this new policy is restricting the ability that officers once had to remove tents and keep parks and public places free for the safe enjoyment of residents. Residents' Associations such as the Old Steine Community Association are deeply concerned about the lack of action from the Council on tents.

Can you please advise whether the council's adoption of the Homeless Bill of Rights will be reconsidered in light of the impact it is having on permitting tents in the city's parks: and respond to these concerns expressed by residents and their associations.

*Yours sincerely,
Cllr Anne Meadows*

Response: Thank you for your letter

The Administration has been clear the Council will not tolerate unauthorised encampments in the City and that tents will be removed as quickly as possible.

There is a joined up and coordinated approach between several partners, led by Safer Communities Team and the commissioned Street Outreach Team.

We will always attempt to engage with occupants via the outreach service to ascertain whether they may be homeless and in need of advice and support in the first instance. This is in line with our 'welfare first' approach which has been in place for some time and prior to the Council's adoption of the Homeless Bill of Rights.

There are no plans to reconsider the homeless bill of rights.

The committee agreed to note the letter.

(d) Notices of Motion:

Housing Repairs Task Force

Councillor Meadows introduced the Motion. Councillor Barnett seconded the Motion.

The chair invited Councillor Williams to introduce the Labour Group amendments. Councillor Fowler seconded the amendments.

Debate

Councillor Gibson supported the amendments.

Councillor Meadows accepted the amendments.

Vote

A vote was taken, and the committee agreed unanimously to accept the amended Notice of Motion.

RESOLVED: This Committee:

- 1) Notes that since the housing repairs service was insourced in March 2020, a backlog of repairs has accumulated due to primarily the Covid crisis;
- 2) Notes that tenant and leaseholder representatives were advised in August that the council is now looking to establish a housing repairs task force and will employ 11 separate contractors to try and address the backlog;
- 3) Requests that a report be presented to this committee that:
 - a. Clarifies the council's current housing repairs policies regarding insourcing and the use of contractors; and
 - b. Outlines how a proposed housing repairs task force will address the current backlog, including how much this will cost and how it will be funded;
 - c. Provides statistics on the progress on addressing the backlog.

Recognition of Mr Andy Winter

Councillor Barnett introduced the Motion to the committee and Councillor Meadows seconded the Motion.

The Chair invited Councillor Williams to introduce the Labour Group amendments. Councillor Grimshaw seconded the amendments.

Debate

Councillor Shanks supported the amendments.

Councillor Gibson noted that homelessness and addiction are issues.

Councillor Meadows considered that Andy Wynter had strong views and they supported the third section of the motion.

Councillor Grimshaw requested that the third section be removed.

Vote

A vote was taken, and by 8 to 2 abstentions, the committee agreed the Labour Group amendments.

RESOLVED: This Committee:

- 1) Records and sends its appreciation to Mr Andy Winter for his work as CEO of Brighton Housing Trust over 20 years, following the announcement of his retirement.
- 2) Recognises the positive impact Mr Winter's work has had on the lives of tenants and clients of Brighton Housing Trust.

Ethical Landlord's Charter

Councillor Osborne introduced the Motion, which was seconded by Councillor Gibson.

The Chair invited Councillor Williams to introduce the Labour Group amendments, which were seconded by Councillor Fowler.

Debate

Councillor Williams expressed concerns regarding the motion and who the Green Group have been working with and considered the charter would need more work. The councillor considered that section 1 should be removed, and number 2 kept.

Councillor Osborne requested an adjournment to discuss the motion. The adjournment was seconded by Councillor Powell. The Chair agreed to a 15 minute adjournment.

Following the adjournment Councillor Osborne stated that they had agreed with Councillor Williams a cross party agreement to remove all actions.

Councillor Meadows expressed concerns on the motion and requested that they be invited to cross party talks on the matters raised.

Vote

A vote was taken, and by 8 to 2 abstentions the committee agreed the following:

RESOLVED: Committee notes that:

- Housing Committee has previously received a deputation on a Minimum Standards Charter from ACORN in 2019 which demanded on behalf of renters in the city a commitment to better standards relating to affordability of rents, security of tenancies and evictions, expected quality of repairs and general service, and discrimination;
- Housing Committee has also previously agreed to support the idea of an Ethical Landlords Charter;
- Other councils have previously produced their own versions of ethical landlord charters, including Bristol, with had a Bronze, Silver and Gold standard which with varying asks for each, as well as several London Boroughs, Norwich, and others;

Committee agrees to:

- establish a cross-party task and finish member working group to work towards drafting and adopting such a charter.

25 PRIVATE SECTOR HOUSING GRANTS & LOANS POLICY

25.1 The Assistant Director Housing Needs & Supply introduced the report to the committee.

Answers to Committee Member Questions

25.2 Councillor Meadows was informed that the means test is for under 5,000 persons and has been introduced to speed up the grants process. It was noted that the private sector policy doesn't refer to council tenants. The Assistant Director Housing Needs & Supply stated they would respond in writing to the councillor on the following matters: under 2.2 of the report, how many times is a household able to claim a non means tested benefit; table on pages 61, 62 & 63 of the report, 2 x 20,000 is possible under Warm Safer Homes, why not one grant, and who has a say-so on Grants; disability facilities grant is supported, but why no restrictions; all repairs should be done at one time - is there any monitoring; page 69 of the report - if resident have had grants, why can they get them again.

25.3 Councillor Powell was informed that the policy needs to be approved by the committee and the Assistant Director Housing Needs & Supply will respond in writing regarding whether residents knew about the Brighton Fund.

25.4 Councillor Shanks was informed that the residents know about grants via the council website and references from partner organisations.

25.5 Councillor Gibson considered the report was very positive.

Vote

25.6 A vote was taken, and the recommendations were agreed unanimously.

RESOLVED: That Housing Committee:

2.1 Approves the revised policy up to 2025, including the recommendations of the Carbon Reduction in Housing report already approved at Housing Committee in November 2021.

2.2 Notes a change in grant conditions: *Dispensing with the Means Test* for works up to £5,000. Previously all cases were subject to a Primary Test of Resources (PToR) regardless. This has now been updated to avoid unnecessary PToR taking place and PToR will now only be applied to cases £5,000 or over (or where the proposed works are likely to exceed £5,000).

2.3 Notes the allocation of current resources in 2022/23, including a proposal to increase their year budget allocation for Warm, Safe Homes Grant (paras 3.25 - 3.28)

26 PRIVATE SECTOR HOUSING UPDATE

26.1 The Assistant Director Housing Needs & Supply introduced the report to the committee.

Answers to Committee Member Questions

- 26.2 Councillor Williams was informed that the lead officer on the report had left the authority and the council were still dependant on the availability of consultants. The tier one census data was released this year. The HMO (Homes of Multiple Occupancy) licensing scheme is still in place, even though it was intended to be short term lasting 5 years. To extend the scheme more evidence will be required. It was noted that it was not possible to guarantee the timing of the next steps. The council are looking at other local authorities and note that others have taken 21 to 24 months to approve schemes.
- 26.3 Councillor Gibson was informed that it was hoped that the completed report would come back to committee in January 2023.
- 26.4 Councillor Shanks was informed that the landlords need to adhere to standards and the enforcement team will make site visits to ensure improvements are made. There is online advice for residents regarding letting standards. It was noted that there is a difference between standards and management practices.
- 26.5 Councillor Meadows was informed by the chair that the financial implications were not to be agreed at this meeting as they were being explored and the quarter 1 housing report will include monitoring of efficiency work and effectiveness. The councillor was also informed that the costs would not be known until they had been explored and the council were adopting a 'belt and braces' approach to licensing.
- 26.6 Councillor Grimshaw was informed that future pressures could not be predicted.
- 26.7 Councillor Gibson was informed that the tier one census data will sufficient if the council has supporting evidence.
- 26.8 Councillor Williams requested that costs be reported back to the committee.
- 26.9 Councillor Williams proposed the Labour Group amendments to the recommendations and was seconded by Councillor Fowler.
- 26.10 The committee voted on the amendments to the recommendations and agreed 2.1, 2.2, 2.3, 2.4, 2.6 and 2.7 unanimously. 2.5 was not agreed.

RESOLVED:

- 2.1 That Committee notes the updates made to the Council's website, providing advice to private renters on what to do if they feel discriminated against, and encouraging landlords to support the Council's commitment to prevent homelessness.
- 2.2 That Committee agrees that the council website is updated, in line with the Labour Group motion passed at Housing Committee on 17 November 2021, to reflect the agreed zero-tolerance policy on rogue landlords, including a link to the national rogue landlord database.

- 2.3 That Committee notes the information made available on minimum standards by the Council when assisting households to access more affordable private rented accommodation as enforceable *Good Landlord Standards* (see Appendix 2).
- 2.4 That Committee agrees the Council explore becoming members of an arms-length ethical lettings agency as a possible alternative to establishing an in-house Ethical Lettings Agency and reports back to this Committee on the potential benefits and costs.
- 2.6 That Committee notes the potential changes to private rented accommodation, should the proposals set out in the New deal for private renters' white paper be adopted into future legislation, and agrees the Director for Housing writes to the Government's Housing Secretary, to lobby for the standards set out in the white paper to be enacted as a bare minimum.
- 2.7 That Committee notes the additional monitoring agreed in the Quarterly Housing Performance Report.

27 EVICTIONS FROM SHORT TERM TEMPORARY ACCOMMODATION AND SUPPORTED HOUSING ANNUAL REPORT

- 27.1 The Assistant Director Housing Need & Supply introduced the report to the committee.

Answers to Committee Member Questions

- 27.2 Councillor Williams was informed that evicted residents commonly go to relatives or friends. If residents evicted end up on the street, they receive support from outreach service.
- 27.3 Councillor Meadows was informed that the recommissioning of supported housing was time tabled, and the contracts would be phased.
- 27.4 Councillor Grimshaw was informed that evictions were different for each person and difficult to be specific. The Assistant Director Housing Need & Supply stated they would reply in writing to the councillor regarding a YMCA occupier being distraught at mixed gender accommodation.
- 27.5 Councillor Gibson noted there were no 'in-house' evictions.

Vote

- 27.6 A vote was taken, and the committee unanimously agreed the recommendations.

RESOLVED:

- 2.1 That Housing Committee notes the performance and evictions reported.
- 2.2 That Housing Committee notes the measures the council is incorporating in future contracts for emergency and temporary accommodation to minimise the risk of evictions, in addition to measures to minimise the risk of unplanned moves from Supported Housing.

28 CARBON REDUCTION IN HOUSING

28.1 The Sustainability & Energy Manager introduced the report to the committee.

Answers to Committee Member Questions

28.2 Councillor Fowler was informed that the significant numbers of council homes were well insulated, and any gaps reported would be looked into. It was noted that the air heat source pump programme checked the insulation of a property.

28.3 Councillor Grimshaw was informed that the if a property has 100mm of insulation this would need to be topped up to 300mm. It was noted that a national data base holds data on insulation. The council can top up any works done in the past and the stock condition survey is used to identify properties.

28.4 Councillor Meadows was informed by the chair that the Warmer Homes investment budget had been agreed, and this would be the source of funding. The Sustainability & Energy Manager noted that the delivery model assessment found that a managing agent would be the best way forward to manage the scheme. The costs of this were not in the report and no permission to procure has been obtained. The report asks for authority to procure. Details will be brought back to the committee.

28.5 Councillor Gibson considered the scheme to be good and was pleased to see carbon reductions.

Vote

28.6 A vote was taken, and the committee agreed the recommendations unanimously.

RESOLVED:**Council homes**

2.1 Note the progress of the joint work through the 'Retrofit Taskforce' across the Greater Brighton sub-region.

Private Sector Homes

2.2 Note the outcome of the assessment of options for the delivery of a Brighton & Hove Warmer Homes Programme and accept the Delivery Model Assessment recommending a Managing Agent led model.

2.3 Delegate authority to the Executive Director for Housing Neighbourhoods and Communities to procure and award a contract for a Managing Agent to deliver the Brighton & Hove Warmer Homes Programme.

2.4 Delegate authority to the Executive Director for Housing, Neighbourhoods and Communities to further develop the details of the Brighton & Hove Warmer Homes Programme including the eligibility criteria, mix of measures and level of financial support outlined below in paragraphs 3.15 to 3.18.

- 2.5 Note the timetable for the commencement of a Brighton & Hove Warmer Homes Programme outlined in para 3.11.

New Build housing Sustainability Policy

- 2.6 That Committee approves the New Build Housing Sustainability Policy found at Appendix 1 of this report.

29 HOUSING HEALTH & SAFETY UPDATE - LEASEHOLDER FIRE DOORS

- 29.1 The Head of Housing Investment & Asset Management introduced the report to the committee.

Answers to Committee Member Questions

- 29.2 Councillor Meadows was informed that the number of non-compliant landlords was not known, and landlords could improve by adhering to standards. It was noted that previous doors were not compliant and would need replacing with new compliant doors.

Vote

- 29.3 A vote was taken, and the committee unanimously agreed the recommendations.

RESOLVED:

- 2.1 That the Housing Committee note the progress on the programme of works for the replacement of non-complaint (Manse Masterdors) front entrance doors and frames.
- 2.2 That the Housing Committee approve the recommended approach with regard to charging of leaseholders for replacement of non-compliant front entrance doors and frames.

30 HOUSING COMMITTEE WORKPLAN PROGRESS UPDATE AND HOUSING PERFORMANCE REPORT QUARTER 1 2022/23

- 30.1 The Assistant Director Housing Management introduced the report to the committee.

Answers to Committee Member Questions

- 30.2 Councillor Meadows was informed by the chair that a report would be coming to committee to update on Hollingbury Library, along with a legal report on the £3m budget. The chair agreed that the minutes of the Homeless Reduction Board should be shared with Housing Committee Members and noted that all boards report back to committee. It was noted that Seaside Homes will be reporting costs to the committee, as will allocations. The Assistant Director Housing Management noted that the Housing Committee were the decision making body and not any boards.
- 30.3 Councillor Grimshaw was informed by the Assistant Director Housing Management that they would be written to regarding the costs of long term care for those with a flat, but not occupying the property once details were supplied.

30.4 Councillor Osborne was informed that the data for drawing reports is connected, however the number of HMOs (Homes of Multiple Occupancy) were at 60% and this has increased since June 2022.

Vote

30.5 A vote was taken, and the committee agreed the recommendations unanimously.

RESOLVED:

- 2.1 That Housing Committee note the Housing performance report Quarter 1 - 2022/23 and Housing Committee Work Plan progress update.
- 2.2 That Housing Committee note the additional performance indicators relating to private sector housing included in the Housing Committee Work Plan progress update and Housing performance report, Appendix 1, page 16 of 25.
- 2.3 That Housing Committee approve the re-scheduled and reviewed Housing Committee Work Plan attached in Appendix 2.
- 2.4 That Housing Committee note progress on each area of work set out in the 2019-2023 Housing Programme under Appendix 3.

31 ITEMS REFERRED FOR FULL COUNCIL

31.1 None from this committee meeting.

32 PART TWO PROCEEDINGS

32.1 None from this committee meeting.

The meeting concluded at 8.17pm

Signed

Chair

Dated this

day of

Brighton & Hove City Council

Housing Committee

Agenda Item 37(a)

Subject: Anti-Social Behaviour on Craven Vale Estate

Date of meeting: 16 November 2022

Petition

Please note the following petition has been received and 75 signatures have been seen by Democratic Services. The attached petition is redacted.

Anti-social behaviour on Craven Vale Estate:

We the undersigned wish to inform Brighton & Hove city council that we have had enough of the anti-social behaviour currently plaguing the estate!

The situation has become unbearable and we are now faced with a series of serious incidents that are having a direct impact on our lives and well-being. There are guns and knives on the estate and it is simply a matter of time before one of the residents is caught in the cross fire resulting in someone being seriously injured. Residents have already fallen victim too being shot at while taking their dogs for a walk and there have been dead animals on the estate that are full of bullet holes. This petition serves to advise Brighton & Hove city council of the following:

Should anyone of the signatories below be injured in anyway, the council will be held directly responsible as it is currently failing to fulfill its "duty of care" as a landlord. The council is legally bound to protect the tenants of Craven vale and to ensure we are safe in and around our own homes. Failure to do so could result in a formal complaint being made to the Housing Ombudsman and Local Government Ombudsman. Formal legal action could be taken resulting in the press being contacted.

As tenants we now demand the council take the following action as previously promised:

- With immediate effect, evict the culprits placing the rest of us in danger or harms way.
- The Council fully commits as promised to not re-letting any property to drug dealers or anyone that will pose any threat or create any issues that currently plague the estate.
- Any new tenants are monitored and ANY issues that arise are dealt with swiftly.
- The council commits to appointing a point of contact that will take full ownership off issues and will work with the Craven Vale residents association on a regular basis to address any issues.

NAME

ADDRESS

CONTACT NUMBER

EMAIL

Brighton and Hove City Council

Housing Committee

Agenda Item 39 (b)

Member Questions for 16 November 2022 Housing Committee.

1. **Councillor Meadows to the Chair of Housing Committee**

Craven Vale update

There have been many prominent reports in the local newspapers recently concerning the issues suffered by residents on the Craven Vale housing estate.

Could the Chair provide a latest update on the situation as it stands and provide a response to some of the criticisms that have been levelled at the council?

2. **Councillor Barnett to the Chair of Housing Committee**

CCTV stock

Could the Chair provide statistics concerning how many CCTV cameras the Housing Department currently owns and monitors across the city's council housing estates and advise whether the Council has a policy for the roll-out and monitoring of these assets, particularly regarding antisocial behaviour?

Brighton & Hove City Council

Housing Committee

Agenda Item 39(c)

Date of meeting: 16 November 2022

Member Letters

Councillor Barnett to the Chair.

Title: Suggestion of a weekly 'catch up' call between the Housing Department and Police

4 November 2022

Cllr David Gibson
Chair, Housing Committee
Hove Town Hall, Hove, East Sussex. BN3 3BQ

Dear Cllr Gibson,

Member Letter (Procedure rule 23.3): Suggestion of a weekly ‘catch up’ call between the Housing Department and Police

I am writing this letter to put forward a suggestion to improve the communication between the Council and Sussex Police on housing matters.

When I call the Housing Department to talk about serious incidents of antisocial behaviour on the city’s housing estates, I am often told that the Council is unaware of what is going on because ‘they have had no notification from the Police’. This is very frustrating to hear as the residents expect the council to have their finger on the pulse.

If the Council is relying on reports from the Police, then we need to see a much better relationship and flow of information between the Housing Department and the Police force going forward, particularly if we are going to stop some of this antisocial behaviour and drug dealing on the council’s housing estates that is going on.

Is there any way that the Council could arrange for a weekly catch-up meeting between the Housing Department and the Police so that the Council is aware of what is going on? This would help improve lines of communication between the Council and the Police and benefit tenants in the long run.

What do you think of this suggestion?

Yours sincerely,

COUNCILLOR DAWN BARNETT
Councillor for Hangleton & Knoll Ward

Telephone: (01273) 291198
Email: dawn.barnett@brighton-hove.gov.uk
Conservative Councillor for Hangleton & Knoll Ward

Brighton & Hove City Council

Housing Committee

Agenda Item 39(d)

Subject: Use of Council Powers on Housing Estates

Date of meeting: 16 November 2022

Proposer: Councillor Meadows

Seconder: Councillor Barnett

Ward(s) affected: All

Notice of Motion

Conservative Group

This committee:

- 1) Notes that petitioners have urged the Housing Department to use its powers under the Anti-Social Behaviour Crime and Policing Act 2014 to issue criminal behaviour orders and closure notices; to help improve community safety on council housing estates;
- 2) Expresses concern that the council has indicated its current policy is to only use such orders to deal with issues in temporary housing, not full tenancies;
- 3) Recognises the misery caused to residents on some council estates from antisocial behaviour, which could be addressed by a change in this council policy;
- 4) Calls for a report outlining how the Anti-Social Behaviour Crime and Policing Act 2014 could be used to its full extent by the Housing Department to assist council housing estate tenants going forward.

Supporting Information:

<https://www.theargus.co.uk/news/23047654.craven-vale-estate-neighbours-fear-drug-dealers-addicts/>

Brighton & Hove City Council

Housing Committee

Agenda Item 39(d)

Subject: Viability of the Housing Revenue Account

Date of meeting: 16 November 2022

Proposer: Councillor Meadows

Seconder: Councillor Barnett

Ward(s) affected: All

Notice of Motion

Conservative Group

This committee:

- 1) Considers that the Housing Revenue Account should be used solely for the benefit of council tenants and leaseholders in the city;
- 2) Expresses concern that:
 - a. The Housing Revenue Account is increasingly being used by the council used to fund purposes unrelated to the benefit of the majority of tenants and leaseholders;
 - b. Tenants and leaseholders are no longer receiving value for money from their contributions following recent housing policies, including insourcing;
- 3) Calls for a report that assesses the medium-term sustainability and viability of the Housing Revenue Account, with respect to providing services for council tenants and leaseholders, in the context of the above issues.

Supporting Information:

Brighton & Hove City Council

Housing Committee

Agenda Item 40

Subject: 2023/24 HRA Budget Engagement

Date of meeting: Housing Committee 16 November 2022

Report of: Executive Director Housing, Neighbourhoods & Communities

Contact Officer: Name: Martin Reid, Justine Harris, Craig Garoghan
Email: martin.reid@brighton-hove.gov.uk
justine.harris@brighton-hove.gov.uk
craig.garoghan@brighton-hove.gov.uk

Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 The Housing Revenue Account contains the income and expenditure relating to the council's social landlord duties covering the management and maintenance of council-owned housing stock and investment to ensure the that following priorities are addressed; council homes are safe and meet the Brighton & Hove decent homes standard; reduction in the carbon footprint of council housing; increase the number of affordable homes available across the city to help tackle the City's housing crisis.
- 1.2 The report outlines the approach being taken to engage with tenants and leaseholders in the budget setting process, including what has been completed to date and the timeline for further engagement. The focus for setting the 2023/24 Housing Revenue Account (HRA) budget and Medium-Term Financial Strategy (MTFS) will need to be on maintaining the HRA core services in addition to ensuring building safety, fire safety, carbon reduction and Social Housing White Paper priorities and outcomes are acted upon.
- 1.3 The report also sets out the council's response to the rent consultation issued by the Department of Levelling Up, Housing and Communities (DLUHC). This consultation sought views on a new Direction from the Secretary of State to the Regulator of Social Housing in relation to social housing rent policy. It focused on the introduction of a rent ceiling from 1 April 2023 to 31 March 2024, which would act as an upper limit on the maximum amount by which Registered Providers of social housing can increase rents in that year.

2. Recommendations

- 2.1 Housing Committee note the proposed Housing Revenue Account Budget engagement proposals.

2.2 Housing Committee note the council's response to the Government Social Housing Rent Cap consultation.

3. Context and background information

3.1 The HRA contains the income and expenditure relating to the council's social landlord duties covering approximately 11,700 rented properties and 2,900 leasehold properties. The HRA is a ring-fenced account which covers the management and maintenance of council-owned housing stock. This must be in balance, meaning that the authority must show in its financial planning that HRA income meets expenditure and that the HRA is consequently viable.

3.2 Although the HRA is not subject to the same funding constraints as the General Fund, it is a ring-fenced account within the General Fund and still follows the principles of value for money and equally seeks to improve efficiency and achieve cost economies wherever possible. Benchmarking of both service quality and costs with comparator organisations is used to identify opportunities for better economy, efficiency and service delivery.

3.3 Key priorities for the HRA are:

- Improving Housing Supply.
- Improving Housing Quality.
- Improving Housing Support.

3.4 Total budgeted income for the HRA in 2022/23 was £63.9m. This income provides the basis from which the whole service is funded, 87% of the income generated is from tenant rents. DLUHC are consulting on a new Direction from the Secretary of State to the Regulator of Social Housing in relation to social housing rent policy. This focuses on the introduction of a rent ceiling from 1 April 2023 to 31 March 2024, which would act as an upper limit on the maximum amount by which Registered Providers of social housing, including the Council, can increase rents in that year.

3.5 The focus for setting the 2023/24 HRA budget and Medium-Term Financial Strategy (MTFS) will need to be on maintaining the HRA core services in addition to ensuring building safety, fire safety, carbon reduction and Social Housing White Paper priorities and outcomes are acted upon. This will ensure that residents receive the correct level of investment in their homes. The White Paper is on its 3rd reading in the House of Lords, before going through the Commons and the final stages. At this time, we do not have a date for when it is expected to become the Social Housing (Regulation) Bill.

3.6 The rising cost of inflation is having a significant impact on the budget particularly for repairs and maintenance and utilities costs. Inflation for income budgets is likely to be capped following the outcome of the consultation with the Department for Levelling Up, Housing & Communities (DLUHC), that is currently underway, the result of which will mean that the cost of inflation on expenditure budgets will exceed the income inflation,

creating pressures that were not forecast when the MTFs was being set for 2022/23.

- 3.7 It is also anticipated that the investment required from the building safety and fire safety regulations will be significant and will impact capital and revenue budgets. Work continues to quantify this investment and will become clearer as more information is received, including on the secondary legislation required to implement the Building Safety Act following Royal Assent in April 2022. It is likely to be 2023/24 before the Act is fully into force.
- 3.8 In addition, significant investment is projected in carbon reduction measures to achieve net zero and tackle fuel poverty.
- 3.9 Ensuring residents' needs continue to be met and they remain supported throughout the cost-of-living crisis is a priority for the Council. One of the considerations is the impact of inflation on rents. The current rent policy allows for an increase in rents of CPI+1% based on the CPI rate in the previous September. When the current rent policy was set in 2019, inflation was forecast to be around 2% in 2022 and 2023. CPI was 10.1% in September 2022. Under the current rent policy this would permit social housing rent increases from 1 April 2023 to 31 March 2024 of 11.1%.
- 3.10 A consultation was issued by DLUHC for six weeks starting from 31st August 2022. The purpose of this was to consider imposing a ceiling on the rate at which rents can be inflated, the proposed ceiling is 5%, with further views sought on a 3% and 7% ceiling.
- 3.11 A high-level review of the HRA's Medium Term Financial Strategy supported the view that a 5% cap could strike the balance between investing in residents' homes and keeping rent increases to a reasonable level.
- 3.12 The council's response to this consultation can be found in Appendix 1 to this report.
- 3.13 Officers are continuing to put together the HRA budget proposals for 2023/24 which will be presented to Housing Committee in January 2023.

2023/24 HRA Budget - Engagement with Tenants & Leaseholders

- 3.14 The council is committed to ensuring tenants and leaseholders are engaged in the HRA budget setting process ahead of budget decision making which commences with the report to January 2023 Housing Committee.
- 3.15 A Housing Budget Update workshop was held at the tenant and leaseholder City-Wide Conference on 8th October. This included a presentation, which is appended to this report, giving an outline of the current HRA budget and an initial high-level view of: 2022/23 budget setting; budget pressures; service improvements; efficiencies and savings.

3.16 To ensure further tenant and leaseholder engagement in the budget setting process, revenue and capital proposals will be presented to meetings of the Housing Area Panels in December 2022. In addition, we propose to offer a special budget focused meeting for tenants and leaseholders with an invite to Area Panel members. In order to increase the diversity of responses, we also propose to extend invites to a wider group of tenants and leaseholders who engaged with the Community Engagement Team on the recent Area Panel Review consultation. There may also be some scope for smaller group work in partnership with CETS colleagues.

3.17 In addition, members will be offered briefings on the 2023/24 budget proposals in December 2022 in advance of the January committee meeting.

4. Analysis and consideration of alternative options

4.1 Appendix 1 to the report sets out the alternative proposals offered within the DLUHC rent consultation. These options did not strike the correct balance between maintaining investment in homes and supporting tenants.

5. Community engagement and consultation

5.1 Please see paragraphs 3.14 to 3.16 above.

6. Conclusion

6.1 The report is for the committee to note the progress on engaging with tenants and leaseholders in relation to the 2023/24 HRA budget setting process. Decisions on the final budget proposals will be made at the January Housing Committee meeting.

7. Financial implications

7.1 There are no direct financial implications as a result of this report. The 2023/24 HRA revenue and capital budget proposals will be presented in full to Housing Committee in January 2023 and subsequently Policy & Resources Committee and Full Budget council in February 2023.

Name of finance officer consulted: Craig Garoghan Date consulted:
01/11/2022

8. Legal implications

Area Panels' current Terms of Reference include consideration of reports relating to budgets and major repairs programme development. The proposal to use Area Panels to further consult tenants and leaseholders on the 23/24 budget is compatible with the council's constitution.

Name of lawyer consulted: Liz Woodley Date consulted 31/10/22

9. Equalities implications

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

10. Sustainability implications

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

11. Other Implications

Financial risks have been assessed throughout the development of the council's HRA annual budget, Medium Term Financial Strategy and 30 year financial forecast. A number of key sensitivities and scenarios continue to be reviewed to ensure that the service understands the business impact of decision making. These will be covered in detail when the 2023/24 HRA revenue and capital budget proposals are presented in full to Housing Committee in January 2023 and subsequently Policy & Resources Committee and Full Budget council in February 2023.

Supporting Documentation

1. Appendices

1. Appendix 1 – Council response to the DLUHC rent consultation.
2. Appendix 2 - City Wide Assembly presentation, 8th October 2022.

Response template: Social Housing Rents consultation

If you are responding to this consultation by email or letter, it would assist us greatly if you could use the following template for your response.

What is your name?	Craig Garoghan
Are you replying as an individual or organisation?	Organisation
What is the name of your organisation (if applicable)?	Brighton & Hove City Council
What is your position in the organisation (if applicable)?	Principal Accountant
What is your address, including postcode?	3 rd Floor Bartholomew House, Bartholomew Square, Brighton. BN1 1JE
What is your email address?	craig.garoghan@brighton-hove.gov.uk
What is your contact telephone number?	01273 291262

Consultation questions

Question 1: Do you agree that the maximum social housing rent increase from 1 April 2023 to 31 March 2024 should be subject to a specific ceiling in addition to the existing CPI+1% limit? To what extent would Registered Providers be likely to increase rents in that year if the government did not impose a specific ceiling?

- Yes
- No
- Maybe

Comment:

If a specific ceiling is not imposed, careful consideration would need to be given to the potentially significant impact of any increase in rents to the existing CPI + 1% limit during 2023/24 on tenants in lower wage employment and / or not solely reliant on benefits to cover their rent and eligible service charges

In principle a rent cap, depending upon the ceiling set, could balance the need to support tenants during this time of the rising cost of living, including rising energy bills and general inflation, against the need to maintain our investment in our council homes and manage current inflationary pressures facing the council.

Our Housing Revenue Account Budget Strategy anticipates significant investment requirements in our homes to comply with legal and regulatory changes following the post Grenfell tragedy review of building safety through the Building Safety Act, Fire Safety Act and proposals that will change how social landlords operate encompassed in the Social Housing Regulation Bill.

Our Budget Strategy also plans for increased investment in carbon reduction measures to achieve net zero and tackle fuel poverty in order to provide our tenants with more energy efficient homes, improving their health & wellbeing and saving money on their rising energy bills.

As outlined below, depending on how any proposed rent cap is applied, the council will be at risk of foregoing significant income at a time of:

- Post Covid recovery, tackling backlogs of outstanding works;
- Increasing inflationary pressures on the HRA;
- Requirements to invest in post Grenfell health & safety improvements to our homes;
- Need to reduce carbon emissions and tackle fuel poverty.

Question 2: Do you agree with imposing a ceiling of 5%, or are there alternative percentages that would be preferable, such as a 3% or 7% ceiling? Do you have any comments or evidence about the potential impact of different options, including of the 3%, 5% and 7% options as assessed in our Impact Assessment (Annex D)?

Yes, you agree with imposing a ceiling of 5%

No

Maybe

Comment:

In applying a rent cap increase during 2023/24, tenants who pay their rent without assistance with benefits to support housing costs or who receive partial support will see a direct benefit that will assist them in coping during the cost of living crisis. A rent increase that is in line with the current CPI+1% policy may also prove a disincentive to some tenants who may be in a position to return to work or increase their employment hours.

For those tenants that are in receipt of benefits the impact of the increase will be minimized by the fact Housing Benefits would uplift at the same rate. Therefore this is income which the authority is foregoing to invest in the tenants' homes in future years.

Imposing a ceiling of 5% has significant implications on the funds available to invest in tenants' homes over the next 5 years. On current estimates not applying the

CPI+1% policy would mean c.£15m would be lost in cumulative income over a five year period. It would take up to year three of the medium term plan to start recovering from this position.

A 3% cap would further hinder the investment required and would start to impact on the service delivery within the HRA, with decisions around key services to support tenants needing to be made. This cap would increase borrowing needs further in the HRA which at the moment with interest rates rising would create additional pressures within the revenue resources unforeseen at the time of setting the current year's budget and medium term financial strategy. It would be a number of years before the HRA would start to recover from this income being lost and get back to the level of investment that is required.

A 7% cap would see a drop in income in year one of the medium term plan which would need to be funded from within the current budget envelope, however it would allow for recovery a lot sooner than the 5% cap does, ensuring the HRA remains viable and able to increase the investment required whilst keeping the cost of the rent increase below the estimated inflation for September 2022.

Whilst a 5% and 7% increase in income is above the forecast CPI rate for 2022 at this time last year, the rate of inflation on labour, materials, and contractual costs, including CPI increases built into some of our contracts was not anticipated to be at this level last year and so is creating a significant pressure when setting the 2023/24 budget position. In addition to this, the increased investment required to ensure compliance with the Building Safety Regulations, Fire Safety Regulations, the outcome of the Social Housing White paper and carbon reduction measures to achieve net zero and tackle fuel poverty are creating pressures on the HRA business plan over the medium term.

These pressures are also being felt at a time when the authority is still recovering from Covid related backlogs, including relating to voids, routine repairs, and income recovery.

It is understood that the Government intends to consult in 2023 on rent policy from 2025/26 onwards though the scope of this is not within this consultation. There should be scope as part of this consultation that any lost income could be recovered in the medium term plan to help maintain a viable Housing service that is providing the investment required to keep residents safe and provide good quality homes. This could be through providing government grant to replace the lost income.

The cumulative impact of the 4 year rent reduction between financial years 2016/17 and 2019/20 should also be noted. This saw a reduction in rent of c.£0.500m per annum, removing c.£2.000m from the base rent in the medium term. The longer term impact means that any uplift in rent is from a lower base and therefore reduces the resources available for investing in tenants' homes.

Question 3: Do you agree that the ceiling should only apply to social housing rent increases from 1 April 2023 to 31 March 2024, or do you think it should apply for two years (i.e. up to 31 March 2025)?

Yes, you agree that the ceiling should only apply to social housing rent increases from 1 April 2023 to 31 March 2024

No

Maybe

Comment:

Applying this for a second year without knowing the full implications of the economic environment in 12 months' time would potentially further restrict investment available. On current estimates a further £2.4m would be lost in cumulative income if the rent was capped at 5% for two years. It would then mean that recovery from this income cap would stretch beyond five years. The Government are planning on consulting on the rent policy from 2025/26 during 2023, so any further consideration of a rent cap could form part of that consultation.

Question 4: Do you agree that the proposed ceiling should not apply to the maximum initial rent that may be charged when Social Rent and Affordable Rent properties are first let and subsequently re-let?

Yes

No

Maybe

Comment:

Applying a cap on new rents that are set subject to the current market conditions will potentially reduce the income upon which new homes business cases have been built. Controls are already in place that ensure the council are setting rents appropriately. This includes ensuring new build homes are valued 3 months before setting rents.

It should be noted that the impact of not applying any proposed ceiling to properties on first let and relet will be limited given the small proportion of homes this would apply to overall.

There may also be equalities impact assessment implications if there is a disproportionate impact on any particular groups.

Question 5: We are not proposing to make exceptions for particular categories of rented social housing. Do you think any such exceptions should apply and what are your arguments/evidence for this?

Yes

No

Maybe

Comment:

While there may be the case to make an exception for our Seniors Housing or other homes subject to more intensive housing management costs that would be reflected in our rents, and where a cap could have a disproportionate impact, we anticipate that there would be equalities issues around application of a more significant rent increase to homes occupied by some of our most vulnerable households while applying a rent cap to our general needs homes.



Brighton & Hove
City Council

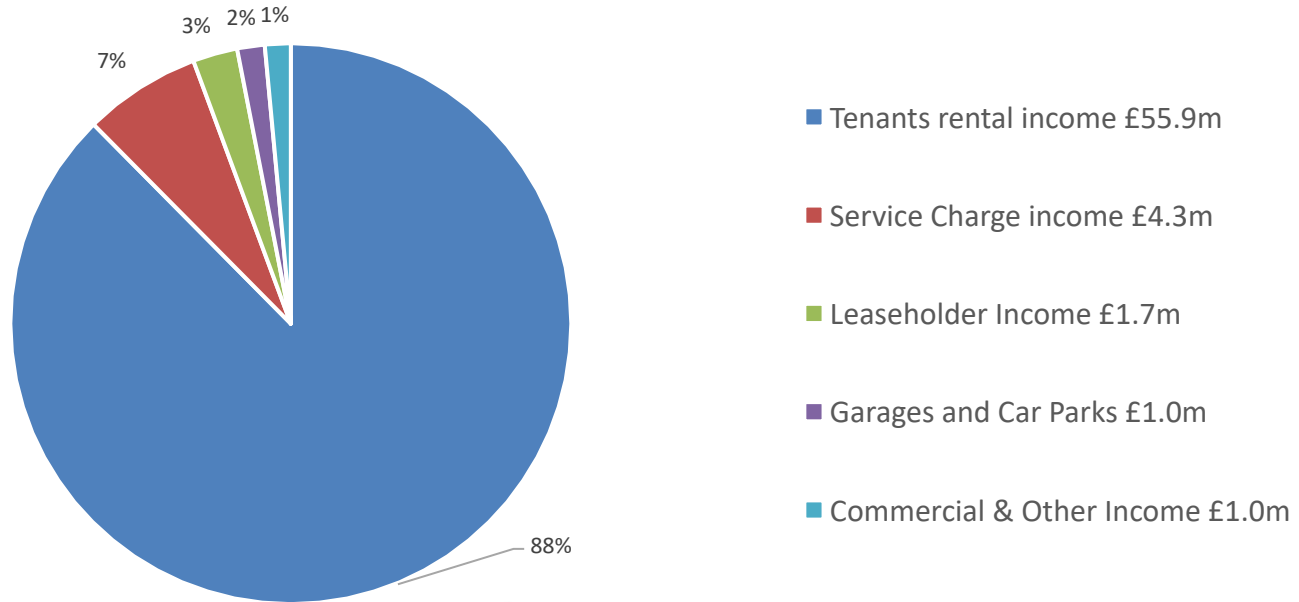
Housing Revenue Account 2023/24 Budget Setting

What is the HRA?

- Housing Revenue Account (HRA) is a ringfenced landlord account separate from the council's other budgets
- The HRA contains the income and expenditure relating to the council's social landlord duties (i.e. management and maintenance of council homes) of approximately 11,700 freehold properties and 2,900 leasehold properties.
- The HRA is made up of a revenue account to support the day to day activities of housing management and a capital account to support the longer term development of homes

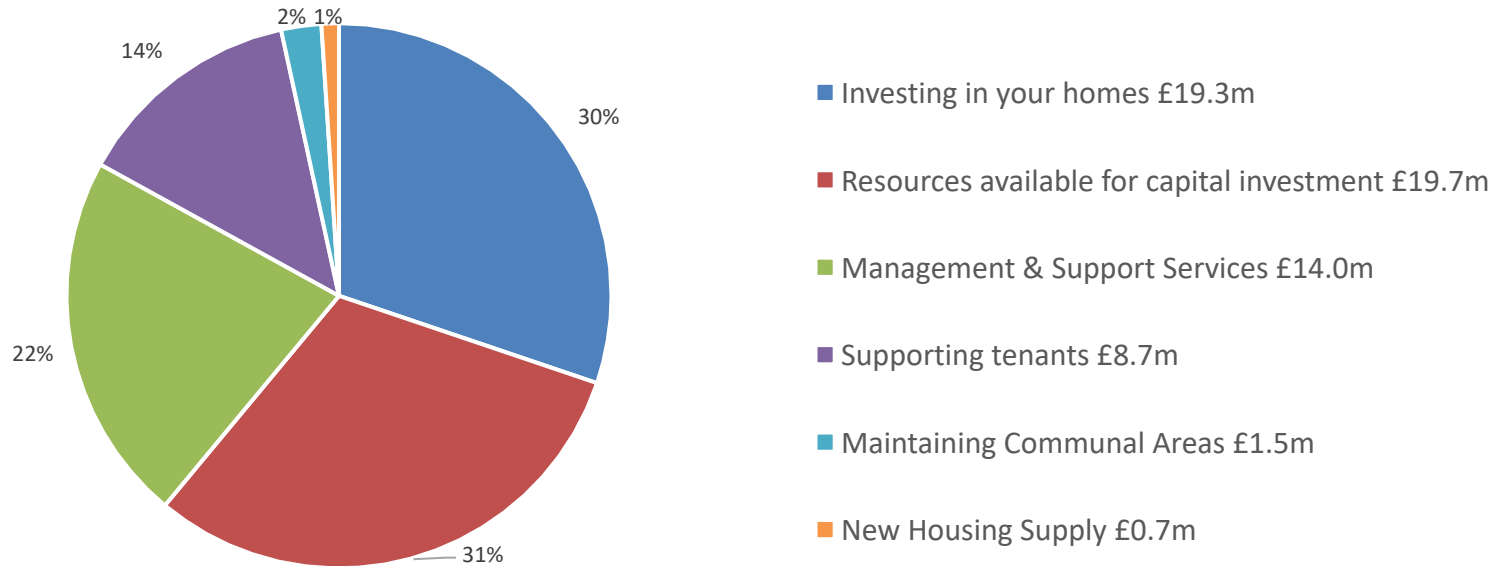
Where does the money come from?

The council expects to receive £63.9m during 2022/23 to be spent within the HRA:



Where is the money spent?

The council plans to spend £63.9m of revenue resources in 2022/23 on:



Capital Investment in tenants homes

- The HRA has a capital programme for the longer term investment in homes.
- At the beginning of 2022/23 £29.8m was planned to be spent. Investing in the following areas:
 - Improving Housing Quality – £20.4m
 - Sustainability and Carbon reduction – £4.8m
 - Tackling inequality – £3.0m
 - Supporting a well run city – £1.6m
- This investment is funded by:
 - Revenue resources – £19.7m
 - Borrowing – £9.1m
 - Capital receipts – £0.8m
 - Grant – £0.2m

New Housing Supply capital programme

- To help tackle the housing crisis the council has a target to deliver 800 additional council homes as one of its key priorities.
- New build, Home Purchase and Hidden Homes
- These investments are funded from various sources:
 - Borrowing supported by new rental income
 - RTB receipts and other capital receipts
 - Government Grants

2023/24 Budget Setting

- Starting position is the 2022/23 budget
- Rent increases – subject to the Government consultation outcome
- Inflation on services, labour, materials and contracts
- Any new costs or ‘Service Pressures’
- Any reductions in current costs – savings or efficiencies

Budget Pressures

- Rising inflation
- Cost of living crisis
- Building Safety Regulation compliance
- Fire Safety Regulation compliance
- Impact of Social Housing White Paper
- Carbon Reduction measures achieve net zero and tackle fuel poverty

Service Investments

- Short term investment required to continue clearing Covid related backlogs including responsive repairs and empty properties
- Increased support for residents and communities
- Investment in reducing Anti-Social Behaviour
- Improvements of estates and neighbourhoods

Efficiencies & Savings

- Review of contracts and procurement arrangements to achieve best value
- Investment in ICT software to improve services for tenants
- Keep running costs under regular review
- Maximise income collection for reinvestment

Brighton & Hove City Council

HOUSING COMMITTEE

Agenda Item 41

Subject: New Homes for Neighbourhoods - Eastergate Road
Former Garage Site Redevelopment

Date of meeting: 16 November 2022 – Housing Committee
1 December 2022 – P&R Committee

Report of: Housing, Neighbourhoods & Communities

Contact Officer: Name: Paul Dalton
Tel: 07824 867027
Email: paul.dalton@brighton-hove.gov.uk

Ward(s) affected: Moulsecoomb & Bevendean

For general release

1. Purpose of the report and policy context

- 1.1 Improving housing supply, including through building new council homes, is a priority in the council's Housing Strategy and essential if City Plan housing targets are to be met and the city's housing crisis tackled. The council's New Homes for Neighbourhoods (NHFN) programme addresses this undersupply by identifying suitable vacant land and infill sites to develop new homes across the city.
- 1.2 To support the council's aims, this report seeks approval to progress the former garage site at Eastergate Road to the end of the pre-construction phase, to include design work up to the Royal Institute of British Architects (RIBA) Stage 4, and clearance of the site.
- 1.3 The project is due to be delivered using off-site Modern Methods of Construction (MMC). Since companies who can deliver off-site construction are likely to have bespoke systems, it is essential that the council can procure under a Design & Build contract. This contract will be phased, so that the council will not be committed beyond the design stage, without further budget approval.
- 1.4 A further report will follow for June 2023 Committees, requesting a budget for the construction phase of the project. A detailed project budget and financial appraisal will accompany the report.

2. Recommendations

- 2.1 That Housing Committee:
 - 2.1.1 Approves the recommendation of the Procurement Advisory Board (PAB) on 17 October 2022 that the main contractor is procured by Direct Award from an appropriate public sector procurement Framework, or by restricted tender.

2.1.2 Delegates authority to the Executive Director for Housing, Neighbourhoods & Communities to take all steps necessary to procure and award contract(s) for design work to the end of RIBA Stage 4 (Technical Design), this to include construction works (commitment to progress works will be dependent on further budget approval) at the former garage site, Eastergate Road.

2.2 That Policy & Resources Committee:

2.2.1 Approves a budget for the former garage site at Eastergate Road of £293,000 to allow the completion of design work to the end of RIBA Stage 4 (technical design), and for site clearance works, financed by a mixture of HRA borrowing and Brownfield Land Release Fund (BLRF) grant.

3. Context and background information

Introduction

3.1 This scheme will provide move-on accommodation for young people with low level support needs, helping bridge the gap between medium/high support housing and independent living. It will assist the council in its aim to deliver 800 additional council homes.

The Site

3.2 The site is a former garage site in the ownership of the council's Housing Revenue Account (HRA). It is currently used informally by the council's Housing Repairs team for the occasional parking of repairs vehicles.

3.3 The council previously agreed to lease the land to YMCA DLG who planned to develop the land to provide up to 30 self-contained studio units of 'transitional' move-on housing for young people with low support needs. The project, under this guise, was approved at Housing Committee in June 2017, and Policy & Resources Committee in July 2017 and December 2020.

3.4 YMCA DLG were granted planning permission on 2 October 2020 but pulled out of their role as developer in 2021. Following this decision, the council's Housing Team undertook a review of the site. Officers determined that there was still a need for this type of supported housing scheme for young people in the city. Consequently, the site was passed to the Estate Regeneration team.

Management of the Scheme

3.5 It is intended that the completed scheme will be managed by YMCA DLG. Officers are in discussion with YMCA DLG to agree lease Heads of Terms (HoT).

- 3.6 Should terms not be agreed with YMCA DLG, the council will consider partnering with another suitable Registered Provider of Social Housing (RP, or management of the scheme in-house.
- 3.7 The scheme will not be reliant on council revenue funding. Management costs will be covered within rent and service charge income.
- 3.8 The council will take a cautious approach to expenditure on design work until a service provider is confirmed. This may mean limiting some areas of design that could be considered bespoke to one service provider. Design development will focus on flexibility and adaptability of spaces.

Design

- 3.9 The designs that were submitted with the planning application were completed by HKR Architects, who were instructed by YMCA DLG who consulted widely with the intended client group (Appendix 1).
- 3.10 The council's appointed consultant, Modular Buildings Consultants Ltd, are currently reviewing the design to look for efficiencies that will improve the financial viability of the scheme. This work will continue with the appointed main contractor during the detailed design stage. Any variations to the design and original drawings will be shared with Planning officers at the earliest opportunity to determine whether these would be acceptable to the Local Planning Authority. This would be followed by a formal submission to vary the planning permission.
- 3.11 It is possible that the work to find greater efficiencies will produce an option for the site where the total number of units is less than the approved scheme of 30 units.
- 3.12 YMCA DLG had originally intended the scheme to be built using Modern Methods of Construction (MMC). When viability became challenging, they switched to a more traditional build and gained support from P&R Committee for this in December 2020. Since then, the Modular and Panelised housing market has grown and so the council would like to re-test the current market to see whether MMC can deliver a more cost-effective scheme at Eastergate Road.
- 3.13 By considering MMC, including Modular and Panelised buildings, some of the geographical constraints of the site are likely to be overcome. The project can also act as originally intended, as a pilot scheme, for the use of off-site construction methods in the delivery of the New Homes for Neighbourhoods programme.

Modern Methods of Construction

- 3.14 Since the council are pursuing an off-site building solution, it is vital that a Design and Build contract is awarded. Providers of modular and panelised systems are likely to have bespoke systems, so that contracting the detailed design and the construction separately is not suitable.

- 3.15 The council's Procurement team have advised that a Design and Build package can be procured, awarding the contract with break clauses included at key milestones e.g. planning approval of design amendments, and prior to construction, so that the council is not committed should the project not proceed to the next phase.

Sustainability

- 3.16 Using MMC reduces the amount of embedded carbon, compared to a traditional build by up to 45%. Sustainable technologies and materials will be built into the tender specification. A fabric first approach will be adopted to reduce energy demand and operational carbon emissions. It is intended that air source heat pumps and solar photovoltaics are installed in this scheme.
- 3.17 The building will be designed so it can be easily dismantled and re-used or recycled in line with the council's circular economy principles. The ability to meet the council's sustainability targets will be scored at a minimum of 10% of the Quality criteria when procuring the main contractor.

Project Delivery and Timescales

- 3.18 Indicative project timescales (subject to change) are as follows:

- Procurement for site clearance February 2023
- Procurement of main contractor April 2023
- Final scheme budget approval June 2023
- Site clearance works June 2023
- Enabling & groundworks August 2023
- On site works start September 2023
- On site works end February 2024

- 3.19 Due to the nature and size of this project there are a limited number of companies who will be suitable to act as the main contractor. It is therefore proposed to procure the main contractor by Direct Award from an appropriate public sector procurement Framework, or by restricted tender. At PAB on 17 October 2022, it was recommended that Housing Committee approve these procurement options.
- 3.20 The small size and constrained nature of the site and the proposed method of construction rules out the procurement of the Strategic Construction Partnership and traditional building companies, unless they have demonstrable experience of partnering with a Modular or Panelised Build Specialist.
- 3.21 Initial high level cost information suggested build costs might be lower by using a panelised system (where building panels are made off-site and fitted together on-site). However, market testing has demonstrated a lack of interest from this sector due to the project size. Most builders of panelised housing will only consider projects of 100 units or more. This is, in part, due

to a shortage of on-site construction labour, and the difficulty in recruiting for a short build period.

- 3.22 Officers will not rule out this method of construction, but it is likely that the council will proceed with a modular build.
- 3.23 It is necessary to continue progress on this scheme, to keep it on programme. Planning permission will lapse on 2 October 2023 and BLRF grant requires above ground building to commence no later than 31 March 2024.

Financial Modelling and Rent Policy

- 3.24 Officers have undertaken market testing of the construction market and have begun discussions with Homes England regarding capital funding grant, and YMCA DLG regarding management of the completed scheme. The conclusion of these discussions will enable a full project budget and financial appraisal to be produced and presented with a report seeking approval for the final budget to include the construction phase.
- 3.25 The rent that the tenants will be charged is capped, under a planning condition, at the lower of Affordable Rent, defined as 80% of market rent, or the 1-bedroom rate of LHA for this type of accommodation.
- 3.22 Table 1 outlines the budget for the pre-construction phase of the project.

Table 1 – Estimated Pre-construction Costs

Cost Item	£'000
Surveys & Designs to RIBA Stage 4	220
Contingency 10%	22
Demolition, site clearance, hoarding	25
Contingency 20%	5
Consultancy fees	21
Total Costs:	293
Funded by:	
Brownfield Land Release grant	30
HRA Borrowing	263
Total Funding	293

4. Analysis and consideration of alternative options

- 4.1 Since YMCA DLG pulled out of the developer role, the council has considered options for this site.
- 4.2 The planning permission is not explicit about who can occupy the completed scheme. The accommodation is suitable for single people for up to two years, but there are no restrictions on age or other characteristics. The scheme could therefore be adapted to fit different client groups.

- 4.3 If agreement to partner with YMCA DLG cannot be reached, the council will consider working with other housing service providers. They will have the opportunity to influence design development.
- 4.4 General Needs housing was explored but rejected on the grounds of viability and suitability on this very constrained site.
- 4.5 The land could be sold to a private developer. However, this is likely to result in housing for private sale being built, which will not meet the council's objective of increasing affordable housing supply.
- 4.6 Alternatively, the council could do nothing and leave the land as it is or level the site to use it for vehicle parking, for example, by the Housing Repairs service. However, this would not be a productive use of an HRA asset.

5. Community engagement and consultation

- 5.1 YMCA DLG carried out extensive community consultation before they achieved planning permission. There was also a statutory consultation as part of the planning process.
- 5.2 Key Officers, Ward Councillors and Lead Members have been informed of the plan for the council to build the planning approved supported housing scheme.
- 5.3 Should committee approve the commencement of the project, officers will continue consultation with these parties and will reopen consultation and communication with the local community, including residential and commercial neighbours, and community groups.

6. Conclusion

- 6.1 This project will deliver up to 30 homes for rent, providing much needed 'transitional' move-on housing for young people with low level support needs, helping bridge the gap between medium/high support housing and independent living. It will assist the council in its aim to deliver 800 additional council homes and will make productive use of a long-standing empty site.
- 6.2 By approving a budget to take this project through to the end of the pre-construction phase, it enables the council to procure a main contractor and keep the project delivery on timetable.

7. Financial implications

- 7.1 If recommendation 2.2.1 is approved the £0.293m budget request to reach RIBA Stage 4 will be added to the 2022/23 HRA capital programme. Funding for this budget will come from Brownfield Land Release Funding and HRA borrowing as outlined in table 1 of the main report.
- 7.2 The council has already received the £0.233m of Brownfield Land Release Funding to apply to this scheme, with only £0.03m eligible to be applied up

to this stage. The balance remaining of £0.203m from the grant will be carried forward to fund the main construction works of the homes.

- 7.3 With the expectation that this project proceeds, the long-term financing costs will be funded by the new rental income generated from the lease arrangement with YMC DLG or another provider. However, short-term financing costs will need to be met from within existing resources.
- 7.4 The total budget approved as part of this report will form part of the overall costs for the development and will be included in the financial appraisals undertaken and presented alongside the full budget request in June 2023.
- 7.5 At this stage the costs are being incurred at risk to the HRA. Should the project not proceed beyond RIBA stage 4, the costs incurred up to that point will be sunk costs for the HRA with the associated financing costs needing to be funded from existing HRA revenue resources in the long term.

Name of finance officer consulted: Craig Garoghan

Date consulted:19/10/22

8. Legal implications

- 8.1 As a local housing authority, the council has power under the Housing Act to provide housing accommodation. Acts incidental to the exercise of that power are also within the council's powers. The recommendations in section 2 of the report are appropriate.

Name of lawyer consulted: Liz Woodley Date consulted 20/10/22

9. Equalities implications

- 9.1 An Equalities Impact Assessment has been carried out for the New Homes for Neighbourhoods programme and actions are built into the project management procedures.
- 9.2 Nominations to the housing will be split 50/50 between the council and YMCA DLG. The council will do so in consideration of their equalities policy. YMCA DLG have an equalities policy in place, and this has already been approved by the council, as the parties have an existing working relationship.

10. Sustainability implications

- 10.1 The scheme has been designed to high sustainability standards. Air source heat pumps and solar PV are to be installed. Modular buildings offer considerable embedded carbon savings, when compared to traditional building methods.
- 10.2 Heating demand will be kept low by taking a fabric first approach, insulating well, and focusing on air tightness. It is likely that a mechanical ventilation heat recovery (MVHR) system will be included and will help keep flats warm

while improving air quality. Modular buildings are designed to be easily disassembled, in keeping with the council's circular economy principles.

11. Other Implications

Social Value and procurement implications

- 11.1 The procurement of the main contractor to deliver this project was considered at the PAB held on 17 October 2022. That board recommended to Housing Committee that they delegate authority to the Executive Director of Housing to procure a main contractor and recommended to P&R Committee that they approve a project budget.
- 11.2 The report to PAB addressed social value within the procurement process for appointing a main contractor. Social value will make up a minimum of 10% of the quality score and will also address the provision of local employment opportunities. However, it should be born in mind that off-site construction often takes place outside of the local area and therefore might not generate significant local employment opportunities. However, the employment that is generated will be within a cutting-edge growth sector of the construction industry.

Crime & disorder implications:

- 11.3 The vacant land at Eastergate Road may attract anti-social behaviour, such as fly tipping. By bringing the land into active use, opportunities for others using the land in this way are significantly reduced. YMCA DLG's aim is for young people to belong, contribute and thrive in their local communities. The tenants living at the scheme will be local to Brighton and will be integral members of their community. YMCA DLG will proactively manage any issues that do arise within the scheme.

Public health implications:

- 11.4 The young people supported by YMCA DLG, on average, have lower attainment when compared with the general population, in things like health, wealth, education and employment. By giving people a home and supporting them at a pivotal time of their lives, the life and health chances of those people living at the scheme, are improved.

Supporting Documentation

1. Appendices

1. Eastergate Road Drawings

Eastergate Road Former Garage Site

75











Subject:	Charles Kingston Gardens Lease Acquisition	
Date of Meeting:	16th November 2022	
Report of:	Executive Director for Housing, Neighbourhoods and Communities	
Contact Officer:	Martin Reid Craig Garoghan	Tel:
Email:	martin.reid @brighton-hove.gov.uk craig.garoghan @brighton-hove.gov.uk	
Ward(s) affected:	Patcham	

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

- 1.1 Clarion Housing Association Limited (Clarion) hold a long lease on Charles Kingston Gardens, Brighton, a building consisting of 18 sheltered flats directly adjacent to Elwyn Jones Court, a council seniors housing scheme. Brighton & Hove City Council are the building freeholder.
- 1.2 Clarion wish to surrender the long lease on Charles Kingston Gardens for a premium. This report seeks approval for Housing Committee to delegate authority to the Executive Director Housing, Neighbourhoods and Communities to accept a surrender of the long lease on Charles Kingston Gardens from Clarion facilitating its use as council seniors housing.
- 1.3 If Housing Committee approve this recommendation, this proposal would proceed as a small-scale stock transfer, subject to consultation with the existing Clarion tenants, who if in agreement would remain in their homes, becoming Brighton & Hove City Council tenants.
- 1.4 This report sets out the implication of the stock transfer and how this proposal aligns with the council's strategic housing priorities.

2. RECOMMENDATIONS:

- 2.1 Housing Committee recommends that Policy & Resources Committee delegate authority to Executive Director Housing, Neighbourhoods & Communities to accept a surrender of the long lease on Charles Kingston Gardens from Clarion Housing Association Limited to use as seniors housing, subject to all further enquiries to be carried out proving satisfactory.
- 2.2 That Housing Committee recommends to Policy & Resources Committee that the Council makes an offer of up to the agreed sum and approves a budget line to be included in the 2022/23 HRA Capital Programme detailed in the Part 2 report.

That Policy & Resources Committee:

- 2.3 That Policy & Resources Committee delegate authority to Executive Director Housing, Neighbourhoods & Communities to accept a surrender of the long lease on Charles Kingston Gardens from Clarion Housing Association Limited, to use as seniors housing subject to all further enquiries to be carried out proving satisfactory.
- 2.4 Approve that the Council makes an offer of up to the agreed sum and approves a budget line in the 2022/23 HRA Capital Programme detailed in the Part 2 report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Charles Kingston Gardens is situated next to a Council owned seniors' housing scheme, Elwyn Jones Court, at South Woodlands, Brighton.
- 3.2 The existing 125-year lease on the building was granted by Brighton Borough Council to Sutton Housing Trust in July 1992 for the provision of housing for older people. The Trust entered into a lease with the Council to convert the building into 18 self-contained sheltered flats with the Council providing a warden service to the tenants broadly equivalent to the council tenants of Elwyn Jones Court. This was through a service level agreement that was amended in 2011 to include shared laundry services across both buildings.
- 3.3 The building consists of 16 x 1 bedroom flats and 2 x 2 bedroom flats arranged over two storeys. Most homes are currently occupied.
- 3.4 The Council also retained nomination rights for as long as the Trust held the property in ownership. Clarion acquired the long lease through a merger and transfer of assets in 2016. The Council retain nomination rights to these homes.
- 3.5 Clarion has rationalised its property portfolio in the city and wishes to surrender the long lease on Charles Kingston Gardens to the Council for a premium. This would provide the opportunity for the Council to gain a site of 18 existing homes for much needed residential units 95 years before the lease expires.
- 3.6 Subject to formal stock transfer consultation by Clarion, the transaction will also see the transfer of the current residents to the Council to become part of the HRA Seniors Housing service.
- 3.7 Charles Kingston Gardens is directly adjacent to Council owned seniors housing, Elwyn Jones Court, and its residents have to date benefitted from some of the Seniors Housing services the Council provides to Elwyn Jones Court residents. There is potential for further benefits for the residents by bringing services to these two buildings together.

Alignment with strategic priorities

- 3.8 Housing demand, rising private sector rents and the current cost of living crisis have had an adverse effect on affordability of housing in the city. A key strategic aim for the Council is therefore to increase the supply of Council housing in the

city which meets the needs of current and future residents. This is supported by targets set out in the Housing Committee Work Plan 2019-23.

- 3.9 Seniors Housing also provides a highly valuable resource in the city helping to build strong communities and allows residents to maintain a level of independence for longer. The Older People Housing Needs Assessment completed in 2019 identified a need and demand for more quality, well designed older people's housing in the city. These findings also aligned with the independent review completed by Design South-East which identified areas of improvement required in the council's own seniors housing stock against contemporary standards of good design.
- 3.10 Acquiring this site would bring a further 18 homes into council ownership with any empty properties let via the Council's Housing Register further helping to meet housing need. Good quality seniors housing, with the council's Seniors Housing service offering comprehensive and consistent service to residents across both Elwyn Jones Court and Charles Kingston Gardens, can help residents live independently for longer and provide an opportunity for encouraging council tenants under-occupying larger homes elsewhere to downsize. Once in the Council's portfolio the scheme will also benefit from future improvements and investment in the homes to ensure the accommodation meets good standards of design.
- 3.11 There are also wider opportunities due to the proximity to Elwyn Jones Court with investment opportunities across the overall site and potential economies of scale achieved in considering the delivery of carbon zero measures and upgrades across Elwyn Jones Court & Charles Kingston Gardens aligned to our emerging HRA Asset Management Strategy. Charles Kingston Gardens can be considered within outline plans for Elwyn Jones Court for new low carbon heating and hot water provision alongside any required insulation improvements and low energy lighting upgrades.

Financial appraisal

- 3.12 The financial appraisal contained in Part 2 of this report is based on the surrender of the lease by Clarion so that the property reverts to the Council as freeholder, with the Council paying a premium for the surrender of the lease. including provision for funding the cost of any works required on Charles Kingston Gardens and bringing the rent and service charges for residents in line with the charges at Elwyn Jones Court.
- 3.13 Standard Council 60-year NPV financial appraisals have been undertaken with regards to the surrender of the lease at Charles Kingston Gardens. The latest appraisal considers the capital investment costs, rental income and on-going management and maintenance costs to ensure the properties remain in a good state of repair over a 60-year period. The appraisal concludes that over a 60-year period the council could invest the sum included in Part 2 of this report in acquiring the lease without requiring additional investment from current HRA revenue resources.

- 3.14 The financial appraisal includes some risks, including risks related to the current economic market where inflation continues to increase and supply of materials remains uncertain and assumptions around the costs of zero carbon works.
- 3.15 The full financial appraisal is included in the confidential Part 2 of this report.

Weekly Rent and service charges

- 3.16 Council proposals include Charles Kingston Gardens being grouped with Elwyn Jones Court and the rents set the same, as they are adjacent properties.
- 3.17 Service charges would also be equivalent to those which tenants are charged at Elwyn Jones Court. Tables 3 and 4 below provides a comparison of Clarion rents and service charges against the proposed rents and service charges. It is important to note that all charges included in the table below will attract Housing Benefit. If the lease surrender is not approved a review of the current services will need to be undertaken to ensure all costs are being recovered, this could be in the form of a Intensive Housing Management charge being implemented.

Table 3 - Net Rent comparison			
Property Type	Average 2022/23 BHCC Net rents £	Average 2022/23 Clarion Net Rents £	Variance £
2 Bed Bungalow	92.10	107.45	(15.35)
1 bed Flat	77.17	94.03	(16.86)

Table 4 - Service Charge comparison			
Property Type	Average 2022/23 BHCC service charges £	Average 2022/23 Clarion Service Charges £	Variance £
2 Bed Bungalow	42.21	9.75	32.46
1 bed Flat	42.21	12.51	29.70

Timeline

- 3.18 If the report recommendation is agreed, and subject to formal consultation by Clarion with the current tenants of Charles Kingston Gardens, the target date for the formal transfer is Monday 3 April 2023.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 **Option 1:** Not proceed with accepting lease surrender.
- 4.2 This option would constrain the Council from delivering a comprehensive and consistent service offer to all residents of Elwyn Jones Court and Charles Kingston Gardens. Not to proceed may also risk the Council missing an opportunity to increase overall housing stock and to consider investment and improvements across this combined site in line with our emerging HRA Asset Management Strategy, particularly with regard to achieving zero carbon and increasing housing quality and supply. Not proceeding would also necessitate the council reviewing the current services provided to Clarion residents at Charles Kingston Gardens by the council’s Seniors Housing service to ensure all costs are covered.
- 4.3 **Option 2:** Subject to remaining due diligence and formal resident consultation, agree to the surrender of the lease for a premium, and then extend the council’s Seniors Housing service to Charles Kingston Gardens.
- 4.4 This option avoids the potential for the lease being sold on the open market by the current leaseholder to a third party. This option would be in line with the council’s Housing Strategy aim to increase housing supply, as well as the priority of the Council to increase the availability of housing at social rent levels within the city. In addition, this option would enable the council to consider investment and improvements on this combined site (alongside Elwyn Jones Court) in line with our emerging HRA Asset Management Strategy, particularly with regard to achieving zero carbon and increasing housing quality and supply. The council’s Seniors Housing service would also be in a position to offer comprehensive and consistent service to residents across both Elwyn Jones Court and Charles Kingston Gardens.
- 4.5 Strengths, Weaknesses, Opportunities & Threats (SWOT) analysis for Option 2:

Strengths	Weaknesses

<p>Leaseholder is interested in surrendering the lease.</p> <p>Potential lease surrender terms appear reasonable to the Council.</p> <p>The building condition and age of construction is favorable to enable cost effective repairs and improvements including adaptations & sustainability initiatives.</p> <p>Accessible location, increasing the HRA's capacity of much needed accessible housing.</p> <p>Resources are available to accept surrender of the lease.</p> <p>Clarion are unable to offer a Seniors Housing service at this site. BHCC can support residents by extending services from Elwyn Jones Court.</p>	<p>Residents may feel a move to BHCC may leave them financially out of pocket if a new service looks expensive.</p> <p>The proposed purchase of the scheme is on an existing use basis with current tenants in situ. This limits consideration of alternative any uses for the site and the number of vacant homes to meet seniors housing needs available at this time. As of 4th November 2022, there are two empty and 16 tenanted homes at Charles Kingston Gardens.</p>
Opportunities	Threats
<p>Potential to provide a whole site Seniors Housing service.</p> <p>Contributes to the council's strategic Housing objectives, including opportunities to:</p> <ul style="list-style-type: none"> • Increase our overall housing stock. • Invest across this combined site in line with our emerging HRA Asset Management Strategy, particularly with regard to achieving zero carbon and increasing housing quality and supply. 	<p>Leaseholder may approach a third party to take on the lease.</p> <p>Specialist advice has indicated there is demand for this accommodation in the local market.</p> <p>Residents may not support the transfer of the stock to BHCC.</p>

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 If Housing Committee and Policy & Resources Committee approval is gained to acquire the remaining term of the lease, full formal resident consultation will be undertaken with existing residents by Clarion on this proposed stock transfer. The residents of Charles Kingston Gardens are aware of the proposal following some initial consultation undertaken by their current landlord and that the permission is being sought to progress this proposal.

5.2 As part of the consultation, the council will attend events and offer individual meetings, to talk to residents about any issues they may have with the stock transfer proposal and to help them give an informed view in the consultation process.

6. CONCLUSION

6.1 If approved, a decision to accept the lease surrender on the building at a premium is advantageous to the Council in that it enables the premises in question to be used to increase the City's overall council housing stock and increase the supply of Seniors Housing, enabling a whole site offer to be considered alongside the adjoining Elwyn Jones Court.

6.2 Should acceptance of lease surrender be agreed and resident consultation on this stock transfer proposal achieve a positive outcome, the existing residents will transfer to the Council on secure tenancies at rent and service charge levels aligned to our existing Seniors Housing services.

7. FINANCIAL & OTHER IMPLICATIONS

Financial Implications – PART 2

7.1 Finance Officer Consulted: Craig Garoghan

Date: 03/11/2022

Legal Implications:

7.2 There are a number of issues which need to be clarified:

- Further clarification may be obtained on the nature of the tenancies held by current residents of Charles Kingston. It is important to understand that if the property comes under the local authority it is likely that all the tenants will become secure tenants of the authority. It is important to clarify that the current residents will remain in situ and will transfer over their tenancies to the Council. Transferring tenants may well have acquired rights. This could (unless exempt under the Housing Act 1985) include right to buy. Given the capital expenditure involved, committee may not wish the right to buy to be effective.
- Right to buy does not apply to seniors housing where it meets the criteria under Schedule 5 to the Housing Act 1985. Enquiries should be made of Clarion to confirm on what legal basis they have been the landlord (was it as a seniors scheme or other) and enquiries made to ensure that the residents meet the criteria (over 60 and / or elderly). Particular attention should be paid to any dwelling not part of the main block. If they are separate, then different criteria apply to see them exempted from the right to buy.
- There is some mention of a grant, attached to the land. Enquiries should be made in relation to this and if it cannot be clarified, then consideration given to seeking an indemnity from Clarion that they repay any monies due on a grant. Based on very preliminary enquiries the issue of the grant is not significant. It appears to be related to the construction and will not be an issue while the property remains a social let.

- The surrender of a lease by a tenant to its immediate landlord is a consensual arrangement between the landlord and the tenant. The Council's tenant is willing to surrender its lease for a premium and paragraph 3 of this report explains why it is in the interest of the Council to accept the surrender. The payment of a premium means that this is in effect an acquisition. The Council has powers under the Housing Act 1985 to acquire this property. It should be done for good value. Value is not simply a cash value, but can take into account other relevant factors. Additional value is described within the report, which can be a consideration.

Legal Officer Consulted:
2022

Simon Court

Date: 31st October

Equalities Implications:

There are no immediate equality implications arising from this report.

Sustainability Implications:

Charles Kingston Gardens will be considered alongside other Council homes within our Asset Management Strategy and linked carbon neutral and affordable warmth plans. Plans for low carbon heating and hot water provision at Elwyn Jones Court can be extended to Charles Kingston Gardens with the projects being joined up to provide economies of scale and opportunities to maximise carbon reductions.

Any Other Significant Implications:

Public Health Implications:

There are significant health impacts from living in cold homes with older people and people with long term health conditions in higher risk groups. The potential to incorporate Charles Kingston Gardens into potential future works at Elwyn Jones Court provides an opportunity to ensure residents have access to low carbon, reliable and affordable heating and hot water services.

Crime & Disorder Implications:

There are no crime and disorder implications directly arising from this report.

Risk and Opportunity Management Implications:

Please see paragraph 4.5 above.

Corporate / Citywide Implications:

None envisaged.

Brighton & Hove City Council

Housing Committee

Agenda Item 43

Subject: New Homes for Neighbourhoods Rotherfield Crescent – Procurement of Contractor

Date of meeting: Housing Committee 16 November 2022; Policy & Resources Committee 1 December 2022

Report of: Rachel Sharpe – Executive Director Housing, Neighbourhoods & Communities

Contact Officer: Sarah Potter
Tel: 01273 290789
Sarah.potter@brighton-hove.gov.uk

Ward(s) affected: Patcham

For general release

1. Purpose of the report and policy context

- 1.1 In September 2018 Housing Committee approved a proposed scheme of four new council homes at Rotherfield Crescent under the New Homes for Neighbourhoods programme. Following further community consultation and pre-Planning application advice, a final scheme for the demolition of the existing garages and three, three-bedroom homes achieved Planning approval in December 2021.
- 1.2 Post Planning approval, the technical design stage is nearing completion. The Pre-Tender Estimate at today's cost is £1.192m. The original budget allowance for Rotherfield Crescent was part of a £2.500m budget allocated for four original Design Competition schemes, including Frederick Street and Rotherfield Crescent. The budget allowance will need to be increased to deliver both schemes at today's costs.

2. Recommendations

- 2.1 That Committee agrees the recommendation to Policy & Resources Committee to approve the increase of £0.600m in the Design Competition budget allowance to deliver the Rotherfield Crescent scheme for three, three-bedroom homes based on the Pre-Tender Estimate £1.192m.
- 2.2 That Committee delegates authority to the Executive Director for Housing, Neighbourhoods and Communities to procure and award a contract for construction via an existing Framework (the preferred route) or other compliant route.

3. Context and background information

- 3.1 Housing Committee in September 2018 approved a proposed scheme of four new council homes at Rotherfield Crescent, Brighton under the New Homes for Neighbourhoods programme. Based on costs at the time, the build was estimated at £1.037m and the scheme considered viable with rent levels at 37.5% of Living Wage. The preferred procurement route was undecided.
- 3.2 The site was originally one of four sites part of a Design Competition run by BHCC and RIBA in 2015 inviting architect led design teams to design for smaller sites, schemes sensitive to their local context, able to maximise the potential of each site while respecting neighbours, embrace sustainable principles and be capable of future adaptation. Innes Associates Architecture and Urban Design were selected for their response to the brief and have been engaged through the design stages to deliver a highly sustainable development encompassing the technical criteria and wider thoughts about communal living, affordability and life-time costs and ease of maintenance.
- 3.3 Community engagement has taken place over several years with residents invited to score and comment on the shortlisted competition designs in 2015 and meetings to discuss the proposals in more detail in 2015/16 and 2019/20. Following consultation with residents some key concessions were made to alleviate concerns about the impact on neighbouring properties. The design changes included the number of properties reduced from four to three, increasing the distance from the proposed properties to the site boundary, removing roof terraces and retaining vehicle access to four private garages as existing through careful positioning of the new homes.
- 3.4 A full Planning application submitted in June 2021 was approved in the December. The approval for the demolition of the 10 existing council garages and construction of three, two-storey, three-bedroom family homes with parking, landscaping, creation of a communal garden and outdoor space.
- 3.5 The scheme delivers much needed larger family homes for the council to let within affordable rent levels to applicants on the Homemove register. Approval for the rent levels at Rotherfield Crescent has already been received in September 2018 so the rents at these homes will be at the council's 37.5% Living Wage rent. This rent is set in line with the council's rent policy, which sets the living wage rents based on the prevailing living wage hourly rate at the time of letting.
- 3.6 It fits with the council's Housing Strategy objectives, to increase housing supply and prioritise support for new housing development that delivers a housing mix the city needs, with a particular emphasis on family and affordable rented housing. This scheme will also help to achieve the council's aim to deliver at least 800 new council homes.
- 3.7 The scheme exceeds our current New Homes Design Specification

requirements by incorporating the higher energy efficiency standards introduced in new Building Regulations Approved Documents June 2022 and sustainability measures to future proof new homes and help tenants save on energy bills. These measures include installing air source heat pumps with underfloor heating, upgraded insulation for walls and roof, providing 3x electric car charging points and planting to promote sustainable drainage and increase biodiversity. It is estimated the fabric enhancements, based on average heating energy consumption and electricity at current prices, saving tenants £83 p/a on their fuel bills

- 3.8 The technical design stage is nearing completion. The Pre-Tender Estimate (PTE) prepared by external Quantity Surveyors (QS) Millbridge is £1.192m (£0.397m per dwelling) This includes all preliminaries, risk allowances and demolition costs. The demolitions, asbestos removal and site remediation has £0.039m in funding secured through the Land Release Fund (LRF2), subject to release of land for housing by 31 March 2023. The allowances for external works including demolitions, abnormal elements (maintaining access to several private garages, redesign of the single access track), below ground drainage and landscaping, account for 18% of the construction cost, reflecting the complexity of developing the site and achieving a highly sustainable development. Excluding the allowances for external works the PTE is £0.922m (£0.307m per dwelling)
- 3.9 The original budget allowance for Rotherfield Crescent was part of a £2.500m budget allocated for four original Design Competition schemes, of which Frederick Street and Rotherfield Crescent have been taken forward.
- 3.10 After some delay, the Frederick Street contract is now let, the final contract value is £1.260m. Costs on this scheme increased for several reasons: the construction contract had to be tendered twice, once through an open procurement (April 2021) and once through a framework (January 2022) ; the Pre-Tender Estimate prepared in 2020 was not reflective of current market rates; there was an uplift in cost of 6.3% (£76,000) on the tender sum in January and final contract value in line with construction industry inflation due to various factors such as Brexit, Covid and the war in Ukraine. The increase in costs on this scheme affect the overall budget request.
- 3.11 The original budget allowance for both schemes is now insufficient to cover the construction cost and all associated professional fees on both projects and the land appropriation on Frederick Street. The total cost to deliver both projects is £3.100m. The new budget required is £0.600m outlined in table 1 below.

Table 1: Cost analysis for design competition sites	£'000	£'000
Current budget		2,500
Frederick Street land appropriation	300	
Costs incurred to date	190	
Frederick Street construction	1,260	
Rotherfield Crescent construction	1,190	
Stage 5-7 payments 5.25% (both sites)	130	
Other professional fees	30	

Total costs		3,100
New budget required		600

3.10 Costs have risen for several reasons:

- The original estimate for Rotherfield Crescent was prepared in 2018, before COVID-19, Brexit and the war in Ukraine and is not reflective of current market rates. The change in value between the estimate in 2018 and the PTE in September 2022 is considered proportionate by external consultants providing QS and Contract Administration services, Faithorn Farrell Timms, even allowing for the loss of the one, two-bedroom unit.
- The PTE includes higher energy efficiency and sustainability measures, meeting the challenge to reduce energy demand and greenhouse gas emissions in new homes and increase biodiversity.
- The scheme has taken some time to develop. Residents have been consulted on the proposals over several years and in response to this and changes in ownership there have been several iterations of the scheme. This has caused some delay but resulted in the planning application only receiving two objections, highlighting the importance of the consultation process.

3.11 Completion of the Stage 4 Design work with the existing design team will produce a Tender Package of information and a Pricing Schedule on which tenders will be based and evaluated. Several procurement routes have been assessed, including using the Strategic Construction Partnership, using an existing Framework and open tender. The construction market is currently experiencing considerable fluctuations and preferred routes are changing rapidly.

3.12 A report to the Procurement Advisory Board (PAB) 17 October 2022 requested the Board review and provide recommendations on the procurement proposals. PAB reviewed the evaluation of the routes to market i.e., using the Strategic Construction Partnership, mini competition off an existing Framework such as the Brighton and Hove Major Capital Project Framework (the preferred option) and open tender route. The decision at PAB was to recommend the proposals set out in this report based on the PTE of £1.192m with social value and sustainability contributions incorporated into the procurement and evaluation of tenders in line with current policy.

4 Analysis and Consideration of Any Alternative Options

4.1 Not building out the scheme would result in the loss of much needed family homes and any delay in building out is likely to incur higher costs in the future.

4.2 Reducing the specification is likely to reduce the energy efficiency and sustainability measures. Revisions to the cost plan have incorporated

savings identified during the technical design stage and following a value engineering exercise in May 2022.

Design change	Saving	justification
Removal of PV panels & associated guard railing & access hatches	£37,500	5 PV panel and folding guardrail scheme could not work; ASHP & underfloor heating achieve the required betterment
Removal of windows	£850	Required to meet new overheating requirements
Removal of rooflights from the scheme	£6,100	value engineering; better design

5. Community engagement and consultation

- 5.1 Local residents have been consulted on proposals over several years. The site was originally identified for redevelopment in 2011 with initial resident contact in 2012/13. Following this, the design competition was launched for the redevelopment of the site with a public exhibition held in October 2015 where residents were able to score and comment on the 5 shortlisted competition designs and an online consultation portal set up. Meetings with neighbouring residents took place in 2015/16 to discuss the proposals in more detail, with a particular focus on the garage accesses. This was followed up by further meetings in April 2019 and a further public exhibition held in January 2020. Following consultation with residents, some key concessions were made to the scheme to address issues and concerns: the number of properties was reduced from 4 to 3 (reducing massing of the development) , the distance from proposed properties to the site boundary was increased, the roof terraces were removed and the private gardens of each property increased in size, the number of proposed car parking spaces was increased from 1 to 3 (1 parking space per home) and the vehicular access to private garages, as existing, was retained, through careful positioning of the new homes.
- 5.2 Members have been updated on the development of the scheme proposals and design at the Members' Housing Supply Board meetings and Ward Councilors through updates at key stages, most recently in June 2022 to update on the progress of the technical design stage of work and communication with residents.

6. Conclusion

- 6.1 The development at Rotherfield Crescent has progressed well and is now developed into a full tender package ready to tender. If approved, this scheme will deliver three family homes for the council to let within affordable rent levels to applicants from the Homemove register. Delivery the scheme will contribute to the council's aim to deliver at least 800 new homes on council land under the New Homes for Neighbourhoods programme

7. Financial implications

- 7.1 The HRA capital programme currently includes a budget line of £2.500m to bring forward the development of Frederick Street and Rotherfield Crescent.
- 7.2 Costs incurred up to 30th September 2022 in bringing these two sites forward are £0.490m, this includes the appropriation of land at Frederick Street from the General Fund. Construction costs for both sites total £2.450m with a further £0.160m in estimated in professional fees across both sites. Therefore, the total estimated cost for these two projects is £3.100m. This is outlined in table 1 in the main report. Compared to the original budget of £2.500m an increase of £0.600m is required.
- 7.3 Funding of the budget is met from several sources, this includes commuted sums, Land Release Funding grant, RTB receipts and HRA borrowing. To fund the additional budget request and to ensure the project remains viable the percentage of RTB receipts has been increased to 40% the maximum allowed in the updated RTB receipts pooling policy. This 40% is only applied to future costs and not those already incurred.
- 7.4 The standard financial viability modelling for housing projects has been updated for both sites with the latest costs and rent assumptions. it sets out to show whether the project can pay for the initial investment itself by using the new rental stream only (net of service charges, management, maintenance, and major repairs and voids costs) over a 60-year period. It also assumes that 40% of the eligible investment costs are met from retained Right to Buy (RTB) Receipts. With the increase in the RTB receipt funding from 30% to 40% the project has a Net Present Value (NPV) that breaks even.
- 7.5 If approved the additional £0.600m budget will be added to the HRA capital investment programme and profiled across the financial years to reflect the programme of delivery. Any significant variations to the costs at Frederick Street or Rotherfield Crescent will be reported in accordance with the council's standard financial procedures and reported through P&R.
- 7.6 Decisions around the borrowing requirement for this project will be made in consultation with the council's Treasury Management team to ensure that it is undertaken in accordance with the council's borrowing strategy, authorised borrowing limits and prudential indicators.
- 7.7 Under the Capital Accounting regulations if the Rotherfield Crescent project does not progress to the construction stage the costs associated with the site development incurred to date will need to be recognised as a HRA revenue cost and therefore need to be added to the latest 2022/23 TBM revenue forecast for the HRA.

Name of finance officer consulted: Craig Garoghan Date consulted:
17/10/2022

8. Legal implications

- 8.1 Under Contract Standing Orders, each Executive Director has unrestricted delegated power to agree to the Council entering Contracts or joining existing Framework Agreements up to the sum of £500,000. Above this sum and before inviting expressions of interest from potential bidders, approval must be sought from the relevant Committee. This recommendation at 2.2 satisfies that requirement.

Name of lawyer consulted: Liz Woodley Date consulted: 01/09/22

9. Equalities implications

- 9.1 This scheme provides three new, affordable three-bedroom family homes for rent, new homes that will be let through the council's homemove scheme to families in housing need and with a local connection. Current housing waiting list figures (August 2022) show that there are currently 963 households in need of a three-bedroom home, including 77 households in need of an accessible, mobility rated property, and in the last 12 months just seven three-bed homes available to re-let. Looking at the average wait, for households housed in Band A, the average wait was 10 months, for households in Band C it was 111 months, just over nine years. This scheme contributes to increasing the supply of much needed family sized homes.

10. Sustainability implications

- 10.1 The scheme exceeds our current New Homes Design Specification requirements by incorporating the higher energy efficiency standards introduced in new Building Regulations Approved Documents June 2022 and sustainability measures to future proof new homes and help tenants' save on energy bills

11. Other Implications

Social Value and procurement implications

- 11.1 Procurement and tender evaluation will be based on a 60/40 split quality and cost. We will work with the winning contractor on site to identify relevant SV up to 3% of the overall contract value and monitor whether the SV value has been completed or not. We will ask Contractors at the tendering stage to provide evidence of what SV they have delivered to date against previous projects and showing the ratio of SV vs. the project value. If a Contractor has not delivered any projects previously, we automatically accept them and evaluate their tender as normal. If a Contractor has previously been awarded contracts based on their SV commitments and

they did not deliver these SV commitments, then we will reserve the right to clarify why these were not delivered

Crime & disorder implications:

- 11.2 Redevelopment of the site will deal with current issues regarding anti-social behaviour on the former garage site, fly tipping and unauthorised access and use for car repairs.

Public health implications:

- 11.3 There are strong links between improving housing, providing new affordable homes and reducing health inequalities. Energy efficient homes which are easier and cheaper to heat are likely to have a positive influence on the health of occupants of the new homes

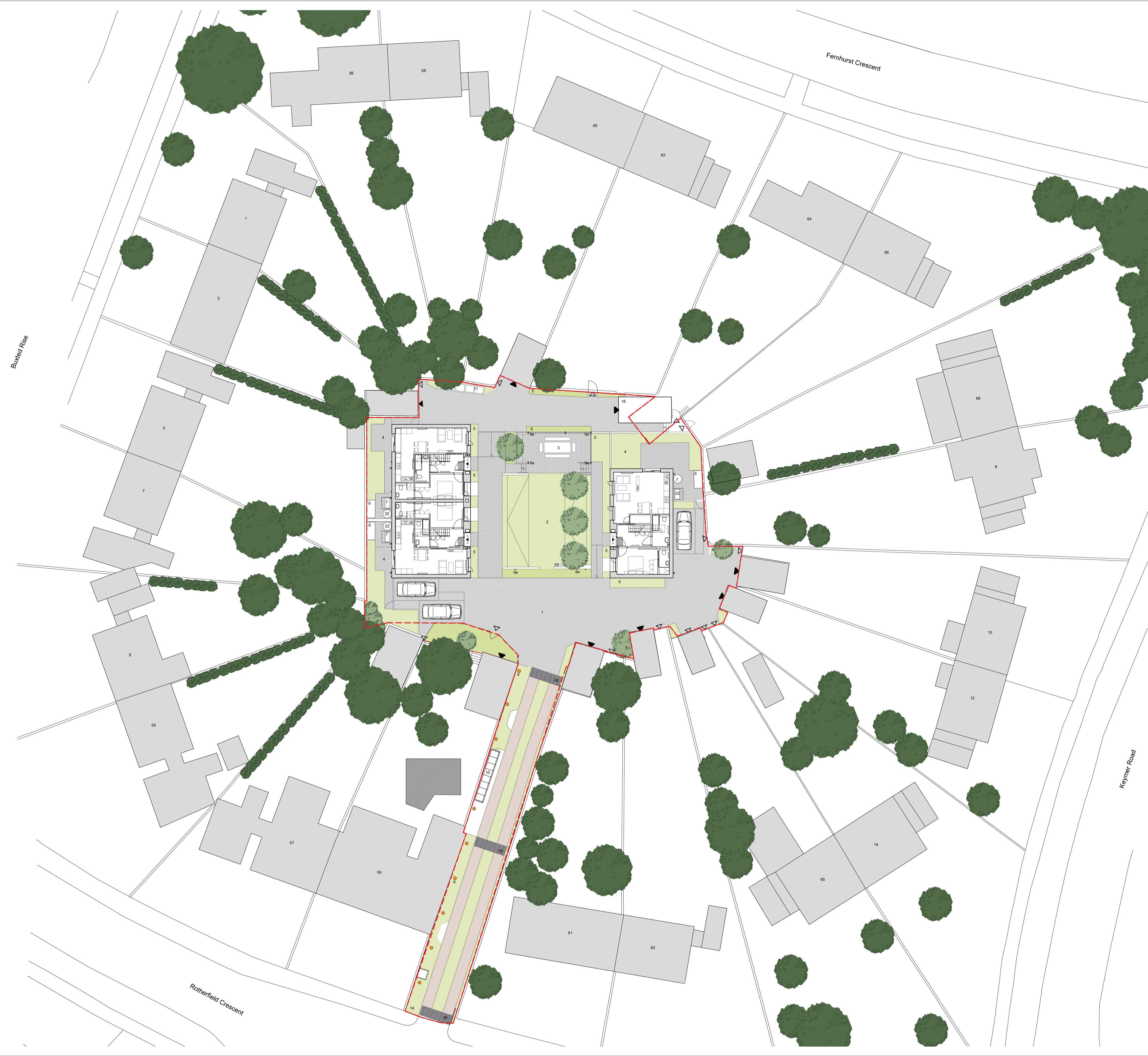
Supporting Documentation

Appendices

1. Site Plan

Background documents

1. Housing and New Homes Committee - Scheme Approval 19 September 2018
2. PAB report 17 October 2022



GENERAL NOTES:

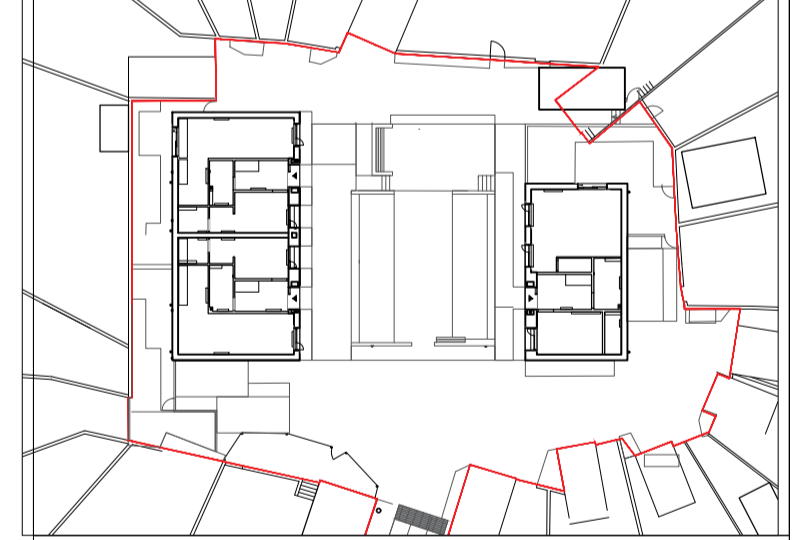
- All materials and workmanship to be of a high standard.
- This drawing is the copyright of Innes Associates. It must not be copied or reproduced without permission.
- The design is based on survey information provided by others, dimensions to existing structures should be checked on site prior to construction.
- Do not scale this drawing. If in doubt, ask.
- This drawing must be read in conjunction with all relevant drawings and documents by architect and design team. Any discrepancy is to be reported to the Architect.
- All dimensions in millimetres unless otherwise noted.
- All structural, M&E and landscape information is indicative. Refer to consultant's drawings and specifications for proposals relevant to each discipline.

- KEY**
- 1 Main Access (Turning Area)
 - 2 Communal Garden
 - 3 Communal Passage
 - 4 Private Garden
 - 5 Planting Beds (Herbaceous/Omnamental Shrub)
 - 6 Cycle storage
 - 7 Rainwater Collection Tank to S17120
 - 8 Photovoltaic Panels
 - 9 Ground Spotlights to V91440
 - 9a Wall lights to V91440A
 - 10 Recycling + Refuse (PPC aluminium structure)
 - 11 Compost + Gardening Store (Timber structure)
 - 12 Green Roof
 - 13 Rooflight (Opening) to L10460
 - 14 "The Gardens" entrance sign (PPC aluminium structure)
 - 15 Brick Retaining Seat Wall with Hardwood Timber Top to G50/220
 - 16 New garage
 - 17 Passing Place
 - 18 Rubble Strip
 - 19 Access for maintenance only
 - 20 Kerb protection
 - 21 Low fence
 - 22 Air Source Heat Pump
- ▲ Vehicular Access Retained
 ▴ Pedestrian Access Retained
 - - - Boundary Application Site

- MATERIALS**
- Herbaceous/Omnamental Shrub Planting
 - Grass/Lawn
 - Reinforced Gravel
 - Loose Gravel (with planted margins)
 - Brick (to match houses)
 - Planted hedge around Post and Wire Fence
 - Granite setts

P1 Planning Issue 18.06.21 CR

REV DESCRIPTION DATE DRAWN



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TITLE		
Site Plan Proposed		
PROJECT NO	DRAWING NO	REVISION
114	01 01	P1
PROJECT Rotherfield Crescent		
CLIENT Brighton & Hove City Council		
SCALE	SIZE	STAGE
1:200	A1	3
DATE	DRAWN BY	CHECKED BY
June 2021	JL	SI

Subject:	New Homes For Neighbourhoods – Rotherfield Crescent – Scheme Approval		
Date of Meeting:	19 September 2018 – Housing and New Homes Committee 11 October 2018 – Policy, Resources & Growth Committee		
Report of:	Executive Director Economy, Environment & Culture		
Contact Officer:	Name:	Jo Thompson	Tel: 01273 291466
	Email:	Jo.thompson@brighton-hove.gov.uk	
Ward(s) affected:	Patcham		

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

- 1.1 Building new homes on council land is a council priority and essential if City Plan housing targets are to be met and the city's housing crisis tackled. The council's New Homes for Neighbourhoods (NHFN) programme addresses this undersupply by identifying suitable vacant land and infill sites to develop new homes across the city. To date, 159 council homes for affordable rent have been completed under the New Homes for Neighbourhoods programme, 12 are on site and will be completed in May 2019, with over 100 more homes in the pipeline.
- 1.2 The Royal Institute of British Architects (RIBA) Design Competition held in 2015/16 was one of a number of pilot projects identified in the Small Site Strategy (agreed by Housing Committee, March 2014) to deliver housing units on the smaller sites within the NHFN programme. The Rotherfield Crescent scheme on the former garages site is one of four designs which have been taken forward for further design development work.
- 1.3 The design proposals and scheme costings for the Rotherfield Crescent site drawn up by the architects, Innes Associates, were presented to Members at the Housing and New Homes Committee meeting on 15 November 2017. At this meeting, members expressed concerns about the scheme costs presented in the Part 2 report. They felt that the costs were high and that officers should explore ways in which these costs could be reduced through identifying possible savings. It was consequently decided that the report be deferred for consideration at a future Housing & New Homes Committee.
- 1.4 This report presents five options for consideration by members. It identifies a preferred option (Option 1) and recommends that this is taken forward to the detailed design stage.

2. RECOMMENDATIONS:

- 2.1 That the Housing & New Homes Committee note the options and associated risks presented in paras 4.1-4.2. of this report.
- 2.2 That the Housing & New Homes Committee agrees Option 1 and approves:
- i. The proposed scheme of four new council homes at Rotherfield Crescent, Brighton under the New Homes for Neighbourhoods programme;
 - ii. The procurement of a development partner and professional services for the delivery of the project and give delegated authority to the Executive Director, Environment, Economy and Culture in consultation with the Executive Director, Finance and Resources to award the contract following completion of the procurement process;
 - iii. The scheme rent levels at 37.5% of Living Wage, in line with the New Homes Rent Policy;
- 2.3 That the Housing and New Homes Committee recommend to Policy, Resources & Growth Committee to:
- iv. Appropriate the Rotherfield Crescent former garages site for planning purposes and delegate authority to the Executive Director of Environment, Economy and Culture to appropriate for housing once the development is complete.

3. CONTEXT/ BACKGROUND INFORMATION

The site

- 3.1 The site is located on Housing Revenue Account (HRA) land at the centre of a ring of houses on the Hollingbury Estate and comprises an area of approximately 1,175 sq m (see Appendix 1). It slopes significantly from the highest point in the south-eastern corner to the lowest in the north-western, a difference of approximately 3.5m. The elevated position and separation of properties provides attractive views over the A27 towards Saddlescombe and the wider landscape of the South Downs National Park. Access to the site is along a 40m track from an existing junction with Rotherfield Crescent between numbers 59 and 61 Rotherfield Crescent.
- 3.2 There are 10 garages on the site which are owned by the council, the majority of which are in a dilapidated state and are unused. The site also provides access to nine privately-owned garages at the rear of some of the surrounding properties. Consultation with garage owners has revealed that these are principally used for general storage purposes rather than for cars. Due to its unkempt appearance and hidden away location, the site has attracted anti-social behaviour such as fly tipping in the past.

Proposed new homes and construction

3.3 The development proposed by Innes Associates is for the demolition of the existing council-owned garages and the construction of four family houses, of which three are 3-bedroom and one is 2-bedroom. The Original Scheme Briefing Note is included at Appendix 2.

Member feedback from 15 November 2017 committee meeting

3.4 Officers have reviewed the minutes of the Housing & New Homes Committee meeting held on 15 November 2017 in order to ensure that the concerns expressed by Members have been adequately addressed. Since the meeting, the design has been amended and value engineered to take on board Members concerns about costs (see Appendix 3). Innes Associates and their Cost Consultants (Millbridge Group) have reviewed the previous scheme costs and identified the following savings:

- Changes to Gross Internal Area (GIA) from 320m² to 300m² (reducing allowances for finishes/ M&E and effecting changes to the fabric elsewhere);
- Reduced area and allowance for windows;
- Removal of communal building;
- Reduced allowance for external works and landscaping;
- Saving in PV allowance and foundations, due to the omission of the communal building. PVs still retained on housing units;
- Rationalisation of external surfaces across the whole site and reduction in lighting;
- Reduction in cost overall leading to a review of the estimated contract period and a reduction in preliminaries;
- Single ply roof (£120/ m²) instead of the previous green roof (£220/ m²). However, officers would need to make sure that this revised specification will meet planning requirements. If the Local Planning Authority insists, it may be possible to consider a basic sedum roof (£180/ m²); and
- Allowance for kitchens has been reduced.

3.5 This value engineering exercise has realised a saving of 15% (£178,000) on total scheme costs from £1.215M to £1.037M. A report providing a detailed breakdown of costs has been sent to all Members and briefings have also been offered to run through the report in more detail.

3.6 The savings which have been achieved are summarised in Table 1.

Table 1 – Scheme cost comparisons between original and revised scheme

Cost area	Estimate £'000 Original Scheme	Estimate £'000 Revised Scheme	Estimate £'000 Savings
Base cost	558	516	42
Demolitions and alterations	28	28	0
Renewables	33	28	5
External works	205	128	77
Preliminaries, overheads	140	134	6

Cost area	Estimate £'000 Original Scheme	Estimate £'000 Revised Scheme	Estimate £'000 Savings
and profit			
Design/ construction contingency	63	42	21
Tender price inflation	77	67	10
Total build cost	1,104	943	161
Fees (Professional, Planning, Building Regs, specialist surveys etc.) at 10%	111	94	17
Total Scheme Costs	1,215	1037	178

- 3.7 This translates into a base cost of £129k per unit or total build cost per unit of £236k which is a saving of £40k per unit on the original scheme. A more detailed breakdown of some of the main savings which have been made is contained in Table 2, this doesn't include savings on Preliminaries, overheads and profit or Design and Construction contingency.

Table 2 – Scheme savings

Cost Item	Original Scheme	Revised Scheme	Saving
External works and landscaping	£205,000	£128,000	-£77,000
Communal building	£23,840	£0 (omitted)	-£23,840
Changes in roof design	£62,900	£44,625	-£18,275
Reduced allowance for kitchen units	£70,000	£60,000	-£10,000
Window design simplified and size reduced	£52,075	£47,100	-£4,975
Saving in PV allowance due to omission of communal building	£4,500	£0 (omitted)	-£4,500

- 3.8 All of the savings detailed in Tables 1 and 2, have been achieved without fundamentally compromising the design of the scheme which, the majority of residents adjoining the site, liked.

Independent Review of Revised Costs

- 3.9 The revised scheme drawings and associated costs produced by Innes Associates (the architects) were independently reviewed by the council's cost consultants under its City Build partnership (Potter Raper). The pricing and apportionment of costs differ slightly, as do the inclusions for risk items

(asbestos, contamination, boundary treatments etc.). However, Potter Raper consider that the magnitude of costs provided by Millbridge appear to be accurate for the works described in their cost report.

- 3.10 As part of their remit to identify further savings, Potter Raper requested prices from a modular construction contractor, without revealing the details of the site or the design team in order to preserve the “cleanliness” of possible future tender procedures.

Modular/ Volumetric Contractor Costings

- 3.11 The modular supplier’s cost estimate for the construction of the scheme is approximately £789k, excluding professional fees and other costs associated with those works that they would not be asked to complete i.e. allowances for preliminaries, external works, substructure, demolitions, risk and PV systems, plus M&E services, sanitary ware etc. Once these additional costs are taken into account, Potter Raper estimate that the total scheme costs for a modular scheme are likely to be in the region of £1.2M, which is very similar to Innes Associates’ total scheme costs reported at Housing Committee in November 2017. It may be possible to identify some additional savings by looking at different cladding options, the removal of non-standard items such as roof-lights etc. alongside savings made due to the shorter construction programme associated with modular construction. However, a modular scheme, even with revisions, is unlikely to match the level of savings achieved by Innes Associates’ value engineered scheme.

Conclusion

- 3.12 The independent review carried out by Potter Raper provides reasonable assurance for the revised scheme costings provided by Millbridge Group on behalf of Innes Associates, which realised a saving of 15% (£178,000) on total scheme costs. Officers would therefore recommend to Members of Housing & New Homes Committee that they approve the value engineered scheme and the package of associated design changes outlined in para 3.3.
- 3.13 There has already been positive feedback from residents and garage owners on the proposed scheme through the council’s pre-application consultation process, as evidenced in para 5.3 of this report. At the time that this consultation was conducted, residents were very concerned about the anti-social behaviour which was taking place in the space such as fly-tipping, drinking, drug taking etc. They felt that the development of the site was a positive thing which would not only overcome these issues but would also improve the visual appearance of the site which has become overgrown and unsightly. If approved, Innes Associates will prepare a planning application for submission in the Autumn of this year.

Financial modelling

- 3.14 Financial modelling of the latest design has been undertaken and the rent levels should be decided by Members in line with the New Homes Rent Policy report which was approved by Housing & New Homes committee in November 2017.

- 3.15 The size and mix of the houses at Rotherfield Crescent, Brighton is based on the council's Affordable Housing Brief. The modelling includes an allowance for achieving equivalent of Code for Sustainable Homes Level 4 for energy and water, site abnormalities, infrastructure and external works.
- 3.16 The revised development costs modelled have been estimated by Innes Associates Quantity Surveyor and are still subject to planning approval, therefore costs and funding are only indicative at this stage. Any significant variations to the proposed capital scheme and funding will be reported back to Policy, Resources & Growth Committee in accordance with council's standard financial procedures.
- 3.17 Table 3 provides a summary of the viability modelling results for each of the rent options considered for Rotherfield Crescent. This demonstrates that a return is provided by the LHA rents and 37.5% of Living Wage rents whilst a significant subsidy would be required if 27.5% Living Wage rents and social rents were to be considered. As the estimated surplus is lower for the living wage rents the sensitivity to changes in the construction cost would be greater.

Table 3 – Financial Viability results

Rent Option	LHA	37.5% Living Wage	27.5% Living Wage	Social
2 Bed weekly rent	£197.55	£161.44	£118.39	£87.42
3 Bed weekly rent	£229.58	£188.34	£138.12	£98.78
Net Present Value (NPV) of cash flows Subsidy / (Surplus)	(£0.329m)	(£0.103m)	£0.171m	£0.382m
Pay back period	28.6 years	43.9 years	60+ years	60+ years

Note: Living Wage hourly rates are assumed to be in line with OBR forecast for 2019; actual rent figures would be set according to the rates or valuation prevailing close to letting of the homes concerned.

Appropriation

- 3.18 Land appropriation in this context means transferring the use of land from one purpose to another. Under S122 of the Local Government Act 1972, the council has the power to appropriate land for planning purposes. Under Section 203 of the Housing and Planning Act 2016 where land is held for planning purposes and work is done in accordance with planning permission, third party rights are overridden. The benefit of appropriating this site for planning purposes is to protect the council from the risk of the development process being stopped once it has started. The rights of third parties whose private interests may be affected by development are protected to the extent that they have a right to compensation against the local authority.
- 3.19 The appropriation for planning will take place immediately if the recommendation at 2.3 iv is approved.

3.20 Once the site has been developed, the council will need to appropriate the site for housing and it is therefore proposed that authority is granted to the Executive Director Economy, Environment & Culture. That second appropriation will take place when the Executive Director Economy, Environment & Culture executes an “Appropriation Memo”. The site will be available for housing use.

Procurement

3.21 The original procurement strategy for these sites aimed to appoint a single development partner to take them forward. However, extensive soft-market testing, in early 2013, revealed a lack of interest amongst potential partners (including Registered Providers, developers and large construction firms) in some of the smaller sites that often had specific issues and site constraints to overcome.

3.22 Informal discussions with smaller builders and architect practices, revealed an interest amongst these companies in working with the council to deliver housing on these smaller sites. The RIBA Design Competition was felt to offer the best opportunity for the engagement of these smaller practices in bringing forward these sites for development. The conclusion of the RIBA Competition in June 2016, led directly to the selection of two architectural practices to take forward their design proposals for four sites, including Rotherfield Crescent.

3.23 Now that the detailed design for the Rotherfield Crescent site is nearing completion, procurement options are being reviewed for the delivery of the homes. One option is for the architects (Innes Associates) to lead on the procurement of the main building contractor on behalf of the council and in adherence to the council’s Contract Standing Orders. Prior to this, an independent Cost Consultant/ Clerk of Works would be appointed to oversee all stages of the project’s delivery. A significant part of their role will be to scrutinise the scheme costs both at the design and construction stages in order to identify cost savings and ensure value for money is achieved, whilst still meeting the council’s required standards.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The five options for the site have been evaluated in Table 4:

Table 4 – Option analysis

Options	Advantages	Risks
<p>Option 1 – Value engineer scheme A comprehensive review of the costs of the scheme, including the choice of materials etc (as detailed in the body of this report)</p>	<ul style="list-style-type: none"> • Independent review of cost • Keep design, but reduce costs • Work to date would not be abortive 	<ul style="list-style-type: none"> • May not deliver an acceptable level of savings for Members • Some proposed changes may compromise design
<p>Option 2 – Radical re-design of scheme</p>	<ul style="list-style-type: none"> • Potential to further reduce costs for project 	<ul style="list-style-type: none"> • Additional design fees and delay to the delivery of the

Options	Advantages	Risks
e.g. by in-house or other architects		scheme <ul style="list-style-type: none"> • May not deal with all site constraints • Large savings are unlikely given the significant site constraints • Residents already consulted on design
Option 3 – Community Housing development of site H&NH Committee considered a report on Community Housing at its March 2018 meeting. This option would entail working with the Community Housing Hub to bring the site forward in a similar way to the Plumpton Road project with the site sold or leased to the Community Land Trust or a Housing Co-op	<ul style="list-style-type: none"> • Development of site passed to partner who will need to resolve issues and complexities • Provide a development opportunity for community housing sector • Potential to use existing design 	<ul style="list-style-type: none"> • May be costly and difficult for community housing to develop • Potential loss of control over nominations to homes • This option would not contribute to the use of RTB receipts, further increasing the pressure on the need to spend them.
Option 4 – Disposal of site This was suggested as a possible option at the H&NH Committee meeting on 15 November 2017.	<ul style="list-style-type: none"> • The responsibility for the future redevelopment of this constrained site would pass to a developer • This could be a capital receipt for the HRA and would contribute to the funding of capital expenditure incurred 	<ul style="list-style-type: none"> • Additional costs would be incurred through the valuation and marketing of the site (circa £1.5K). • There would be abortive design and professional fees • The value of the land may be suppressed by the significant constraints of the site i.e. the access rights over the land of existing garage owners (10 in total) • The site would likely be used for storage, parking or a single 'luxury' home with no affordable housing • This option would not contribute to the use of RTB receipts further increasing the pressure on the need to spend them
Option 5 – Do nothing	<ul style="list-style-type: none"> • No further cost associated with this site 	<ul style="list-style-type: none"> • Housing is not delivered on this site • The site may be used for fly-tipping and anti-social behaviour and blight the local area • The existing garage structures may fall further into disrepair and require demolition or remedial works for Health & Safety reasons • This option would not contribute to the use of RTB receipts further increasing the pressure

Options	Advantages	Risks
		on the need to spend them

- 4.2 The Options analysis undertaken in Table 4, demonstrates that Option 1 has least risk associated with it and would ensure continuity in the delivery of this constrained small site.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Local ward councillors for the Rotherfield Crescent site have received regular briefings updating them on progress in relation to the different stages of the project. The five shortlisted design proposals for the site which made it through the technical assessment were displayed at a public exhibition held in The Old Boat Corner Community Centre, Carden Avenue, Brighton, BN1 8GN. Local residents were asked to score and comment on the design proposals either at the public exhibitions or online through the council's consultation portal. The results of this consultation were analysed by officers and RIBA Competitions and formed a percentage of the overall marks. These scores, together with those of the expert Panel, were used to select the winning designs for each of the sites.
- 5.2 Since then, the successful architects for the site, Innes Associates, have been working on a more detailed design in preparation for the submission of a planning application in Autumn 2018. As part of the pre-planning application process, the proposal was submitted for formal pre-application advice from the Local Planning Authority (LPA). Feedback from the LPA was broadly positive on the detailed design of the scheme. In addition to this consultation, the council's Project Manager and architects consulted all of the neighbours whose garages are adjacent to the boundary of the site, in order to establish their views on the latest emerging designs. In total, seven visits to garage owners were undertaken in their own homes. The results of this consultation are summarised below:

Positive comments from garage owners

- Liked the design and felt it responded well to its context;
- Felt that the landscape proposals were creative and would vastly improve their outlook;
- The choice of materials (i.e. brick, wood etc.) were sympathetic to the environment;
- Liked the sustainability measures that had been integrated within the design i.e. sedum roofs, photovoltaic panels, water butts etc.
- Surveillance would be enhanced by bringing development into an area which was run down and overgrown;
- Tidying up of the area would reduce the likelihood of rodents which are currently a problem in the locality;
- Proposed development would deter anti-social behaviour i.e. fly-tipping, young people gathering behind garages to drink, take drugs etc.
- Access to their garages would be improved by the proposal; and
- Good choice of low maintenance materials for the access road and turning area.

Negative comments from garage owners

- The proposal would partially obscure views of the South Downs and city;
- Greater potential for noise generated by new neighbours i.e. from children playing outside etc.
- Development would exacerbate parking problems in the area; and
- Concerned that there may be potential for some overlooking into their gardens.

Suggestions for improvements to the scheme

- Remove the grass strips integrated within the design of the access road i.e. which would become overgrown over time.
- Introduce some demarcation of the access road which would indicate pedestrians have priority;
- Consider replacing the existing fencing on one side of the access road with a brick wall to mitigate against strong winds (access road is a wind tunnel); and
- Replace the proposed trees with shrubs or dwarf varieties to reduce the impact on key views of the South Downs and the city.

5.3 The results of this consultation with garage owners have been used to inform the current design. If Members agree to take forward the Preferred Option (Option 1), Innes Associates will be holding a Public Exhibition to consult on the latest design with all residents in the locality. Feedback from the Exhibition will enable them to make any final adjustments to the scheme ahead of the submission of a planning application, anticipated in Autumn 2018 if the project is approved.

6. CONCLUSION

6.1 If approved, this proposal will deliver four family homes (3 x 3 bed and 1 x 2 bed) for the council to let within affordable rent levels to applicants from the Homemove register. This fits with the council's Housing Strategy 2015 objectives to increase housing supply and prioritise support for new housing development that delivers a housing mix the city needs, with a particular emphasis on family and affordable rented housing. This scheme will also help to achieve the council's aim to deliver at least 500 new homes on council land under the New Homes for Neighbourhoods programme.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 The financial viability modelling sets out to show whether a given scheme can pay for the initial investment itself by using the new rental stream only (net of service charges, management, maintenance, and major repairs and voids costs) over a 60 year period. It also assumes that 30% of the investment costs are met from retained Right to Buy (RTB) Receipts. Assessing the project viability over a

60 year period not only matches the life of the asset but also reduces the need to use existing tenant's rents to support the project.

- 7.2 Following the review of costs by Innes Associates, the total estimated costs for this scheme is £1.037m; this includes all construction works, allowances for contingency, inflation and professional fees. In accordance with the RTB pooling policy signed in 2012, 30% of the cost of this scheme can be funded from RTB receipts leaving a net investment requirement from the HRA, which at this stage is assumed to be funded by borrowing supported by the new net rental income stream.
- 7.3 Current forecasts for the use of RTB receipts in 2019/20 include the development at Rotherfield Crescent, any delay to the scheme would have a negative impact on their use and would increase the risk of not achieving the required expenditure.
- 7.4 In accordance with the new rent policy, four rent levels have been modelled for this scheme. Affordable rents capped at LHA rates, 37.5% of Living Wage rents, 27.5% of Living Wage rents and target social rent. Service charges are not applicable for this scheme as the proposal is for the development of four houses, whilst the maintenance of the communal gardens will be carried out by the tenants themselves. A summary table of the viability modelling is shown at 3.13 of the main report.
- 7.5 The impact of using current LHA rates for the assumed rental income results in a surplus of £0.331m at today's value. The payback period, i.e. time taken for the future rental income to repay the initial investment, net of RTB receipts is 28.6 years. This level of rent therefore supports a viable project over a 60 year period. It would require an increase in construction costs of an estimated 59% before the scheme is no longer viable, so requiring subsidy from existing tenants' rents.
- 7.6 The impact of using the current 37.5% of Living Wage rents results in a surplus of £0.103m at today's value. The payback period for Living Wage rents is 43.9 years. This level of rent therefore supports a viable project over a 60 year period. It would require an increase in construction costs of an estimated 19%, before the scheme is no longer viable and so requiring subsidy from existing tenants' rents.
- 7.7 The scheme is not viable when modelled using 27.5% of Living Wage Rents or target social rents. The table at paragraph 3.17 shows that setting rents at these levels would result in a subsidy requirement of £0.171m or £0.382m respectively from the HRA at today's value.
- 7.8 The projected surplus from the options modelled would allow the HRA more funds to invest in their current tenant's homes or use to contribute to building much needed affordable housing. The LHA rent option represents the highest surplus to reinvest, with a lower sensitivity risk in relation to the construction costs. However setting rents at 37.5% of the Living Wage rate as per the table in paragraph 3.13 would provide a reasonable balance between the rent charged whilst still resulting in a viable scheme.
- 7.9 There is sufficient budget set aside for the development at Rotherfield Crescent

in the current HRA capital investment programme, approved for the four design competition sites at Policy, Resources & Growth committee (PRG). The remaining three sites will be reported to Housing & New Homes committee and subsequently PRG for scheme approval and, where necessary, for budget approval.

- 7.10 Any significant variations to the costs at Rotherfield Crescent will be reported in accordance with the council's standard financial procedures and reported through PR&G.
- 7.11 Any decision around the borrowing requirement for this project will be made in consultation with the council's Treasury Management team to ensure that it is undertaken in accordance with the council's borrowing strategy, authorised borrowing limits and prudential indicators.

Finance Officer Consulted: Craig Garoghan/ Monica Brooks Date: 28/08/18

Legal Implications:

- 7.12 Under section 122 of the Local Government Act 1972, a principal council, such as the council, may appropriate land belonging to it for any purpose for which it is authorised by statute to acquire land. The council is authorised to acquire land by the Town & Country Planning Act 1990 provided that it thinks that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land but a local authority must not exercise the power unless it thinks that the development is likely to promote or improve the economic, social or the environmental well-being of their area. The reasons that the development is in the economic and social interests of the area are set out in the body of this report. The council has powers under the Housing Act 1985 to purchase land for housing and is therefore able to appropriate for housing once the development is complete.
- 7.13 Policy Resources and Growth Committee has delegated powers to manage corporately held property and is the proper committee to authorise the appropriation for planning purposes, and the later appropriation for housing purposes.

Lawyer Consulted: Liz Woodley

Date: 09/08/18

Equalities Implications:

- 7.14 An increase in housing supply will expand the provision of new, well designed homes to local households registered in need. The new development of four family homes with a shared central garden area will create a safe environment, which is designed to encourage social integration, irrespective of the race, religion, age, disability, gender etc. of tenants who occupy the development.

Sustainability Implications:

- 7.15 The development is intended to be sustainable and comply fully with relevant BHCC planning policies. Simple sustainability strategies have been deployed to

reduce the demands on non-renewable energy sources and on the main drainage systems. These include:

- building fabric insulation increased to level above Building Regulations to reduce heat loss; and the
- use of soakaways for storm water drainage (both roof and landscape run-off).

Crime & Disorder Implications:

- 7.16 The new homes will be designed having heed to the requirements outlined in the police Secured by Design guidance. Disused garage sites, such as the Rotherfield Crescent site, are unattractive and often used for anti-social behaviour and fly-tipping etc. If approved, the new housing development will increase surveillance and reduce the opportunity for crime and disorder.

Risk and Opportunity Management Implications:

- 7.17 There are a number of risks associated with developing new homes on small, challenging sites of this kind. These risks are considered in the Options analysis contained in Table 2, para 4.1 of this report.

Public Health Implications:

- 7.18 Energy efficient homes which are easier and cheaper to heat will help support the health of households. Family homes can be let to households which are currently overcrowded. The two bedroom house would be suitable for applicants with young children, those with very limited mobility or downsizers.

Corporate / Citywide Implications

- 7.19 The New Homes for Neighbourhoods programme of building new homes on council land supports the council's priorities for the economy, jobs and homes. The development of new housing has a strong economic multiplier impact on the local economy, estimated at over £3 of economic output for every £1 of public investment, creating jobs and supply chain opportunities.
- 7.20 Every new home built on small sites helps meet the city's pressing housing needs and deliver the first priority in the council's Housing Strategy 2015 of improving housing supply. New homes also help bring benefits to the council in the form of new council tax income.

SUPPORTING DOCUMENTATION

Appendices:

1. Site Plan
2. Original Scheme Briefing Note – 17 November 2017
3. Rotherfield Crescent Revised Scheme – September 2018

Background Documents:

1. Housing & New Homes Committee Report – Rotherfield Crescent – 15 November 2017

Brighton & Hove City Council

Housing Committee

Agenda Item 44

Subject: Community Housing Pilot update

Date of meeting: Housing Committee 16 November 2022

Report of: Executive Director Housing, Neighbourhoods & Communities
Chief Finance Officer

Contact Officer: Name: Diane Hughes, Craig Garoghan
Email: Diane.Hughes@brighton-hove.gov.uk;
Craig.Garoghan@brighton-hove.gov.uk

Ward(s) affected: Hollingdean & Stanmer

For general release

1. Purpose of the report and policy context.

- 1.1 This report outlines the proposal to agree in principle to establishing a pilot scheme through agreeing a loan to Bunker Housing Co-Operative (Bunker). This will support the development of two affordable homes at Dunster Close, Brighton. The report supports the 2019-2023 Housing Committee Workplan aim to create an ethical loan scheme where Brighton & Hove City Council matches community investors.
- 1.2 The 2021/22 budget report included one-off revenue resources of £0.020m to support the set-up costs for the creation of a self-financing 'revolving door fund' for community housing projects.

2. Recommendations

- 2.1 That Committee agrees in principle to loan £0.385m to Bunker Co-Operative to support the development of two new affordable homes at Dunster Close, Brighton.

3. Context and background information

- 3.1 The Housing Committee Work Plan 2019-23 includes a commitment to research and review an ethical loan scheme, with a revenue budget commitment included in 2021/22 budget to support the set up costs of a pilot scheme.
- 3.2 Such a scheme would support community-led housing developments in the city by providing access to long-term, fixed interest rate finance. Housing Needs & Supply work closely with the community-led housing sector both through Brighton & Hove Community Land Trust (BHCLT) acting as the lead representative for groups in the city and with individual groups such as

Bunker. Discussions have been held with the BHCLT about this pilot and Bunker have indicated their desire to take part in a pilot scheme.

- 3.3 The council has a history of working with Bunker. They were the chosen partner for the council's pilot small sites co-op scheme, working with the council to develop two houses on a former council garage site at Plumpton Close. Bunker were identified as the partner for the proposed development of two further homes at Dunster Close, Brighton because of this previous experience. A proposal was put forward which was agreed at Housing Committee in September 2019 and a design taken through to planning permission being granted on the site.
- 3.4 It is recognised by BHCLT, the national CLH sector and the council that the cost of borrowing on the open market can be a key obstacle to developing CLH schemes especially those being developed on small and difficult urban infill sites. Sites like those that Bunker are leasing from the council that require bespoke design and building solutions and where there is no opportunity for economies of scale.
- 3.5 Bunker are seeking to access lending of up to £0.385m to progress their next site and build 1 x 2-bed and 1 x 3-bed home on the Dunster Close site. This equates to 61% of the loan-to value of the project. The rest of the development is projected to be funded through:
- Community Housing Fund pre-development, which is already secured and has been spent
 - Brownfield Land Release Fund (capital infrastructure costs), which is already secured
 - Affordable Homes Programme (capital grant funding), not yet secured
 - Loan stock, partially secured but with plans to raise more.
- 3.6 Any amount will be loaned at the prevailing interest rates at the time in which the borrowing is required by Bunker and will be set on an annuity basis. The loan will be secured against the assets being developed and repayment commencing from the first year over a specified period. This could typically be between 30 and 50 years and will enable the business case to be viable for Bunker. The issuing of the loan will be required to be provided on a stage basis to ensure the risks for the council are mitigated and the loan can be secured against the development as it progresses.
- 3.7 The loan which the council will lend is anticipated to be more advantageous rates than Bunker would be able to obtain from a commercial lender. This means the council is granting a subsidy to Bunker. However, under the Subsidy Control Act 2022 which comes into force in January 2023 there are provisions that allow a public authority to grant "minimal financial assistance" of up to £0.315m over a rolling three-year period. Given the size of the loan, the difference between a commercial rate and the rate applied by the council is unlikely to breach this limit. A review will need to be taken at the time to ensure the council remain within that limit.
- 3.8 To provide further assurance before lending Bunker the money to construct the Homes, the council requires Bunker to be a Registered Provider (RP).

An application has been submitted. However, one of the key hurdles for Bunker to gain RP status is assurance around their funding arrangements. Therefore, the paper is seeking an in-principle decision to lend money subject to a successful RP application, agreement on the nominations and further due diligence on the business plan. This in-principle decision will be sufficient for Bunker's RP application to progress and unlocks the barriers to this arrangement.

- 3.9 A further report will need to be presented to Housing Committee and subsequently Policy & Resources committee for final budget approval when all milestones have been met and agreed.
- 3.10 Part of the 2021/22 revenue budget one off revenue support of £0.020m was approved to support the set up costs for this loan. This funding will be used to fund the arrangement fees associated with the Public Works Loan Board borrowing.
- 3.11 Community led housing can provide an alternative, more affordable housing solution for those that are priced out of the private housing market in the city, and also offers an opportunity for the development of more co-operative and/or co-housing living with an emphasis on community.
- 3.12 As part of working with the council Bunker has committed to a nominations arrangement that reflect the council's assistance.

4. Analysis and consideration of alternative options

- 4.1 The revenue resource of £0.020m could be used to support the refinancing of the existing loan which Bunker have secured against the existing homes that have been developed at Plumpton Road, however this would not result in the development of new affordable housing in the city for which this was the purpose which this was set up.
- 4.2 As part of the review of the Business Plan Bunker have been reviewing alternative funding sources/lenders to help determine the best option available to them in order to complete this scheme.

5. Community engagement and consultation

- 5.1 Bunker carried out community engagement and consultation related to achieving planning permission at this site. The council aims to work closely with both existing residents and the group looking to build new homes in the community.

6. Conclusion

- 6.1 It is recommended that the lending pilot is taken forward for the loan required to fund the Dunster Close development, which will allow the council to monitor the outcomes of on lending to third parties whilst mitigating the risks that the council are exposed to.

7. Financial implications

- 7.1 There are no direct financial implications arising from this report. The decision to support the proposal in principle does not commit the council to lending the money now moreover it unlocks the barriers currently in place for this project to progress.
- 7.2 The £0.020m that was approved as part of the 2020/21 budget report will provide one-off revenue resources to support the set-up costs associated with the revolving loan facility when applied.
- 7.3 The value and timing of the loan facility is still to be determined and will depend on the extent of the final scheme; Income received from Bunker will pay for the financing costs incurred by the council.

Name of finance officer consulted: Craig Garoghan Date consulted
17/10/22

8. Legal implications

- 8.1 The subsidy control implications are set out in the body of the report. The council will need to take a charge over the site to protect its investment and further details relating to the legal agreements will be set out in future reports.

Name of lawyer consulted: Alice Rowland Date consulted 2/11/22

9. Equalities implications

- 9.1 Community led housing allows local people to take control of their housing and creates alternatives to the limited choices that may be available in the local housing market. Community led housing offers a range of tenures benefiting a range of people and communities including older or vulnerable people. An increase in housing supply may also extend opportunities to accommodate households on the Housing Register who are in housing need including vulnerable groups.

10. Sustainability implications

- 10.1 Community led housing provides a housing option that enables people to remain in their local area and ensure neighbourhood services remain sustainable. Community led housing developments can benefit from being innovative with environmentally sustainable design which contributes to the 2030 carbon neutral objectives. In addition it supports the council's community wealth building commitment by ensuring that as an anchor organisation it can make its financial power work for local places.

11. Other Implications

None

Supporting Documentation

- 1. Appendices:** None
- 2. Background documents:** None

Brighton & Hove City Council

Housing Committee

Agenda Item 45

Subject: Housing Repairs and Maintenance – additional contractor capacity Kitchens and Bathrooms.

Date of meeting: 16th November 2022

Report of: Executive Director Housing, Neighbourhoods & Communities

Contact Officer: Name: Grant Ritchie
Tel: 07447 008990
Email: grant.ritchie@brighton-hove.gov.uk

Ward(s) affected: All

For General Release

1. Purpose of the report and policy context

- 1.1 The Housing Revenue Account (HRA) Capital Programme forms a key part of implementing the main aims of our long-term asset management approach, which seeks to maximise investment in homes and support reductions in responsive repairs needed whilst providing safe, good quality housing.
- 1.2 The Programme supports delivery of key commitments, including to maintain 100% achievement of properties meeting the government's Decent Homes Standard and the local Brighton & Hove Standard over the medium term.
- 1.3 Our HRA capital investment budget for Kitchens & Bathrooms replacement outlined in paragraph 7.1 is key in helping to ensure our homes comply with the Decent Homes and Brighton & Hove Standard.
- 1.4 This report seeks approval for the procurement of an additional contractor to undertake works on Planned Kitchens and Bathrooms replacement in order to help increase the number of replacements delivered and contribute toward achieving our Corporate KPI of 100% of dwellings meeting the Decent Homes Standard.

2. Recommendations

- 2.1 That Housing Committee delegate authority to the Executive Director, Housing Neighbourhoods & Communities to procure and award a contract for up to two providers of works to deliver kitchens and bathrooms in council housing.

3. Context and background information

- 3.1 The focus of our investment in replacing Kitchens & Bathrooms is to ensure our homes are comfortable, safe, and modern, in line with the quality

standards agreed with residents and the requirements of the Housing Health and Safety Rating System (HHSRS).

- 3.2 Our current Brighton & Hove Property Standard was developed closely with residents in response to feedback that the Government's Decent Homes Standard was very basic and that we should aim for an improved local standard.
- 3.3 The Brighton & Hove Property Standard was implemented following detailed work with residents and partners and includes the following key aim.
 - To maintain 100% achievement of properties meeting the government's Decent Homes Standard and our local Brighton & Hove Standard over the medium term.
- 3.4 The Council holds asset information for each property on its Asset Management System (Apex) including the age and condition of the individual elements such as kitchens, bathrooms and windows. This information is used to determine if a property meets the Decent Homes Standard and to help delivery teams prioritise planned improvement works. Properties can potentially become non-decent on the 1st of January each year when the age of each asset element is updated, as reflected in the quarterly figures. The budget for Decent Homes work is set in accordance with the Council's Housing Asset Management Strategy priority of "investing in homes and neighbourhoods". The team running our programmes will undertake detailed surveys of homes ahead of the works programme as required to agree exactly which homes meet the detailed replacement criteria.
- 3.5 September 2022 Housing Committee considered the Housing Performance Report for Quarter 1, 2022/23. Performance against our Corporate KPI on % of the council's homes that meet the Decent Homes Standard was 95.9% (11,263 of 11,745). This was against our target to ensure that all Council homes meet the Decent Homes Standard (100% decency or 0% non-decent) throughout the year.
- 3.6 Housing Committee was advised that Performance against the Decent Homes KPI has improved from 12 months previously. Delivery of planned works is now ongoing following delays due to the impact of COVID-19 restrictions. Decent Homes was specifically impacted as works such as kitchens and bathrooms replacements which are disruptive and involve multiple visits to tenanted homes over a number of days, which were not always possible to undertake during the pandemic.
- 3.7 On 11/10/2018 the Policy Resource and Growth Committee gave delegated authority to the Executive Director Neighbourhoods, Communities & Housing to procure and award a programme of planned maintenance and improvement works to tenanted housing.
- 3.8 This programme comprised the following areas:

- Lot 1: Kitchen and bathroom replacements
- Lot 2: External and internal repairs and decorations
- Lot 3: Window replacements
- Lot 4: Roof replacements
- Lot 5: Door replacements – flats and street property doors
- Lot 6: Doors – Main entrance doors - Discontinued
- Lot 7: Communal and domestic rewire

- 3.9 The relevant area for this report is Lot 1 – Kitchen and Bathroom replacements which was awarded to the successful Contractor in 2021 for a period of up to 7 years. Our intention is to continue working with this Contractor to seek to ensure they deliver in line with their contractual obligations.
- 3.10 However, in order to support this contractor and improve performance against our Decent Homes standard KPI, approval is sought to undertake a competitive procurement process deliver a second contractor to recover the backlog of kitchen and bathrooms not delivered over the last year and increase the future delivery over the next 3-5 years. Work will be allocated to each contractor based on performance and capacity. Lot 1 did not specify a particular volume of work to a contractor. With the current backlog, it is anticipated that both the existing and new contractor will be offered a consistent flow of work for the duration of their contract.
- 3.11 As part of our forthcoming update of our HRA Asset Management Strategy we propose to review the Brighton and Hove Property Standard following the completion of the Government led review of Decent Homes standards.
- 3.12 A review of this standard is now due in order to ensure that it continues to meet the needs of our residents, as well as ensure it takes fully into account our commitments to move towards zero carbon by 2030 and changes to Government standards, as currently set out in the Social Housing White Paper. It is expected that this review of standards would be completed following the publication of the Governments' final documents.
- 3.13 Increased contractor capacity will also enable us to better respond to any changes arising from the Social Housing White Paper in relation to Decent Homes standards concerning replacement of kitchens and bathrooms.

4. Analysis and consideration of alternative options

- 4.1 This contract is intended to ensure that tenanted kitchens and bathrooms are delivered within a reasonable timescale. We currently do not undertake kitchen and bathroom installations 'in house' on this scale. To set up a directly employed work stream of this kind would require a significant expansion of the team with associated costs and risks related to delivery of this specialist area of work.
- 4.2 We could decide not to appoint as recommended and continue working with the current contractor. However, this would risk limiting improvement in delivery of replacement kitchens & bathrooms which will significantly impact

tenants and impact upon our performance against our key KPI concerning the percentage of properties that meet the Decent Homes Standard.

5. Community engagement and consultation

- 5.1 We continue working closely with residents to help increase levels of resident satisfaction with the quality of their home and neighbourhood and to support proactive investment in and maintenance of the council housing stock to enable a preventative approach that allows for the ongoing reduction in the level of responsive repair needs.
- 5.2 We will be consulting with residents on our forthcoming review of the HRA Asset Management Strategy and on matters related to the new regulatory framework arising from the Social Housing White Paper.

6. Conclusion

- 6.1 In order to support completion of the required volume of work in this area of our planned programme, the recommendation of this report is to procure additional contractor resource in addition to the existing contractor, in order to increase contractor capacity and support reduction of the current backlog of work.
- 6.2 The condition of a property's kitchen or bathroom contributes to its measurement of decency. Failure to keep up with the planned program of kitchen and bathroom replacement going forward will result in a reduction in the percentage of properties meeting the Decent Homes Standard.

7. Financial implications

- 7.1 As an indication of spend and jobs raised, based on historical data over 3 financial years (between 01.04.16 and 31.03.19), circa £3.7 million has been spent by the Council on the supply and installation of kitchens which amount to over 1,280 jobs raised over this period of time.
- 7.2 Based on historical data over 3 financial years (between 01.04.16 and 31.03.19) circa £0.670 million has been spent by the Council on the supply and installation of bathrooms which amount to approximately 346 jobs raised over this period of time.
- 7.3 Based on historical data over 3 financial years (between 01.04.16 and 31.03.19) circa £0.670 million has been spent by the Council on the supply and installation of bathrooms which amount to approximately 346 jobs raised over this period of time.
- 7.4 This is representative of a financial year spend of around £1.45 million, the current contractor will continue to deliver a portion of this expenditure. Based on their current performance this may be as much as 50%.
- 7.5 The incoming contractor after mobilising will be expected to bring the total number of completed kitchens and bathrooms to the planned 6 kitchens and

1 bathroom replacement per week respectively. This equates to £0.73 Million per annum, the estimates contract value over 3 years with a 20% allowance for inflation at £2.61 Million. Within the term a further 2 extension periods of up to 1 years will be allowed for. Making the total contract value £4.35 Million excluding VAT and the total published contract value with VAT £5.22 Million.

- 7.6 The further extension periods will also allow alignment with the end date for both the current contract and the contract with the incoming supplier. The re-procurement of the service can then factor in the performance of both contracts and make consideration for future contracts with multiple contractors.
- 7.7 The HRA budgetary provision allows for this level of expenditure, subject to future budget setting.

Name of finance officer consulted: Michael Bentley
Date consulted 01/11/22

8. Legal implications

- 8.1 In accordance with Part 4 of the Council's constitution, the Housing Committee is the appropriate decision-making body in respect of the recommendations set out in paragraph 2 above. To comply with CSO 3.1, contracts in excess of £500,000 must be approved by the relevant committee.
- 8.2 As set out in the procurement implications below, this is a below threshold procurement and the council's Contract Standing Orders must be complied with. This includes CSO 9.7 to ensure that the procedure is appropriate and proportionate to the value of the contract so that the Council achieves best value.
- 8.3 CSO 12 provides that in the absence of an approved Framework Agreement, at least five tenders must be sought.
- 8.4 To comply with CSO 14.7, contracts in excess of £250,000 must be in a form approved by the Head of Law and shall be given under the Common Seal of the council.

Name of lawyer consulted: Wendy McRae-Smith Date consulted
7/11/22.

9. Equalities implications

- 9.1 The tender documents will include questions that ensure the bidders address all equalities considerations, both as a business and through evaluation of how they will engage with residents to ensure they give consideration to the diversity of the city's population.

9.2 Contractors will be expected to carry out their works in line with the Council's Fair & Inclusive action plan.

10. Sustainability implications

10.1 Bidders proposals will be evaluated for the sustainable practice and delivery which will be weighted at a minimum of 10% of the quality evaluation.

11. Other Implications

Social Value and procurement implications

11.1 The total value of this contract is estimated at £4,350,000.00 which is below the Public contract regulations 2015 threshold for works of £5,336,937.00 and is therefore subject to the Brighton and Hove City council Contract Standing Orders.

11.2 The value of this contract is over £25,000.00 and will be published to contracts finder in accordance with Procurement Policy note 09/21.

11.3 Bidders will be asked to submit a Social Value proposal against the relevant criteria from the Social Value framework which will be evaluated at a minimum of 10% of the quality criteria.

11.4 A report on Repairs and Maintenance – Kitchens and Bathrooms was considered at Procurement Advisory Board on 17th October 2022. Procurement Advisory Board recommended to Housing Committee, the procurement and award of a single provider contract for the provision of works to deliver kitchens and bathrooms in tenanted housing.

11.5 The procurement process in accordance with the Contract Standing Orders for contracts over £75,000.00 will be an invite only single stage tender. A minimum of 5 suppliers will be invited to tender for the work. These will be selected from a list of known suppliers that deliver this specialism. We will also consider inclusion of suppliers who bid for the original framework position that the current contractor was awarded. These are however largely national organisations who would likely engage more local suppliers to act as sub-contractors to deliver the works.

Document is Restricted

