



**Brighton & Hove  
City Council**

# Housing Management Consultative Committee

Title:	<b>Housing Management Consultative Committee</b>
Date:	<b>23 September 2008</b>
Time:	<b>3.00pm</b>
Venue:	<b>Council Chamber, Hove Town Hall</b>
Members:	<b>Councillors:</b> Caulfield (Chairman), Allen, Davey, Fryer, Harmer-Strange, Mears, Simpson (Opposition Spokesperson), Simson and Wells
Contact:	<b>Martin Warren</b> Senior Democratic Services Officer 01273 291058 martin.warren@brighton-hove.gov.uk

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## **HOUSING MANAGEMENT CONSULTATIVE COMMITTEE**

### **Tenant Representatives:**

Chris El-Shabba, Brighton East Area Housing Management Panel

Stewart Gover, North & East Area Housing Management Panel

Ted Harman, Brighton East Area Housing Management Panel

Heather Hayes, North & East Area Housing Management Panel

Chris Kift, Central Area Housing Management Panel

Beryl Snelling, Central Area Housing Management Panel

Tina Urquhart, West Hove & Portslade Area Housing Management Panel

Joan Westmoreland, West Hove & Portslade Area Housing Management Panel

John Stevens, Community Safety Forum

Muriel Briault, Leaseholder Action Group

Tom Whiting, Sheltered Housing Action Group

John Melson, High Rise Action Group

Colin Carden, Older People's Council

**AGENDA**

**20. 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 by all Members present of any personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
- (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 2 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.*

**21. MINUTES OF THE PREVIOUS MEETING**

**1 - 12**

Minutes of the meeting held on 22 July (copy attached).

**22. CHAIRMAN'S COMMUNICATIONS**

**23. CALLOVER**

**24. PUBLIC QUESTIONS**

(The closing date for receipt of public questions is 12 noon on 16<sup>th</sup> September)

No public questions received by date of publication.

**25. WRITTEN QUESTIONS FROM COUNCILLORS**

(The closing date for receipt of written questions from Councillors is 10.00am on 11<sup>th</sup> September)

No questions received by date of publication.

## HOUSING MANAGEMENT CONSULTATIVE COMMITTEE

### 26. PETITIONS

No petitions received by date of publication.

### 27. DEPUTATIONS

(The closing date for receipt of deputations is 12 noon on 16<sup>th</sup> September)

No deputations received by date of publication.

### 28. LETTERS FROM COUNCILLORS

(The closing date for receipt of letters from Councillors is 10.00am on 11<sup>th</sup> September)

No public questions received by date of publication.

### 29. LOCAL DELIVERY VEHICLE

13 - 40

Report of the Director of Adult Social Care & Housing (copy attached)

Contact Officer: *Martin Reid*

Tel: 29-3321

Ward Affected: *All Wards*

### 30. HOUSING REVENUE ACCOUNT 2007 / 2008 FINAL OUTTURN AND FORECAST OUTTURN FOR 2008 / 2009

41 - 50

Report of the Director of Adult Social Care & Housing (copy attached)

Contact Officer: *Sue Chapman*

Tel: 29-3105

Ward Affected: *All Wards*

### 31. SHELTERED HOUSING FOCUS GROUP UPDATE

51 - 80

Report of the Director of Adult Social Care & Housing (copy attached)

Contact Officer: *Martin Reid*

Tel: 29-3321

Ward Affected: *All Wards*

### 32. CHAIRMANS' WORKING GROUPS (TENANCY AGREEMENT)

81 - 112

Report of the Director of Adult Social Care & Housing (copy attached)

Contact Officer: *Diane Freeland*

Tel: (01273) 293202

Ward Affected: *All Wards*

## HOUSING MANAGEMENT CONSULTATIVE COMMITTEE

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Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

For further details and general enquiries about this meeting contact Martin Warren, (01273 291058, email [martin.warren@brighton-hove.gov.uk](mailto:martin.warren@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

Date of Publication - Monday, 15 September 2008



**BRIGHTON & HOVE CITY COUNCIL**

**HOUSING MANAGEMENT CONSULTATIVE COMMITTEE**

**3.00PM, 22 JULY 2008**

**COUNCIL CHAMBER HOVE TOWN HALL**

**MINUTES**

**Present:** Councillor Caulfield (Cabinet Member for Housing – Chairman).  
Councillors: Davey\*, Fryer, Marsh, Mears, Simpson, Simson, Smart, and Wells.

(\*Councillor Randall from item 16 onwards)

**Tenant Representatives:** Muriel Briault (Leaseholder Action Group), Stewart Gover (North & East), Ron Gurney (West Hove & Portslade), Ted Harman (Brighton East), Heather Hayes (North & East), Chris Kift (Central), Faith Matyszak MBE (Brighton East), John Melson (High-Rise Action Group), Charles Penrose (Sheltered Action Housing Group), Beryl Snelling (Central) and John Stevens (Tenant Disability Network)

**PART ONE**

**Action**

**1 PROCEDURAL BUSINESS**

**1a Declaration of Substitutes**

**1a.1 Councillor**

**For Councillor**

Marsh  
Smart

Allen  
Harmer-Strange

**1b Declarations of Interest**

1b.1 There were none.

**1c Exclusion of Press and Public**

1c.1 The Committee considered whether the press and public should be excluded from the meeting during the consideration of any items contained in the agenda, having regard to the nature of the business to be transacted and the nature of the proceedings and the likelihood as to whether, if members of the press and public were present, there would be disclosure to them of confidential or exempt information as defined in Schedule 12A, Part 5A, Section 100A(4) or 100 1 of the Local Government Act 1972 (as amended).

1c.2 **RESOLVED** - That the press and public be not excluded from the meeting.

## **2 MINUTES**

- 2.1 In response to a query from John Stevens the Assistant Director noted that a report on damp in council owned homes was being prepared and would be reported to a future meeting.
- 2.2 **RESOLVED** – That the minutes of the meeting held on 11 March 2008 be approved and signed by the Cabinet Member.

## **3 CABINET MEMBER'S COMMUNICATIONS**

- 3.1 The Chairman welcomed everyone to the inaugural meeting of the Housing Management Consultative Committee, outlining her vision for Housing Management, including priorities that:
- i) Tenants would continue to be at the heart of the service
  - ii) Housing Management would be a '3 star' service
  - iii) Improvements stemming from recent consultation would be evident.
- 3.2 The Chairman noted that projects providing new kitchens and bathrooms had begun and a project upgrading properties in the Albion Hill area of the city had just concluded.
- 3.3 The Chairman explained that in response to demand from tenants, there would be a greater focus on tenancy enforcement.
- 3.4 The Chairman concluded that she welcomed recent comment about Succession Policy and that there would be an emphasis on protecting and being more sensitive to tenants who were dealing with bereavement.

## **4 ITEMS RESERVED FOR DISCUSSION**

- 4.1 **RESOLVED** - All items were reserved for discussion.

## **5 PUBLIC QUESTIONS**

- 5.1 There were none

## **6 WRITTEN QUESTIONS FROM COUNCILLORS**

- 6.1 There were none.



**PETITIONS**

- 7.1 Charles Penrose presented the following petition signed by 770 sheltered housing residents concerning the retention of scheme managers.

*'We the undersigned believe that Scheme Managers are absolutely essential for Brighton & Hove City Council Sheltered Housing schemes. We call on Brighton & Hove City Council to retain the present system of Scheme Managers.*

*We are extremely concerned to hear that Scheme Managers are going to be replaced by floating support. People live in Sheltered Housing because they need support and security, and floating scheme managers cannot provide this at a sufficient level.*

*Scheme Managers should not be an optional extra – they are absolutely vital. A Scheme Manager not only improves the quality of people's lives but can also prolong their lives.*

*We are amongst the most vulnerable people in society, and our lives should not be put in danger through cost-cutting measures. We urge all Sheltered Housing tenants to sign this petition and to encourage families and carers to give us their support.'*

- 7.2 The Chairman accepted the petition noting her intention to visit every sheltered housing scheme in the city. She added that a report was being prepared on the issue and that the concerns of petition would be incorporated.

- 7.3 **RESOLVED** – That the petition be noted.

**8 DEPUTATIONS**

- 8.1 There were none.

**9 LETTERS FROM COUNCILLORS**

- 9.1 There were none.

**10 NOTICE OF MOTION REFERRED FROM COUNCIL**

- 10.1 There were none.

**11 MATTERS REFERRED FOR RECONSIDERATION**

- 11.1 There were none.

**12 REPORTS FROM OVERVIEW & SCRUTINY COMMITTEE**

- 12.1 There were none.

**13 SHELTERED HOUSING FOCUS GROUP UPDATE**

- 13.1 The Committee considered a report of the Director of Adult Social Care & Housing concerning work of the Sheltered Housing Focus Group. The group had examined issues raised by tenants concerning council owned sheltered housing in the City (for copy see minute book).
- 13.2 Councillor Mears noted the concerns about communication and the need to respond to such.
- 13.3 The Chairman accepted that work was needed to improve customer services. This included improved communications. She noted the success of the recent 'roadshow' that visited sheltered housing schemes.
- 13.4 The meeting debated the merits of the roadshow and agreed that it was a good idea and asked if it might continue. It was noted that the event might benefit from a broader audience. Tenant Representatives asked if Carers might be able to attend and Councillors asked if Ward Members might be alerted to the events for information.
- 13.5 John Melson hoped that some positive action might result from the communications that had been heard.
- 13.6 Councillor Simpson noted the potential security risks for people living in sheltered accommodation, particularly in relation to shared spaces like common rooms and the possibility for theft from insecure areas. The Chairman noted that this issue had been debated by the Sheltered Housing Action Group and the work would be undertaken around this issue.
- 13.7 **RESOLVED** – That the progress of the Sheltered Housing Focus group to date be noted and that a full report on the conclusions of the Focus Group be brought back to the committee in September.

**14 ALLOCATIONS AND ADAPTATIONS FOCUS GROUP UPDATE**

- 14.1 The Committee considered a report of the Director of Adult Social Care & Housing providing an update to the progress made thus far. The report recommended that a further updated report, including implementation of proposed policy changes, be considered in detail by the respective working groups prior to a final report being brought back to Housing Management Consultative Committee in the autumn (for copy see minute book).
- 14.2 The Chairman commended the report and thanked those involved in its preparation; she requested that it be shared with all Councillors for information.
- 14.3 John Melson requested that disabled people needing adaptations due to sub-standard accommodation should be decanted with no wait. The Chairman noted that this issue would be considered as part of the final report

**Martin  
Warren**

- 14.4 John felt that that the 750K budget was inadequate and that the funding ought to be from the General Fund rather than the Housing Revenue Account. The Director noted the pressures on the budget and suggested that it could be examined during the budget setting process. The aspiration was that all properties should be 'homes for life' but the budgetary situation was difficult.
- 14.5 John Stevens was pleased to learn that an underspend of 138K from the Adaptations budget had been rolled forward and incorporated into the current budget.
- 14.6 Councillor Mears noted the limited impact of the budget and suggested that there might be alternatives to simply providing adaptations; she suggested that there might be merit in examining alternative housing options for those in severe need.
- 14.7 In response to a query from John Melson about the budget underspend the Assistant Director reported that the entire budget had been committed. The underspend did not mean that there was not enough demand, but rather that it had not been possible to complete all the budgeted works in a single financial year.
- 14.8 The Assistant Director informed the Committee that Officers were looking to deal with adaptations in a more systematic way and were considering options such as designating entire blocks for adaptation or offering concierge and extra care in some buildings.
- 14.9 Stewart Gover noted that, contrary to assurances otherwise, he was aware of properties that were having adaptations removed. The Assistant Director offered to investigate the specific case.
- 14.10 In response to queries from Ted Harman the Chairman explained that the newly developing Adaptations Policy would consider the issue of feedback and communication with tenants. She also commented that the newly compiled register of adapted properties would help tackle some of the issues in relation to the length of time it currently took to provide adaptations.
- 14.11 The Committee were concerned about delays incurred due to the lack of Occupational Therapists. The Director was aware of a national shortage and was working with local teams to address the issues. Chris Kift noted a visible improvement since the appointment of his Occupational Therapist and commended the better communications.
- 14.12 **RESOLVED** –That the progress to date be noted and that a full and final report be brought to the Housing Management Consultative Committee in Autumn 2008 to amend the Allocations Policy and incorporate an Adaptations Policy.

**Nick  
Hibberd**

**15 HOUSING GREEN PAPER OPTIONS: STAGE ONE REPORT**

- 15.1 The Committee considered a report of the Director of Adult Social Care & Housing concerning the council's review of options in the Government's Housing Green Paper. With the support of external financial and legal expertise from Pricewaterhouse Coopers (PwC) and Trowers & Hamlins (Trowers), the detailed assessment of options for meeting the council's strategic objectives and development of a proposal for the council to set up a viable Local Delivery Vehicle (LDV) that meets these objectives had been completed (for copy see minute book).
- 15.2 The Chairman commended the input of all those involved in preparing the report. She noted the huge opportunities it offered for the council and the financial benefits that it could bring.
- 15.3 The Chairman noted a request from Councillor Randall to speak to the report and invited him to address the meeting.
- 15.4 Councillor Randall was concerned about tenant input and involvement in regard to the LDV. He suggested that the LDV Board should consist of at least one third Tenant Representatives.
- 15.5 Councillor Randall commented that some authorities were tackling the issue in different ways; he noted the use of Community Land Trusts and Co-Operative models.
- 15.6 The Chairman thanked Councillor Randall for his comments and supported an ongoing commitment to tenant involvement. She recognised the need for sustainable and deliverable development, noting the current 'credit crunch' and potential for fuel poverty.
- 15.7 The Chairman was keen to ensure wide input and ownership of the scheme and noted the strong links with the newly established Cabinet Committee on Sustainability. She concluded that the LDV was only one of a series of potential solutions and that, where appropriate it might be of benefit to use Land Trusts or Co-Ops.
- 15.8 Councillor Marsh supported the commitment to tenant involvement and the comments of Councillor Randall in relation to using the various models available to the council. Councillor Marsh suggested that the newly emerging 'Citywide Assembly' might be interested in commenting on the Green Paper.
- 15.9 Charles Penrose asked what the implications were for Sheltered Housing. The Chairman explained that there could be positive benefits for Sheltered Housing and that residents would be consulted as plans developed. There was potential to re-invest in Sheltered Housing and improve facilities.
- 15.10 Councillor Simpson was concerned that the report had only been available for a short while to Members and that there were many issues that the Labour Group would have liked to have been briefed on prior to the meeting.

- 15.11 The Chairman commented that the report had been debated by the Adult Social Care and Housing Scrutiny Panel and that the Leader of the Labour Group had been aware of its content. She was keen to ensure that Members were involved.
- 15.12 Stewart recognised the need to allow for 'enquiring voices'. He noted that there was a pool of expertise and experience from within the local tenant movement and noted a general feeling of anticipation across the city. He felt that confidence in the proposed trajectory was immense and that this energy should be capitalised.
- 15.13 Councillor Fryer commented that the reason that this option was being pursued was because Government would not allow the council to borrow money or build its own housing stock. She was pleased to note that the LDV was one of a number of options being considered.
- 15.14 In response to a series of questions from Councillor Fryer the Chairman explained that; responsibility for repairs and maintenance remained with the council, the 106 leased properties would be from temporary accommodation, therefore there would be no change to their current Tenancy Agreement. The rent levels of the properties in question should not be significantly affected.
- 15.16 The Chairman continued that it could be possible to build new properties, buy existing ones or take over mortgages from owner occupiers in difficulties. The length of the lease would be 125 years in order to attract the funding required.
- 15.17 In response to a series of queries from Councillor Marsh the Chairman explained that; the composition of the board and the involvement of tenants would be debated during the second phase of the project. The potential empty 393 HRA properties would have the same security of tenure as regular stock and were being identified by officers as they became available. The Chairman stressed that that it might not be necessary to utilise all 393 properties and that this figure merely represented the maximum number that the council were legally able to make use of.
- 15.18 The Chairman noted that communications to the wider tenant community would be through conventional routes including the Area Panels, 'Homing In' and the Tenant Conference.
- 15.19 Councillor Mears emphasised the importance of settling the consequences of the Stock Options process and the determination of the Administration to deliver an excellent service whilst recognising the request of tenants to retain the council as its landlord.
- 15.20 John Melson supported the proposals being made and hoped that all parties would work together to make it a reality rather than use the opportunity to 'play politics'. He appreciated that this was the start of a wider process and hoped that regular briefings would be available for all interested parties so that everyone could learn together.

15.21 John suggested that a separate body should be set up specifically for Housing to ensure that the options being considered were subject to rigorous and appropriate scrutiny. Councillor Mears noted that this request had been made previously and that consideration of it could be part of the six month review of the new constitutional arrangements.

15.22 **RESOLVED** – (1) That the progress of the project, which aims to deliver key strategic housing and corporate priorities and generate funding for investment in the HRA, be noted.

(2) To recommend that the Housing Cabinet Member approves to proceed to the proposed development and finalisation phases of Stage 2 of the review and authorises the Director of Adult Social Care and Housing to take all steps necessary to progress the work.

(3) That it be noted that any decision to implement the finalised proposals will be made by Cabinet and the Committee and to note the provisional outline timetable to set up any asset-backed LDV, as outlined in section 3.17 of the report.

(4) That the proposed consultation arrangements with tenant and leaseholder representatives be noted prior to Cabinet taking any final decision to establish a Local Delivery Vehicle, as outlined in section 4 of the report.

*Tenant Representatives unanimously indicated that they supported the recommendations.*

## 16 TENDER FOR A CONTRACT FOR THE PROVISION OF A SECURITY WHEEL CLAMPING SERVICE WITHIN BRIGHTON & HOVE

16.1 The Committee considered a report of Director of Adult Social Care & Housing that requested comments on a proposal to request permission to tender for a contract to provide a secure clamping service for Housing Revenue Account (HRA) managed car parking and garage areas let to licence holders. Permission was also sought that other directorates who would benefit from clamping on their land, for example office car parks, could use the service (for copy see minute book).

16.2 The Chairman invited Councillor Randall to take the seat vacated by Councillor Davey. Councillor Davey had to leave the meeting for personal reasons.

16.3 The Chairman noted that the Car Parks and Garages Working Group would remain in place to help monitor the contract.

16.4 Councillor Randall asked if it would be possible for 'orphan' spaces, (those with no clearly designated responsibility) to be adopted.

16.5 Councillor Marsh asked if clamping vehicles in parking bays was the best solution. She reasoned that this might not be of benefit to the bay tenant as the illegal occupant might take longer to remove the offending vehicle.

- 16.6 John Melson noted that problems with illegal parking in and around Hereford Court and Wiltshire House had been reduced by the use of clamping. There remained issues with tenants parking in the wrong spaces, but the situation was much improved. John commended the work of the Car Parks and Garages Team.
- 16.7 Stewart echoed the praise of the Car Parks and Garages Team. He suggested the use of parking permits for larger estates so that underused car parks could be let to non-residents. Head of Housing Management offered to investigate.
- 16.8 In response to a query from Councillor Simson, the Head of Housing Management noted that there was a thirty minute delay for visitors to high-rise blocks and a fifteen minute delay for low-rise, this to enable visitors to obtain visitors permits from those that they were visiting.
- 16.9 Chris Kift asked if the car park at the rear of St. James' House, currently gated, could be included in the clamping contract and have the gate removed.
- 16.10 The Chairman noted that the service had the potential to expand and adopt other areas.
- 16.11 Officers offered to investigate the use of the two car parking spaces at Woburn Court that were often illegally occupied by visitors to the neighbouring public house.
- 16.12 John Melson noted that a release fee of £125.00 was unaffordable to many tenants. Head of Housing Management noted that this had been debated by the Working Group and could be re-examined.
- 16.13 John Stevens noted that some tenants abused their car park spaces by sub-letting them to others. Head of Housing Management was aware of some small scale abuse and would take action where evidence was provided.
- 16.14 The Committee discussed the potential for zoning areas of the city and provision for disabled drivers. The Chairman suggested that this might be an issue that the Tenant Conference could debate.
- 16.15 **RESOLVED** – (1) That tendering for a Security Wheel Clamping Service within Brighton & Hove, enabling services to commence on 31 January 2009, be endorsed.
- (2) That the comments of the Housing Management Consultative Committee are recommended to the Housing Cabinet Member Meeting for approval.

**17 HOUSING STRATEGY 2008-2013: HEALTHY HOMES, HEALTHY LIVES, HEALTHY CITY**

- 17.1 The Committee considered a report of the Director of Adult Social Care & Housing concerning the development of a draft Housing Strategy and draft specialist housing strategies relating to Older People, the city's BME (Black and Minority Ethnic) communities and the city's LGBT (Lesbian, Gay, Bisexual and Trans) communities. Development of these strategies began in 2007 to replace the previous Strategy that was developed in 2001 and updated in 2004 (for copy see minute book).
- 17.2 The Chairman thanked the Officers for their work in preparing the report.
- 17.3 John Stevens asked if there would be a strategy for disabled persons or for ex-service personnel. The Housing Strategy Manager noted that these would be examined in future, but did currently cut across many existing policies.
- 17.4 John Melson noted that age and disability were not necessarily linked and that one could be disabled at any age.
- 17.5 Councillor Simson welcomed the strategies, but was concerned to note the challenges that had been faced in engaging with Black and Minority Ethnic (BME) communities.
- 17.6 Councillor Randall commented that 'lifetime homes' ought to translate into 'lifetime neighbourhoods' and that it was also important to offer strategies for families and the provision of family housing.
- 17.7 **RESOLVED** – (1) That the progress on the development of the city-wide Housing Strategy 2008–2013 and the consultation undertaken to date, be noted.
- (2) To engage Housing Management Consultative Committee and tenant representatives in detailed consultation / review of the draft Housing Strategy, Older People's Housing Strategy, BME Housing Strategy and LGBT Housing Strategy.

**18 HOUSING MANAGEMENT PERFORMANCE REPORT**

- 18.1 The Committee considered a report of Director of Adult Social Care & Housing concerning the attainment of performance targets set by members and/or Cabinet and reporting on general policy initiatives underway to improve performance within Housing Management responsibilities (for copy see minute book).
- 18.2 The Chairman was pleased to note the improvements in performance and thanked Officers for their work in achieving these goals.
- 18.3 Councillor Simson was pleased to note the improvements in empty property turnaround times but did not wish this to hamper the lettable standard.



- 18.4 Councillor Simson was concerned to note the percentage of tenants refusing properties due to 'not liking the area' having made a bid. She wondered why the bid had been made in the first place and if tenants were feeling under pressure to bid. The Chairman had asked the Lettings Team to investigate this and they had reported that the incidents were mainly due to viewing properties with shared facilities.
- 18.5 Councillor Simpson echoed the sentiments of Councillor Simson in respect of tenants feeling under pressure to bid. The Assistant Director noted the concerns and felt that Officers should encourage tenants to bid, but that this should not make tenants feel pressurised.
- 18.6 Councillor Randall noted that the neighbourhood was as important as the property being let. He noted that Rotterdam had created a safety index of all its estates and wondered if there might be benefit in doing something similar in the city. The Chairman agreed that expanded information about the neighbourhood would be a good idea.
- 18.7 Policy & Performance Manager offered to provide information to John Melson about the number of applicants and refusals.
- 18.8 Chris Kift noted that he had just been through the bidding system and had found it very stressful; viewing properties with other potential tenants added an element of competition which was awkward. The sheer lack of properties, even for a 'Band A' rating was frustrating and the poor information provided by the Letting Officer compounded a very stressful situation.
- 18.9 Councillor Randall asked if a financial assessment was made with tenants at the letting stage. Identifying potential problems for tenants at the start of their tenancy could bring benefits in the long term and reduce overall debt.
- 18.10 Councillor Randall noted that the issuing of Notice Seeking Possession (NOSP) for rent arrears was very high compared to the national average. He recognised that this represented a lot of work for the department but that it did save money in the long term.
- 18.11 In response to a query from John Stevens about emergency repairs and Carelink the Chairman suggested that refer this to the Repairs and Maintenance Monitoring Group.
- 18.12 Councillor Marsh noted that Adult Social Care & Housing had the largest amount of sickness leave. The Chairman noted that she, along with the Director and Assistant Director would be tackling this issue directly.
- 18.13 The Director noted that she was sponsoring a pilot scheme in respect of sickness absence. The issue was a sensitive one and she would be dealing with it as a priority and tackling the issue from the perspective of managing attendance.

**John  
Austin-  
Locke**

- 18.14 John Melson noted there had been a marked improvement in cleaning services and paid tribute to Hilary Edgar and her team for the positive results of some pilot schemes.
- 18.15 **RESOLVED** – (1) That the report be noted.
- 19 EXTERNAL ENVELOPE REPAIRS TO SOMERSET & WILTSHIRE HOUSE 2008**
- 19.1 The Committee considered a report of Director of Adult Social Care & Housing regarding the authorisation of delegated authority to award a contract for repairs to the external envelope of Somerset & Wiltshire House (for copy see minute book).
- 19.3 Councillor Mears was pleased to note that whilst scaffolding was erected it would be used to facilitate the carrying out additional minor repairs and inspections.
- 19.4 Charles Penrose noted concerns from residents of Somerset Point about previous electrical works and the difficulties poor work had caused. Councillor Mears and the Chairman noted that this was not acceptable and that there would be a greater emphasis on the letting and monitoring of contracts.
- 19.5 **RESOLVED** – (1) That the Housing Management Consultative Committee note that the Cabinet Member for Housing will be requested to authorise that the Director of Adult Social Care & Housing be given delegated powers to approve the award of the contract for external envelope repairs to Somerset & Wiltshire House, following financial due diligence and cost comparisons of the tenders offered under mini competition from contractors on the LHC external envelope repairs framework, following consultation with the Cabinet member for housing.
- 19.6 In closing the meeting the Chairman noted information from Chris Kift that a 'Facebook' site had been created by Tenant Representatives with colleagues from Jersey. She commended the initiative and hoped that it would bring dividends.

The meeting concluded at 5.00pm

Signed

Chair

Dated this

day of

2008

# HOUSING MANAGEMENT CONSULTATIVE COMMITTEE

## Agenda Item 29

Brighton & Hove City Council

**Subject:** Local Delivery Vehicle  
**Date of Meeting:** 23 September 2008  
**Report of:** Director of Adult Social Care and Housing  
**Contact Officer:** Name: **Martin Reid** Tel: **29-3321**  
E-mail: **Martin.reid@brighton-hove.gov.uk**  
**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 Following the recommendation of the Housing Management Consultative Committee at its meeting on 22 July 2008 that the Housing Cabinet Member approve to proceed to the proposed development and finalisation phases of Stage 2 of the review of Housing Green Paper options, the proposal to establish a housing Local Delivery Vehicle (LDV) has been developed and refined.
- 1.2 The purpose of the LDV is:
- To bring in additional investment of up to £45 million to improve council homes and thus to meet Decent Homes Standard and tenant aspirations for improvement of the stock
  - To meet strategic housing and corporate priorities. In particular, to provide accommodation for people with particular needs to whom the council owes a housing duty
  - To refurbish the leased stock.
- 1.3 The proposal complies with the following parameters, which were set in the light of tenants' overwhelming rejection of the stock transfer proposal in 2007:
- No RSL involvement
  - No freehold transfer
  - No transfer of tenanted properties
  - Maximum transfer of 499 properties within a period of 5 years.
- 1.4 To reflect the interests of council tenants, it is proposed that the LDV is established with Brighton & Hove City Council tenants (to be selected by Area Housing Management Panels) comprising one third of the board of management. Tenants would also have one third of the voting rights at company membership level.

1.5 The Cabinet will consider recommendations to set up the proposed LDV at its meeting on 24 September 2008, where the outcome of consultation meetings with tenants and tenants' representatives and any representations made by Housing Management Consultative Committee will be reported orally. Full details of tenant consultation arrangements are included in section 4 of the Cabinet report, attached at Appendix 1.

**2. RECOMMENDATIONS:**

- (1) That the Housing Management Consultative Committee consider the report for the Cabinet meeting on 24 September 2008 regarding the establishment of the proposed Local Delivery Vehicle (LDV) and the granting of leases, attached at Appendix 1.
- (2) That the Housing Management Consultative Committee consider any representations they may wish to make to Cabinet.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Local Delivery Vehicle report to Cabinet for its meeting on 24 September 2008.

### **Background Documents**

1. Housing Green Paper report to Housing Management Sub-Committee 11 March 2008.
2. Housing Green Paper Options Review report to Housing Management Consultative Committee 22 July 2008.



# CABINET MEETING

## Appendix

### Agenda Item 75

Brighton & Hove City Council

<b>Subject:</b>	<b>Local Delivery Vehicle</b>		
<b>Date of Meeting:</b>	<b>24 September 2008</b>		
<b>Report of:</b>	<b>Director of Adult Social Care and Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Martin Reid</b>	<b>Tel:</b> 29-3321
	<b>E-mail:</b>	<b>martin.reid@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No. CAB 3347</b>	
<b>Wards Affected:</b>	<b>All</b>		

## FOR GENERAL RELEASE

### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The purpose of this report is to recommend the creation of a housing Local Delivery Vehicle (LDV) to obtain best value for money from Housing Revenue Account (HRA) assets requiring reinvestment and not occupied by Secure Tenants, without freehold transfer. The purpose of the LDV is:
- To bring in additional investment to improve council homes, to assist in meeting Decent Homes Standard and tenant aspirations for improvement of the council housing stock.
  - To meet strategic housing and corporate priorities. In particular, to provide accommodation for people with particular needs to whom the council owes a housing duty.
  - To refurbish the leased stock.
- 1.2 The proposal to set up a Local Delivery Vehicle (LDV) to meet the council's corporate priorities and strategic housing objectives, which emerged from Stage 1 of the review of options in the Government's Housing Green Paper *Homes for the Future: more affordable, more sustainable*, has now been developed and refined. Pricewaterhouse Coopers (PwC) have undertaken further financial modelling and soft market testing and Trowers & Hamblins (Trowers) have advised further on a suitable corporate structure and governance arrangements. The key points are outlined in this report.
- 1.3 Consultation on the proposal with council tenants and leaseholders and their representatives is taking place as set out in section 4 of this report and the outcome will be reported orally to Cabinet at the meeting.

## **2. RECOMMENDATIONS:**

- 2.1 That Cabinet approve the setting up of the proposed Local Delivery Vehicle to deliver key strategic housing and corporate priorities and generate funding for investment in the HRA to improve council homes and assist the council in meeting the Decent Homes Standard.
- 2.2 That Cabinet agree:
- (a) that the Local Delivery Vehicle (LDV) is incorporated as a Company Limited by Guarantee and seeks charitable status and
  - (b) that the LDV is established with a board of management of 12, comprising one third council nominees, one third BHCC tenants (selected by Area Housing Management Panels) and one third independents (appointed by the other board members of the company), and that board composition is reflected at company membership level, making the LDV independent of the council.
- 2.3 That Cabinet note the potential for two funding sources (namely private sector funding or via council borrowing). That Cabinet instruct officers to undertake all actions necessary to put a private sector funding solution in place concurrently with further assessing the council borrowing option (including, if necessary, seeking any consents from the Secretary of State under sections 24 and 25 of the Local Government Act 1988). That Cabinet instruct officers to report back to a committee of the Cabinet comprising the Cabinet Members for Housing and Finance once all due diligence work is completed for determination of the funding option to be used. It is anticipated that this will be completed by December 2008.
- 2.4 That Cabinet agree the proposal to enter into a VAT shelter arrangement with the LDV (including a development agreement with it for the refurbishment of leased properties) and authorise the Director of Adult Social Care and Housing to take all steps necessary for its establishment following legal advice.
- 2.5 That Cabinet authorise the Director of Adult Social Care and Housing, after consultation with Cabinet Member for Housing, to take all steps necessary or incidental to the formation of the LDV including but not limited to the granting of the leases and other steps necessary to implement the proposals in the report and to report back on progress when seeking the determination on funding solutions referred to in 2.3 above.
- 2.6 That Cabinet approve the use of up to £45 million generated from the leasing of HRA assets to the LDV for affordable housing and in particular for the carrying out of improvements to the council's retained HRA stock under the council's Decent Homes programme during the period from April 2009 to April 2016.



- 2.7 That Cabinet recommend to Full Council that it authorises the making of an application to the Secretary of State for consent to lease to the LDV (with vacant possession for a period of up to 125 years) the 106 Housing Revenue Account dwellings listed in the schedule in Part 2 of this agenda (exempt under paragraphs 1, 2 and 3 of schedule 12A to the Local Government Act 1972 (as amended)) under the requirements of s32 Housing Act 1985 and any additional application necessary or incidental to the granting of such leases or under any other relevant legislation.
- 2.8 That Cabinet recommend to Full Council that it authorises the making of an application to the Secretary of State for consent to lease to the LDV (with vacant possession) for a period of up to 125 years such other Housing Revenue Account dwellings, in addition to those listed in the schedule above (up to a maximum of 499 in total, including those covered under 2.7 above, within a five year period) that satisfy the criteria referred to in paragraph 3.4.9 of this report. For the avoidance of doubt Cabinet and Council delegate the power to make decisions on the inclusion of individual properties to the Director of Adult Social Care and Housing after consulting with the Cabinet Member for Housing.

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

#### **3.1 PURPOSE OF THE VEHICLE**

3.1.1 As set out in the council housing (HRA) asset management plan the purpose of the LDV is:

- To bring in additional investment to improve council homes and thus to meet Decent Homes Standard and tenant aspirations for improvement of the stock.
- To meet strategic housing and corporate priorities. In particular, to provide accommodation for people with particular needs to whom the council owes a housing duty
- To refurbish the leased stock.

3.1.2 Given tenants' overwhelming rejection of the stock transfer proposal in 2007, the following parameters have been set:

- No RSL involvement
- No freehold transfer
- No transfer of tenanted properties
- Maximum transfer of 499 properties within a period of 5 years.

## 3.2 STRATEGIC CONTEXT

3.2.1 Around half of all council homes in Brighton and Hove fall below the Decent Homes Standard. The financial situation is such that the authority cannot, under its own resources, achieve the Standard.

3.2.2 Following the outcome of the tenants' stock transfer ballot, officers reviewed strategic housing options to reflect the decision that the stock will be retained by the council and identify a strategy to fund the investment gap to achieve Decent Homes Standard and meet tenant aspirations for improvements to the stock.

3.2.3 Two key approaches have been followed:

- A Procurement Strategy that would see the council enter into a long term partnership agreement for the maintenance and improvement of the council housing stock, reducing overheads and direct costs. The Procurement Strategy for the HRA stock was approved by Policy & Resources Committee on 3 April 2008, having been through Housing Management Consultative Committee and Housing Committee.
- An asset management plan, which could see the creation of a Local Delivery Vehicle that would sit outside the council to utilise HRA assets requiring reinvestment and not occupied by Secure Tenants leveraging in additional investment to improve the council housing stock.

3.2.4 As part of this review, options set out in the Housing Green Paper, *Homes for the Future: more affordable, more sustainable*, for local authorities to set up a local delivery or similar special purpose vehicle to make the most of existing homes and land to lever in investment, were explored. That paper announced fourteen pilot Local Housing Companies with government support via English Partnerships and another 14 pilot Community Land Trusts.

3.2.5 At Housing Management Sub-Committee (11 March), Housing Committee (27 March) and Policy & Resources Committee (3 April 2008) members noted that external financial and legal advice was being sought in order to support officers to undertake detailed analysis of the practicalities of taking forward any Housing Green Paper options or opportunities. PwC and Trowers & Hamblins successfully tendered in a competitive procurement process and were appointed as financial and legal advisors respectively.

3.2.6 Stage 1 of the review indicated that there was potentially an economically viable, legally robust way of achieving the council's objectives while working within the parameters set and that such an approach could deliver:

- Up to £45 million lease payments that would be used as investment for improvement of council homes
- Funding to refurbish leased stock
- A stable supply of accommodation for homeless households and other groups for whom the council has a duty to provide housing, from Children and Young People's Trust, Learning Disabilities and Adult Social Care.

3.2.7 The Cabinet Member for Housing approved the progression to the development and finalisation phase of Stage 2 of the project, with the support of the Housing Management Consultative Committee meeting on 22 July 2008. During this second phase, the proposals have been further developed and refined and subject to testing of assumptions and assessment of the impact on the LDV, HRA and General Fund. Advice of PwC and Trowers & Hamlins is reflected in this report.

3.2.8 In simple terms, the model is as follows:

- The council leases property to the LDV on a long lease of up to 125 years
- the LDV pays for refurbishment of the properties and lets them to tenants nominated by the council
- the LDV could borrow capital on the basis of secure revenue streams from the rental income; this pays for refurbishment costs and the lease premium to the council
- rents would be within housing benefit levels already used when providing accommodation for the client groups in question.

3.2.9 The LDV proposal and investment it would raise for the HRA would help the council meet numerous priorities, objectives and targets, including those agreed with central government. The **Corporate Plan 2008-2011** for Brighton & Hove identifies 'Providing the homes that people need' as a key element of the priority to 'Protect the environment while growing the economy'. The Plan targets include improving the quality and availability of social housing. The measure of success for this is more council houses are classified as 'decent'.

3.2.10 The **Sustainable Community Strategy** for Brighton & Hove sets out priority areas for 'creating a city of opportunities'. The Local Area Agreement is organised around these key priority areas which include 'Improving Housing and Affordability'.

3.2.11 Our ambitions expressed in the **Local Area Agreement** include support for Affordable Family Housing. Key to this is ensuring that families are housed in decent, affordable homes. This includes a commitment to work together to decrease the percentage of non-decent council homes. National Indicator 158, which relates to reducing the percentage of non-decent homes, is one of the key 35 indicators included in our Local Area Agreement (LAA). Delivering decent council homes is also integral to achievement of a range of other LAA priorities with quality and availability of suitable housing impacting on health, education employment, social networks and communities.

3.2.12 In addition to National Indicator 158 on percentage of decent council homes, improving the quality of council housing will also contribute to the following national indicators for Local Authorities and Local Authority Partnerships:

- NI 5: Overall/general satisfaction with local area
- NI 119: Self reported measure of peoples overall health and wellbeing – (LAA indicator)
- NI 131: Delayed transfers for care from hospitals
- NI160: Local Authority tenants' satisfaction with landlord services
- NI 187: Tackling fuel poverty – (LAA indicator).

3.2.13 Progress on the council's delivery of the government's **Socially Excluded Adults Public Services Agreement** (PSA), which aims to increase the proportion of the most socially excluded adults in settled accommodation as well as in employment, education and training, will be measured by PSA 16 national indicators. These indicators include the proportion of clients in settled accommodation from the following client groups:

- NI 145: adults with learning disabilities
- NI 147: former care leavers aged 19
- NI 149: adults in contact with secondary mental health services.

3.2.14 Improving council homes is also central to our draft **Housing Strategy 2008-2013** with improvement of housing quality a key strategic priority. Poor quality housing is known to have a detrimental effect on households' health, educational and emotional wellbeing. Our Housing Strategy will work to make sure that more residents are able to live in decent high quality homes that are able to meet their changing needs.

3.2.15 Our strategic goals under this objective include development of the Brighton & Hove Standard for high quality and well maintained social housing and improvements to tenants' homes to ensure that they meet the standard.

Strategic actions include:

- Develop a quality standard for the city's council housing in partnership with tenants
- Enter into a long term partnership contract for maintenance and improvement of council housing stock
- Explore use of a Local Delivery Vehicle to raise investment capital.

Success criteria include:

- Brighton & Hove Standard agreed
- Funding to contribute to carrying out decent homes work

### 3.3 PROPOSED LEGAL STRUCTURE

#### 3.3.1 Charitable status

Seeking charitable status is recommended as appropriate in view of the taxation advantages of acquiring charitable status, in particular, relief from Stamp Duty Land Tax (SDLT) on lease premiums and corporation tax on income from charitable activities and the potential benefits of a VAT shelter for refurbishment costs (see paragraph 3.5.5 below).

3.3.2 Issues arising include registration with the Charity Commission, which can take from three to six months depending upon the complexity of the organisation. The LDV would need to be established with wholly charitable objectives, which would include providing housing and associated activities to people in need, including elderly, mentally and physically disabled persons. Charitable status would limit the LDV's ability to undertake non-charitable activities in the future, for example it could not undertake market renting and any shared ownership schemes would need to be for charitable beneficiaries. However, non-charitable activities could be carried out by a non-charitable subsidiary if necessary. There would be higher expectations of board members as trustees.

#### 3.3.3 A Company Limited by Guarantee (CLG)

As a charity the LDV could be either a Company Limited by Guarantee or an Industrial & Provident Society (IPS). A CLG is quicker and cheaper to register and a more flexible option. A CLG is recommended as an appropriate structure on the basis of this model's frequent use for social housing activities and its familiarity in the market.

### **3.3.4 Composition of the LDV**

It is anticipated that three constituencies will be represented in the LDV: the council's interests; the council tenants' interests; and all other interests, or 'independents'. Parity between constituent groups is recommended to avoid issues arising from local authority majority control including 'contracting authority' status for the LDV and potentially charitable status. Regard will need to be paid to issues around conflicts of interest and board member compliance with statutory duties of directors. It is proposed for the company membership to reflect the composition of the Board so that the council, the tenants and independents hold one third each of the voting rights.

## **3.4 PROPERTY ISSUES**

### **3.4.1 Consents**

The project modelled is based upon a lease of up to 499 properties by the council to the LDV over a 5 year period. A key parameter is that there should be no freehold transfer. Consent is required from the Secretary of State to lease properties to any LDV. Full Council will need to resolve to make an application to the Secretary of State for consent to lease the properties to any LDV. The lease should be for up to 125 years in order that it is of sufficient length to be able to raise private finance. The modelling allows for a break clause at year 30. The council will retain the freehold, will be a party to the lease of the property to the LDV and retain 100% nomination rights for use of properties as accommodation for households with particular needs, homeless households and others to whom the council owes a housing duty.

3.4.2 The maximum number of 499 units for leasing to an LDV over a five year period would represent only 4% of HRA stock and a small proportion of turnover of affordable social rented housing in the city. By way of illustration, 782 council homes were let in the last financial year (excluding Temporary Accommodation). In addition, the city's supply of affordable rented housing is projected to increase by over 500 new properties over the coming four years (subject to planning consent), plus other social housing development in the pipeline for that period. The development programme has delivered an average of 250 new homes per year in recent years. Thus there would be no net loss of social rented housing in the city.

3.4.3 As well as providing funding for the HRA, the model includes provision for the LDV to refurbish the leased properties. The refurbished leased stock would be used to provide a stable supply of good quality accommodation to homeless households and other clients for whom the council has a duty to provide housing, from the Children and Young People's Trust, Learning Disabilities and Adult Social Care.

3.4.4. In addition to its 100% nomination rights to the leased properties, there would be an option for the council to be the landlord for a proportion of these tenancies, under a leaseback scheme. Leaseback may be used under certain circumstances, usually in relation to provision of accommodation for homeless households. Leaseback can be beneficial in terms of rental stream over the leaseback period, up to 10 years, which can in turn be beneficial in discussion with banks. Lease back numbers are limited by our overall targets to reduce the numbers of homeless households in temporary accommodation under National Indicator 156. The government is also due to review how the housing benefit subsidy regime for homeless households operates.

3.4.5 Based on current advice, leaseback is only an option if the private finance route is followed, not if the council borrowing is used (see paragraphs 3.5.1 to 3.5.3 below). Secretary of State consent is required for any leaseback of properties. It is proposed that, if required, this consent is sought at the same time as consent to lease the properties to the LDV.

#### 3.4.7 **Properties to be included**

As part of asset management planning an initial tranche of 106 HRA properties currently used for temporary accommodation have been identified as suitable for leasing to the LDV. The Temporary Accommodation units are scattered street properties owned by the HRA, many having shared facilities and high maintenance and repair requirements. They are currently occupied by non-secure tenants, whose tenancy lasts around six months on average, and have a very high turnover.

3.4.8 If Cabinet approve the setting up of the LDV, it is proposed that Full Council approve an application to the Secretary of State for consent under s32 Housing Act 1985 to lease these 106 properties to the LDV. Suitable alternative accommodation will be secured for the current residents. Other HRA properties which may be identified as suitable for leasing to the LDV would include properties currently empty due to the need for funding for major repairs.

3.4.9 The council has assessed the value and performance of the stock using the Net Present Value (NPV) method to identify poorly performing stock that requires more investment than can be found within the constraints of the HRA. The methodology involves identifying the 30 year estimated cash flows for all items of income (principally rents) and for the items of expenditure, including:

- Management costs
- Investment costs (to maintain the quality and health and safety of the stock)
- Responsive repairs costs
- Cyclical internal and external decoration costs
- Conversion costs
- Contingency costs covering related assets (e.g. drains, car parks)

The Net Present Value of these cash flows is calculated to give a single figure which represents the value of those future cash flows at today's prices.

3.4.10 For the leasing of future empty properties to the LDV, up to the limit of 499 over 5 years, it is proposed that the following criteria are used as parameters for what could be leased:

- That the property is not tenanted
- That the property has a negative Net Present Value to the HRA and requirement for investment
- That the property is not an adapted dwelling.

It is proposed that consent of the Secretary of State be sought on the basis of these criteria at this time rather than going back for approval to lease in the future on a property by property basis.

#### 3.4.11 **Rent levels**

The modelling is based on prudent housing benefit levels. Should any tenants subsequently enter employment, our current allocations policy gives priority to enable them to move to a usual social housing rented tenancy.

### 3.5 **COMMERCIAL AND FINANCIAL ISSUES**

3.5.1 A decision on whether the LDV should fund the payment of leases and refurbishment works from private sector funding or prudential borrowing will be sought from Cabinet once all due diligence work is completed and Cabinet is able to weigh up which is the better option in the light of the availability of funding at the appropriate time. The options are outlined below and in section 5.5 of this report.

#### 3.5.2 **Private sector funding**

PwC have conducted a soft market testing exercise which indicated interest in the project from potential private funders.

#### 3.5.3 **Council borrowing**

The modelling undertaken by the consultants also includes council borrowing. However, the council borrowing option will require Secretary of State approval, would prevent any leaseback arrangements and if this funding is the main source of funding to the LDV it could mean that the LDV is likely to be a 'contracting authority' for the purposes of European Union (EU) procurement rules.

#### 3.5.4 **Procurement issues**

The preferred arrangement is for the LDV to procure housing management and maintenance contracts from the council rather than carry out these functions itself and to use the council's contractors for refurbishment works. If the LDV is a 'contracting authority' for the purposes of EU procurement rules it would need to procure the housing management in accordance with the EU procurement rules and could not, for example, simply award any such contract to the council (or a council contractor unless the contract had been EU procured by the council on behalf of the



LDV and the council). However, the council is procuring the long term comprehensive partnering agreements for repairs and improvements to the HRA stock in a way which would enable the LDV to also make use of them, which would shorten the LDV's timescales in procuring contracts, limit its tendering costs and ensure continuity as well as potentially reducing its refurbishment and maintenance costs. The leasing of properties to the LDV is not subject to advertisement under EU procurement rules as it would not be primarily a works or services contract. The council will need to carefully consider the extent to which obligations are imposed on the LDV in any land transfer so as to ensure that the disposals on long leases to the LDV fall within the EU land exemption.

### **3.5.5 Tax issues**

Consultants have made recommendations in relation to taxation benefits of charitable status in terms of corporation tax and Stamp Duty Land Tax, as highlighted in paragraph 3.3.1 above. The reasons for consultants' recommendation to set up a VAT shelter are set out in paragraph 5.8 below.

## **3.6 BUSINESS MODEL**

3.6.1 Cabinet is recommended to approve the setting up of the proposed LDV on the basis of the business model produced by PwC and endorsed by Trowers & Hamblins which shows a viable 30 year business plan for the LDV and payments to the HRA to invest in improvements to secure tenants' homes. The business model identifies out-turn lease payments, which vary depending upon the borrowing route taken and the cost and income assumptions used in the model. Recommendations include a resolution for lease payments of up to £45m over five years generated from the leasing of HRA assets to be used for affordable housing and in particular improvements to the council's retained HRA stock. This clarity is necessary to ensure that the payment received is fully usable by the council.

3.6.2 If any decision by a government department or other body is made which makes the business model no longer financially viable prior to leasing of properties, Cabinet would be informed so the proposal could be reconsidered and, if necessary, aborted.

#### 4. CONSULTATION

- 4.1 As the properties to be leased to the LDV will be vacant, we are advised that the council is not under a statutory duty to consult with secure council tenants about the proposed lease arrangements. However, the Leader and Cabinet Member for Housing have stated their commitment to openness and transparency with tenants on proposals for the future of the housing stock, and widespread consultation with tenant representatives and all council tenants and leaseholders has been or will be undertaken before Cabinet decides whether to establish the LDV on 24 September.
- 4.2 The proposal to review Housing Green Paper options, which led to this proposal to set up an LDV, was agreed by the Housing Management Sub-Committee at its meeting on 11 March 2008 with the support of tenant representatives. A report on the outcome of Stage 1 of the review was then presented to the Housing Management Consultative Committee on 22 July, at which meeting the Committee recommended that the Housing Cabinet Member approved to proceed to the proposed development and finalisation phases of Stage 2 of this review. Tenant representatives' indicative vote at that meeting was unanimously in favour of the recommendations.
- 4.3 All tenants and leaseholders have been advised of the LDV proposals in a centre spread in the tenants' newsletter *Homing In*, published on 8 September 2008. *Homing In* invited tenants and leaseholders to a special consultation meeting for tenants and Area Housing Management Panels on 19 September 2008 at the Friends Meeting House, Brighton, to which Area Panel members were also personally invited. In addition, the *Homing In* article gives telephone and email contact details for any tenant or leaseholder to raise any further questions.
- 4.4 The LDV proposal will be reported to Housing Management Consultative Committee on 23 September for consultation. This meeting is also publicised to all tenants and leaseholders in *Homing In*. Tenant representatives of the Housing Management Consultative Committee and their deputies have been invited to a presentation on 17 September and separate Members' briefing meetings have also been arranged for 16 and 18 September, giving an additional opportunity to raise questions before the proposal is considered by the Committee. The outcome of consultation meetings will be reported to the Cabinet meeting on 24 September.
- 4.5 If Cabinet approves the setting up of the LDV, then this report seeking approval to apply for the Secretary of State's consent to lease the properties will go to Full Council on 9th October.

## **5. FINANCIAL IMPLICATIONS**

### **5.1 Summary of financial implications**

This project represents a long term financial commitment for the council with a wide range of complex risks but with a potentially significant financial benefit in the form of sizeable lease payments to the HRA to help deliver improvements to the housing stock. The financial model is based upon the council granting 125 year leases to the LDV over a period of 5 years in return for lease payments that will be used as investment phased over the same period. The LDV will need to borrow money both to pay the lease payments to the council and refurbish the leased property units. It will receive rent from the units to meet the borrowing costs and annual maintenance and management costs. The latest model projects that the LDV will be able to repay debt in full within approximately 30 years. There are a number of options about how to use any surpluses created within the LDV. As with any project of this nature further research and due diligence will be carried out over the coming months to enable Cabinet to make the final decisions on the funding route before the LDV is set up.

### **5.2 The size of the potential lease payments to the HRA for investment**

The level of the HRA receipt is dependent on multiple factors and is subject to significant fluctuation depending on the assumptions made. The key factors are shown below and are discussed in more detail in the following paragraphs.

- Rent assumptions and the future arrangements for the payment of housing benefit
- Cost assumptions
- Funding route selected
- The level of interest rates at the time of financial close
- Inflation rate assumptions
- Charitable status and VAT shelter
- Ensuring the receipt is not pooled

On the basis of the assumptions set out in the following paragraphs the receipt would be £43m under a privately funded LDV and £37m using council funding. The impact on the estimated level of the above receipts of changes to each assumption is also shown below.

### **5.3 Rent assumptions**

The amount of rent received by the LDV is dependent upon the housing benefit payable and any additional payment made directly from the Community Care and other General Fund budgets for the management of units. The level of rent is a critical factor in determining the level of the receipt as a 10% variation in the rent varies the receipt by £11m for the privately funded LDV and £9m using council funding. The assumptions used in the model are based upon the existing arrangements for the payment of housing benefit which are under Government review and may change significantly over the life of the project.

- 5.3.1 The level of housing benefit depends on whether leaseback arrangements can be put in place and it is considered that these can only be put in place if the private funding route is selected. However as the government are reviewing housing benefit arrangements there is a risk that the higher payments may not exist beyond the medium term. The difference in housing benefit is significant for example £208 per week for a 1 bedroom flat with leaseback compared to £150 per week without.
- 5.3.2 The model assumes that an additional management fee of £50 per week, based on the latest estimates provided by Housing officers to reflect the more intensive management required by these client groups, can be paid to the LDV for the management of General Fund units. This assumes that the LDV will buy back the management from the council. There is a risk that this will not be the case under the council funding route as the LDV could be subject to EU procurement rules. The payments could be maintained without buy back if consequential absorption of costs could be achieved.
- 5.3.3 The amount of rent receivable will also depend on the mix of property units transferred in terms of type and size, as well as the timing of the transfer and the length of time taken to refurbish the units.
- 5.3.4 The final assumptions relate to the estimated level of voids and bad debts which impact upon the overall level of rent collected and have been assumed to be 6% and 3% respectively. Each 1% change in the overall provision of 9% results in a £1m variation in the receipt.

#### 5.4 **Cost Assumptions**

The cost assumption of £27,000 is the estimated amount on average needed by the LDV to refurbish each unit. This is based upon the 2006 Savills report. Over the next few months further survey work will be carried out to more accurately assess the refurbishment costs associated with each property particularly as these can vary significantly from one unit to another. The survey work will also identify whether the assumed average six month refurbishment period is reasonable and achievable. A variation of 10% in this assumption changes the receipt by £2m.

- 5.4.1 The LDV will also have to meet annual repairs, maintenance and renewals costs currently assumed to be on average £2,383 for each unit. A variation of 10% in this assumption changes the receipt by £2.5m.
- 5.4.2 The LDV will be responsible for meeting the management costs which are currently assumed to be £1,373 for each unit. A 10% variation in this assumption changes the receipt by £1.5m.
- 5.4.3 The due diligence process, whether undertaken by the banks or the council, will require much more detailed work to be undertaken into the veracity of all the figures assumed above.

## 5.5 Funding options

5.5.1 Detailed analysis has been carried out to establish whether private funding or council funding through the prudential borrowing regime provides the optimum receipt. The key question is how the impact of the higher costs of borrowing from the banks compares to the higher housing benefit subsidy that could be achieved through the leaseback of properties described earlier. The current financial models show that the higher subsidy more than offsets the higher borrowing costs, which means that the private funding route remains a viable option and therefore it is recommended that this funding route should continue to be pursued. However, this does not rule out the possibility of council borrowing if in the final analysis this provides greater overall benefits to the council.

5.5.2 There are other advantages and disadvantages associated with the alternative funding options that will need further detailed assessment, including:

- EU procurement rules referred to earlier in the report .
- The level of council guarantees required by the banks, likely to be in relation to levels of rent and occupancy for the first 10 years.
- Private funders' view regarding the VAT shelter and charity status.
- The minimum cover ratio required by private funders i.e. the minimum level of income net of costs compared to the cost of servicing the debt in each year. For modelling purposes it has been assumed that net income will exceed debt costs by a minimum of 5% each year after the refurbishment phase is completed.
- The level of debt arrangement fees required by the private funders and an estimate has been included in the financial model.
- Council borrowing option will require Secretary of State approval.
- The debt repayment profile required by the council to meet the requirements of the capital finance regulations.

5.5.3 A key risk is trying to secure private funding in the current market conditions where banks are reluctant to take risks and have less access to funds. However, PwC have carried out some soft market testing and have identified some banks potentially willing to participate although the cost of borrowing will be higher and this has been built into the private funding model. The consultants have advised on the timetable of tasks needed to be carried out to put a private sector funding option in place but a final decision on the most appropriate funding route for the council to take will not be needed until the due diligence process is completed. Cabinet needs to be aware that this timetable is extremely tight and that there could be delays in reaching financial close outside of the council's control, although

this will not affect the principle of enabling the company to be set up on 1 April.

Another key consideration in reaching a final decision on the funding option will be the level of risk transfer to the council. Given that the banks are likely to require a number of important guarantees from the council before they will loan money to the LDV then the differences in risk transfer may not be significantly different but this will need to be kept under close scrutiny. The ultimate risk is that the LDV is unable to repay any of the loan back to the council, which may occur as a result of fraud, negligence, change in law or a massive housing market failure in the City. The right controls will need to be put in place through the lease and loan agreements to provide protection against fraud and negligence. Under council funding the maximum level of debt owed to the council is currently estimated to be £58m in year 6 of the project or £116,000 per unit.

5.5.4 Council borrowing could have a direct impact on the HRA by changing the council's entitlement to housing subsidy. This is because housing subsidy is based on the average of all the debt held by the council. If the new debt is borrowed at a lower rate than the current average rate then subsidy will be reduced and vice versa. Based the interest rate assumptions used in the financial model the difference between the rates is small and therefore the impact on housing subsidy is not significant, but this will need to be kept closely under review.

5.5.5 After assumptions have been tested, should there be a case for council borrowing a further report will go to Cabinet.

## 5.6 **Interest rate assumptions**

As stated above the council is able to borrow at lower interest rates than the banks who will also add on a margin to reflect both market conditions and the risks they are taking. The model is very sensitive to the interest assumptions used and it is impossible to predict with a high level of confidence what the money markets will be like in the early part of next year. The financial models reflect higher borrowing costs than are currently available in the money markets and show that a 0.5% variation in the interest rate assumption produces a £5m variation in the receipt.

## 5.7 **Inflation rate assumptions**

Most of the costs within the financial model have been inflated by 2.5% per annum over the life of the project. Whilst higher level of inflation will increase costs and reduce the receipt, the impact on the LDV will be offset by income for higher rent increases which are also governed by the rate of inflation. The costs of refurbishment have been inflated by 6% per annum reflecting higher recent increases in building costs although these increases may be offset in the next few years by contractions in the housing construction market.

## **5.8 Charitable status and the VAT shelter**

The achievement of charitable status and the VAT shelter is key to optimising the lease payments that will be used as investment. Charitable status can deliver exemption from Stamp Duty Land Tax (SDLT) and Corporation Tax. SDLT at 4% would be payable on the lease payments so could be up to £1.7m. Once the LDV has repaid debt it has the potential to generate significant surpluses which at the current time would be subject to Corporation Tax.

5.8.1 The VAT shelter could provide two benefits which in total amount to an estimated £8m on the receipt. The first benefit is relief from VAT at 17.5% on the refurbishment works. The second benefit if the council actually carries out the refurbishment, including conversion works which will reduce the number of units, is that the LDV can have up to 499 units post refurbishment instead of 468 units generating additional net income for the LDV. Otherwise, if 499 units are leased to the LDV and they carry out the works and reduce the unit numbers by conversion of shared facility bedsits within the initial tranche of properties, no further units can be leased.

5.8.2 The achievement of charitable status and the VAT shelter are by no means certain particularly within the timescales required. Delays in achieving them could significantly reduce the benefits if the LDV is up and running before this time. The model assumes that the VAT shelter will be in place from the start and charity status will be achieved during the first year. The impact of any delay could be mitigated by reflecting this in the level of activity undertaken by the company during this period of time.

## **5.9 Ensuring the receipt is fully usable by the council**

The council would normally receive 25% of the HRA receipt and the remaining 75% would be payable to the Government pool. The council can keep 100% of the receipt if a resolution is passed by Cabinet to spend the receipt on affordable housing improvements prior to receiving the money, hence the recommendation shown at 2.6.

## **5.10 Viability of the LDV and use of surpluses**

In order to minimise the risks to the council and obtain the most competitive private funding it is essential that all the assumptions underpinning the operation of the LDV are vigorously tested and refined. One way to potentially maximise the lease payments that will be used as investment whilst protecting the financial position of the LDV would be to take a proportion of the anticipated receipt, say 80% in the early years, and recalculate the balance once the ongoing financial position of the LDV is known.

5.10.1 The LDV has the potential to generate significant cash-flow surpluses once the initial debt has been repaid but as a charity it would be difficult to use these funds for council purposes directly. The consultants have set out some options on how these surpluses could be used for the benefit of the council, as follows:

- properties could be handed back to the HRA (however, if the LDV is a charity then the properties could not be simply gifted back to the council)
- the LDV could reduce the rents it charges on the properties
- use the money to buy additional properties, with the council being granted nominations rights on these properties
- leave the properties with the LDV as it will be bound by its charitable objects.

#### 5.11 Accounting issues

The accounting entries in the financial accounts of the council will depend upon the final structure of the LDV and the funding option chosen, but in any event are likely to be extremely complex. It is therefore essential that sufficient time is allowed to fully resolve the accounting treatment as a material error in the accounts will seriously impact on the use of resources score and the overall corporate assessment of the council. The LDV should therefore not be formally set up before the 1 April 2009 as an earlier set up date would require entries to be made in the 2008/09 accounts. The views of the Audit Commission will be sought by officers.

#### 5.12 Costs of implementation and funding

Budget Council in February 2008 agreed funding of £0.5m from Right to Buy receipts to explore LDV options. However, the slowdown in housing sales means that these receipts are now unlikely to be generated in the current year. The consultants have advised that the set up costs can be charged to the LDV and provision of £0.5m has now been made in the financial models to meet these costs. In the unlikely event that the LDV does not proceed then any costs incurred can be met from capital reserves earmarked for the capital programme in future years. The capital reserves can then be replaced by future Right to Buy receipts.

*Finance Officer Consulted - Mark Ireland*

*Date: 12/9/08*



## 6. Other Implications

### 6.1 Legal Implications:

The main legal implications are set out in the body of this report. In terms of the council's power to establish and participate in the LDV, the council's power includes those contained in section 2 of the Local Government Act 2000 and the use of the wellbeing power in this context will assist in, amongst other things, meeting the Corporate Plan objectives as set out in paragraph 3.2.9 of this report.

The council's interest will be protected through the terms of the lease which will have detailed provisions, including provisions governing the use of the properties, the payment of rent, restriction on assignment, responsibility for repair and maintenance, provisions for protecting the council in the event of insolvency, a break clause and power to terminate the lease for breach. In addition, the council will be able to use its position as a company member and board member to influence decisions.

Given the complex nature of some of the issues, the proposals in the report were developed with the benefit of advice and guidance of external expert legal advice. Subject to approval, the council's in house lawyers will continue to work with Trowers & Hamlins in progressing the next stages to ensure that all legal requirements are complied with.

*Lawyer Consulted: Abraham Ghebre-Ghiorghis*

*Date: 12/9/08*

### 6.2 Equalities Implications:

The LDV would provide settled accommodation for households with particular needs including physical and learning disability. Eventual actions in regard to the LDV will be taken with regard to equalities issues. An equality impact assessment will be undertaken.

### 6.3 Sustainability Implications:

The proposal to set up an LDV, enabling access to funding to refurbish properties and meet strategic housing needs, would contribute to achieving the following council priorities to address sustainability as an integral part of all service delivery and contribute to the UK's Sustainable Development Strategy:

- (1) *Sustainable Consumption and Production* - considering the impact of products and materials across a whole life cycle;
- (2) *Climate Change and Energy* - greater fuel efficiency and reduction in CO2 emissions;
- (3) *Sustainable Communities* - using engagement and partnership to reduce poverty and environmental degradation.

#### 6.4 Crime & Disorder Implications:

There are no implications for crime and disorder.

#### 6.5 Risk & Opportunity Management Implications:

The council will set up and maintain a risk register highlighting risks and how they might be allayed for all aspects of the project. Key risks and risk mitigation are outlined below. In setting out the risks below it should be noted there are risks in not taking forward this project, which include:

- ability to meet the Decent Homes Standard within an acceptable time frame
- future cost of lack of investment in the council stock
- failure to secure a stable supply of housing for those to whom the council has a housing duty.

#### **Risks during the procurement phase**

Funder restriction on properties	The funder may want to restrict the type of properties they receive. This may be for a variety of reasons including location, state of repair or archetype. The council should ensure it is aware of these aspects of the properties and provide as much information to the private sector as possible. The funder may also be required to carry out their own due diligence.
EU procurement law	Risk that council's intentions are not consistent with current legislation.
Stakeholder support	There is a need to involve key stakeholders to ensure the project has buy-in from decision makers and those that can influence the success of the project.
Forecast rents levels	Decisions by DWP prior to issuing commercial documents may result in a reassessment of the value for money of the project. This risk should be covered by running downside sensitivities on rents as well as assessing alternative rents markets.

## Refurbishment phase (post financial close)

Interest rate	This risk can be managed through the purchase of fixed interest rate swaps.
Delivery of properties	The council may be contracted to transfer a certain number of properties per annum on an agreed drip-feed basis. The council must ensure it has adequate safeguards in place to ensure it is able to meet its obligations as they may be subject to liquidated damages or even put the success of the project at risk if the conditions are not met.
Cost of refurbishment	This risk should be passed to the operator as the council will not be in a position to control this risk.
Timing of refurbishment	This will be dependent on the specific circumstances of each property. The private sector might be asked to respond on the basis of an average time for refurbishment. It would then be their risk as to whether the refurbishment times are accurate. This is a substantial risk as clearly rental income is lost during the refurbishment process. Alternatively, the council may be carrying out these works (from a VAT efficiency perspective) in which case this risk will sit with the council.

## Operations phase

Rents income level	If inflation is a risk for the LDV then inflation swaps can be purchased to help manage the risk.
Housing management costs	The risks associated with this include inflation, intensity of work required and pass-down of deductions for failure to meet the output specification.
Output specification not met	As discussed in housing management costs above, the LDV may look to pass down the risk of non-performance.

Population change	The intended tenant group may change over time. Previous experience of BHCC (on a previous scheme) has shown this not to be the case, however, the nominations rights should allow a wide variety of groups to whom the council owes a housing duty to be accommodated.
Change to required standards	If the council requires a change to the delivery specification, this is likely to be seen as a council change which would require the LDV to be put in a no-better, no-worse position.
Sub contractor default	The LDV or its subcontractors may default for a variety of reasons. However, the housing market is a relatively liquid one which will allow replacement of subcontractors. This may, however, come at some cost to the council.

#### 6.6 **Corporate / Citywide Implications:**

The proposal to set up an LDV giving access to funding to refurbish up to 499 properties in need of investment would support the following council corporate priorities:

- (1) protect the environment whilst growing the economy;
- (2) make better use of public money;
- (3) reduce inequality by improving opportunities.

6.7 The contribution of this proposal to the objectives of the Local Area Agreement is outlined in paragraph 3.2.11 above.

6.8 Securing additional funding to meet Decent Homes Standard and carry out improvements to the council's stock in consultation with tenants and leaseholders is a key element to achieve a viable 30 year HRA business plan.

## **7. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 7.1 Stage 1 of the review of Housing Green Paper options analysed and evaluated alternative options for achieving the council's corporate priorities and strategic housing objectives within the parameters – set in the light of tenants' 77% vote against large scale voluntary stock transfer in February 2007 - that there should be no freehold transfer, no RSL involvement or transfer of tenanted stock.
- 7.2 The development and finalisation phase of the proposals has further refined the options available, as set out in this report.

## **8. REASONS FOR REPORT RECOMMENDATIONS**

The reasons for the specific recommendations are set out in detail in the body of the report.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Schedule of initial HRA properties for leasing to the LDV, subject to approval of Cabinet and Full Council and Secretary of State consent (exempt under paragraphs 1, 2 and 3 of schedule 12A to the Local Government Act 1972 (as amended))

### **Background Documents**

1. Housing Green Paper report to Housing Management Sub-Committee (11 March 2008), Housing Committee (27 March 2008) and Policy & Resources Committee (3 April 2008)
2. Housing Green Paper Options Review report to Housing Management Consultative Committee (22 July 2008) and Housing Green Paper Options Stage 1 Report to Cabinet Member for Housing meeting 22 July 2008.

# HOUSING CONSULTATIVE COMMITTEE MEETING

## Agenda Item 30

Brighton & Hove City Council

<b>Subject:</b>	<b>Housing Revenue Account 2007/08 Final Outturn and Forecast Outturn for 2008/09</b>		
<b>Date of Meeting:</b>	<b>23 September 2008</b>		
<b>Report of:</b>	<b>Director of Adult Social Care and Housing</b>		
<b>Contact Officer:</b>	<b>Sue Chapman</b>	<b>Tel:</b>	<b>29-3105</b>
	<b>E-mail: sue.chapman@brighton-hove.gov.uk</b>		
<b>Key Decision:</b>	<b>No</b>		
<b>Wards Affected:</b>	<b>All</b>		

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report informs the meeting of the Housing Revenue Account (HRA) 2007/08 final outturn and the forecast outturn for 2008/09 as at Month 4.

#### 2. RECOMMENDATIONS:

- 2.1 That the Housing Management Consultative Committee note that the final outturn for the HRA for 2007/08 was an underspending of £1.310 million compared to the budgeted position of a small surplus of £0.129 million. This represents a variance of 2.99% of the gross revenue budget of £43.463 million. General HRA revenue reserves have increased by £1.439 million to £5.615 million as at 31 March 2008.
- 2.2 That the Housing Management Consultative Committee note that the earmarked revenue reserves for the Estate Development Budget (EDB) are £34,000 at 31st March 2008
- 2.3 That the Housing Management Consultative Committee note that the forecast breakeven position for 2008/09 as at Month 4 which includes an additional contribution from HRA reserves to fund additional energy costs.

### **3. FINAL OUTTURN 2007/08:**

- 3.1 The 2007/08 outturn is a net underspend compared to budget of £1.310 million as shown in Appendix 1. The main variances are described below:
- 3.2 The employees budget underspent by £0.526m which was due to vacancy management across the service, a reduction in pension costs as fewer employees have joined the local government pension scheme than expected and an unspent contingency budget of £0.066m for single status.
- 3.3 Overall the responsive and empty properties repairs contracts have underspent by £0.500m. The responsive repairs budget underspent by £0.491m due to a general reduction in the number of jobs being ordered. This led to a reduction in the management fees payable by £0.113m. This was partly offset by an overspend of £0.104m on repairing empty properties.
- 3.4 The service contracts budget has underspent by £0.852m as follows:
- £0.241m from delays in specifying new maintenance contracts for lifts, ventilation, fire alarms and cold water tanks as it is intended to combine these contracts with those in Property and Design, so that the council can maximise efficiency by tendering citywide.
  - £0.242m from efficiencies within the gas servicing and maintenance contract
  - £0.464m from where windows maintenance costs have now been included within the responsive repairs budget.
- 3.5 The programme repairs budget has underspent by £0.253m as most of the cyclical decorations work undertaken in the year were capital works rather than revenue.
- 3.6 The other premises overspend of £0.083m is the net overspend from an increase of £0.328m charge for leaseholders buildings insurances which was unknown at budget time, offset by underspends on utilities of £0.162m due to a lack of precise consumption information being available at budget setting time and other minor underspends totalling £0.083m.
- 3.7 The budget for supplies and services has overspent by £0.024m. There was an unbudgetted increase of £0.99m in the contribution to the Bad Debt Provision due to an increase in debt write-offs during the year which depleted the provision. This was partly offset by minor underspending in bed and breakfast payments and other supplies & services.
- 3.8 The revenue contribution to the capital programme was increased by £1.264 million to allow additional investment in the capital programme for



targeted decent homes work. A separate report to this Committee in September 2007 provided details of the revised capital programme for 2007/08 and 2008/09.

- 3.9 The service charges overachievement of income of £0.104m mainly relates to additional income of £0.150m from leaseholders for major works. These charges can only be passed onto to leaseholders upon completion of the capital works and are sometimes very difficult to estimate accurately at budget setting time. This is offset slightly by small reductions in income from service charges for temporary accommodation, heating charges and salaries being charged to capital.
- 3.10 Other income and recharges has overachieved its income target by £0.327 million. This increased income was mainly generated by higher than expected interest of £0.167m earned on HRA balances and increased employee charges to capital of £0.145m which was a result of the increased capital programme identified in paragraph 3.8.

#### **4. FORECAST OUTTURN 2008/09 AS AT MONTH 4**

- 4.1 The budget has now been increased by £0.250 million to reflect the net increase in the energy costs following the renewal of these contracts. This increase will be funded from useable general reserves as noted in the 2008/09 HRA Budget report approved by Council on 28 February 2008. The forecast outturn for 2008/09 as at Month 4 is a breakeven position as shown in Appendix 2. The main variances are explained below:
- 4.2 The Employees underspend of £0.223m is mainly due to vacancy management.
- 4.3 Empty property repair costs £0.200m due to an increase in the average cost of repair per property from £2,300 to £2,600. An action plan is being developed in order to reduce future costs.
- 4.4 Service contract underspend £0.162m due to continuing with the existing contracts, which have a lower specification than the new contracts that had been budgeted for. (New contracts to be let for 2009/10)
- 4.5 Supplies and Services are expected to underspend by £0.158m as a result of a reduction in the use of consultants for the Audit of the gas service contract.
- 4.6 Underachieved income on Major works recharges to leaseholders £0.126m due to completion of contracts in time for this years billing to leaseholders being less than anticipated when setting the original income budget.

## 5. FORECAST RESERVES AS AT 31 MARCH 2009

- 5.1 The HRA revenue reserves as at 31 March 2008 increased to £5.615 m. Since then £1.386m has been allocated to fund the 2008/09 capital programme (as approved at Housing Committee on 27 March 2008) and a further £0.250 million has been allocated to fund the energy contract prices increases (as approved at Cabinet on 18 September 2008). This reduces the projected reserves as at 31 March 2009 to £3.979m which is £1.779m above the recommended minimum level of reserves of £2.2 million. The £1.779m will be set aside to invest in the new long term partnering contracts. This will ensure that the council achieves maximum value for money from future procurement and that these funds are clearly directed towards meeting the Decent Homes target.
- 5.2 Estate Development Budget total earmarked reserves were £0.707 million as at 1 April 2007. These earmarked reserves are split between £0.034m revenue and £0.673m capital. These reserves will reduce as agreed schemes are completed.
- 5.3 The HRA revenue reserves are shown below:

<b>REVENUE RESERVES</b>	<b>General Reserves £'000</b>	<b>Earmarked Reserves: EDB £'000</b>	<b>Total HRA Reserves £'000</b>
Balance at 1 April 2007	4,171	39	4,210
Contribution to / (from) reserves 2007/08	1,444	(5)	1,439
<b>Balance at 31 March 2008</b>	<b>5,615</b>	<b>34</b>	<b>5,649</b>
Contribution to fund 2008/09 Capital Programme	(1,386)		(1,386)
Additional contribution to 2008/09 Revenue Budget to fund energy contract increases	(250)		(250)
Completion of EDB Schemes		(34)	(34)
<b>Projected Reserves at 31 March 2009</b>	<b>3,979</b>	<b>0</b>	<b>3,979</b>

## **FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 5.1 Financial information on the 2007/08 Final Outturn and 2008/09 Forecast Outturn is contained in the main body of the report.

*Monica Brooks, Principal Accountant*

*August 2008*

### Legal Implications:

- 5.2 The Council is obliged to keep a separate Housing Revenue Account by virtue of the Local Government & Housing Act 1989.

*Deborah Jones, Lawyer*

*August 2008*

### Equalities Implications:

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

### Sustainability Implications:

- 5.4 There are no environmental implications arising from this report.

### Crime & Disorder Implications:

- 5.5 There are no direct implications for crime and disorder.

### Risk and Opportunity Management Implications:

- 5.6 Risk assessments have allowed the council to allocate its resources appropriately.

### Corporate / Citywide Implications:

- 5.7 There are no corporate or citywide implications arising from this report.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

6.1 There are no alternative options for this report.

**7. REASONS FOR REPORT RECOMMENDATIONS**

7.1 To consult tenants and members of the final outturn position of the HRA for 2007/08 and forecast outturn for 2008/09.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Final Outturn 2007/08
2. Forecast Outturn 2008/09

### **Documents In Members' Rooms**

None

<b>APPENDIX 1 - Final Outturn 2007/08</b>			
<b>Housing Revenue Account</b>	<b>Budget 2007/08 £'000</b>	<b>Outturn 2007/08 £'000</b>	<b>Variance 2007/08 £'000</b>
<b>Employees</b>	<b>9,122</b>	<b>8,596</b>	<b>(526)</b>
<b>Premises</b>			
Repairs - response repairs & empty properties	8,161	7,661	(500)
- service contracts	3,628	2,776	(852)
- programme repairs	511	258	(253)
Other premises	2,223	2,306	83
	<b>14,523</b>	<b>13,001</b>	<b>(1,522)</b>
<b>Transport</b>	<b>133</b>	<b>138</b>	<b>5</b>
<b>Supplies &amp; Services</b>			
Bed & Breakfast payments	102	78	(24)
Contribution to Bad Debt Provision	300	399	99
Other supplies & services	1,481	1,430	(51)
	<b>1,883</b>	<b>1,907</b>	<b>24</b>
<b>Support Services</b>	<b>2,270</b>	<b>2,250</b>	<b>(20)</b>
<b>Capital financing costs</b>	<b>4,966</b>	<b>4,990</b>	<b>24</b>
<b>Revenue contribution to capital</b>	<b>3,176</b>	<b>4,440</b>	<b>1,264</b>
<b>Government Subsidy Payable</b>	<b>8,155</b>	<b>8,129</b>	<b>(26)</b>
<b>Total Expenditure</b>	<b>44,228</b>	<b>43,451</b>	<b>(777)</b>
<b>Income</b>			
Dwellings rents (net of empty properties)	(38,896)	(38,903)	(7)
Car parking/garages rents (net)	(732)	(764)	(32)
Commercial Rents	(441)	(471)	(30)
Service Charges – tenants & leaseholders	(3,202)	(3,306)	(104)
Supporting People charges	(527)	(560)	(33)
Other income & recharges	(559)	(886)	(327)
<b>Total Income</b>	<b>(44,357)</b>	<b>(44,890)</b>	<b>(533)</b>
<b>Total (Surplus)</b>	<b>(129)</b>	<b>(1,439)</b>	<b>(1,310)</b>

Note that figures in brackets (-) are underspends

## APPENDIX 2 - Forecast Outturn 2008/09

<b>Housing Revenue Account</b>	<b>Budget 2008/09 £'000</b>	<b>Forecast at Month 4 2008/09 £'000</b>	<b>Variance at Month 4 2008/09 £'000</b>
<b>Employees</b>	9,020	8,797	(223)
<b>Premises</b>			
Repairs - response repairs & empty properties	7,242	7,442	200
- service contracts	3,195	3,091	(104)
- programme repairs	376	366	(10)
Other premises	2,800	2,810	10
	<b>13,613</b>	<b>13,709</b>	<b>96</b>
<b>Transport</b>	<b>159</b>	<b>249</b>	<b>90</b>
<b>Supplies &amp; Services</b>			
Bed & Breakfast payments	105	105	0
Contribution to Bad Debt Provision	300	300	0
Other supplies & services	1,624	1,471	(158)
	<b>2,029</b>	<b>2,120</b>	<b>(158)</b>
<b>Support Services</b>	<b>2,300</b>	<b>2,300</b>	<b>0</b>
<b>Capital financing costs</b>	<b>4,941</b>	<b>4,924</b>	<b>(17)</b>
<b>Revenue contribution to capital</b>	<b>3,385</b>	<b>3,385</b>	<b>0</b>
<b>Government Subsidy Payable</b>	<b>11,494</b>	<b>11,520</b>	<b>26</b>
<b>Total Expenditure</b>	<b>46,941</b>	<b>46,755</b>	<b>(186)</b>
<b>Income</b>			
Dwellings rents (net of empty properties)	(40,478)	(40,503)	(25)
Car parking/garages rents (net)	(757)	(731)	26
Commercial Rents	(452)	(452)	0
Service Charges – tenants & leaseholders	(3,292)	(3,165)	127
Supporting People charges	(550)	(545)	5
Other income & recharges	(1,162)	(1,109)	53
<b>Total Income</b>	<b>(46,691)</b>	<b>(44,656)</b>	<b>186</b>
<b>Total (Surplus)</b>	<b>250</b>	<b>250</b>	<b>0</b>

Note that figures in brackets (-) are underspends





# Housing Management Consultative Committee

## Agenda Item 31

Brighton & Hove City Council

**Subject:** Sheltered Housing Focus Group update  
**Date of Meeting:** 23<sup>rd</sup> September 2008  
**Report of:** Director of Adult Social Care & Housing  
**Contact Officer:** Name: Martin Reid Tel: 29-3321  
E-mail: Martin.reid@brighton-hove.gov.uk  
**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The purpose of this report is to update Housing Management Consultative Committee on the work of the Sheltered Housing Focus Group looking at issues raised by tenants concerning council owned sheltered housing in the City.
- 1.2 Housing Management Consultative Committee on 22 July considered an initial report updating on the work of the Sheltered Housing Focus Group. At this time the scheme based consultation events requested by tenant representatives on the Focus Group were still underway.
- 1.3 The Focus Group and tenants representatives presented their work to the Cabinet Member for Housing, at a meeting that took place on 20<sup>th</sup> August 2008. This meeting also considered the outcomes of the scheme based consultation events.
- 1.4 This report includes a paper on the outcomes of the summer scheme based consultation 'roadshows' undertaken by Supporting People and Housing Management and the presentation to Cabinet Member for Housing on 10 August.
- 1.5 A further series of autumn roadshows are taking place from September 8 to October 14 to which all residents of sheltered housing will receive an invitation. These events will repeat the format previously used and will focus on reviewing how we deliver our service. Resident views will be summarised as part of a future report to Housing Management Consultative Committee.

## **2. RECOMMENDATIONS:**

- 2.1 That the Housing Management Consultative Committee notes the progress of the Sheltered Housing Focus Group to date.
- 2.2 That the Housing Management Consultative Committee notes the report on the outcomes of the initial scheme based consultation events report. (appendix two)
- 2.3 That the Housing Management Consultative Committee (HMCC) notes further consultation events with sheltered housing schemes and Housing Management officers.
- 2.4 That the Housing Management Consultative Committee (HMCC) notes that officers will arrange visits to the sheltered housing schemes with shared facilities for the Cabinet Member for Housing.

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

- 3.1 Housing Management Sub Committee 15<sup>th</sup> January 2008 considered reports from the initial Chairman's Working Groups. At the Housing Management Sub-Committee on 11 March 2008 the Chairman announced the creation of a Working Group for Sheltered Housing to operate in a similar way to those already reviewing other areas.
- 3.2 Following this meeting, a focus group consisting tenant representatives and officers was set up to work with the Head of Housing Strategy to undertake a review of issues arising concerning council owned sheltered housing in the City.
- 3.3 In line with other previous groups the Sheltered Housing Focus Group consists of members (and deputies) drawn from each Area Panel, the High Rise Action Group and the Sheltered Housing Action Group.
- 3.4 The Focus Group used the points arising from the Sheltered Housing Action Group Tenants only meeting on 13 February 2008 to frame meeting topics and the Group's Work Plan.
- 3.5 The first meeting of the Focus Group took place on 11 April 2008. There have now been five subsequent meetings.
- 3.6 A number of key themes emerged from the meetings which tenant representatives wish to see addressed. These are captured in the attached presentation to Cabinet Member for Housing that has been appended to this update report by way of illustration of what the Group has been looking at to date.

- 3.7 Tenants on the Focus Group have also suggested that the Cabinet Member for Housing visit individual sheltered schemes which still have shared facilities. Officers have undertaken to arrange this as part of the ongoing work of the Focus Group and to report back to a future meeting.

#### **4. CONSULTATION**

- 4.1 As part of the work of the Sheltered Housing Focus Group and at the request of tenant representatives on the Group, informal tenant consultation events organised by Supporting People and Housing Management have taken place across all the sheltered housing schemes owned by Brighton & Hove City Council.
- 4.2 A report on the outcomes of the scheme based consultation events is also attached to this report.
- 4.3 The smaller group discussion format of the summer roadshows was welcomed by many residents, especially those who do not usually attend more formal consultation events or meetings. This format is to be repeated in further roadshows to be undertaken in the autumn focusing on review of how we deliver our service to sheltered housing.

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

##### Financial Implications:

There are no direct financial implications from the recommendations in this report, however most issues raised in this report and earlier reports will have financial implications. When the final work plan is presented to the Housing Management Consultative Committee the financial implications of each issue will be considered and reported as part of the plan.

5.1

*Finance Officer Consulted: Susie Allen Date: 11/9/08*

##### Legal Implications:

- 5.2 As the report is for noting there are no significant legal implications. Further, no individual's human rights are adversely affected.

*Lawyer Consulted: Deborah Jones Date: 11/9/08*

##### Equalities Implications:

- 5.3 Any policy or strategy development arising from the work reported above will be subject to a full Equalities Impact Assessment.

Sustainability Implications:

- 5.4 There are no sustainability implications arising directly from this report. Housing is one of the 12 key objectives in the Council's Sustainability Strategy which aims 'to ensure that everyone has access to decent affordable housing that meets their needs'.

Crime & Disorder Implications:

- 5.5 There are no direct implications arising from this report.

Risk and Opportunity Management Implications:

- 5.6 Any policy or strategy development work arising from the work of the Focus Group will be undertaken with due regard to appropriate risk assessment requirements.

Corporate / Citywide Implications:

- 5.7 The work of this Focus Group reflects the priorities and aims of the 2020 Community Strategy and Council's strategic goals of improving housing in the City and ensuring that residents have a healthy living environment.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. (Presentation) Key themes that have emerged from the focus group meetings, which tenant representatives wish to see addressed.
2. Supporting People and Housing Management road shows.





# **Chairman's Tenants Focus group on Sheltered Housing**

**Presentation to  
Councillor Maria Caulfield  
20 August 2008**



# Chairman's Tenants Focus Group on Sheltered Housing

## Sheltered Housing Policy

- That works for tenants, the council and staff.
- That is clear and transparent and easily understood and outlines future and strategic thinking.
- That provides consistency in service delivery.
- That has clear and consistent guidelines about “service charges”.
- That has clear and consistent guidelines / protocols/ agreements in place about the hiring of common rooms, across all schemes.





# Chairman's Tenants Focus Group on Sheltered Housing

## Asset Management / procurement

Are there any plans to address the issue of shared facilities in sheltered housing?

If a scheme is under occupied - surely it is not Value for Money?

Some schemes have empty 2 bedroom flats is this loss of revenue?



# Chairman's Tenants Focus Group on Sheltered Housing

## Common rooms

- Sometimes common areas are used for day centres / groups during the day, tenants recommend that protocols / policies / agreements be put in place e.g. a consistent charging policy in place for hiring of rooms.
- There may be a security risk as people have access to the whole buildings once they are in and some tenants may leave their front doors open especially if they have a carer / visitor arriving.



## Chairman's Tenants Focus Group on Sheltered Housing

- Tenants recommend that any income generated from room hire should go into the social fund.
- Tenants recommend that room hiring is monitored and agreed with tenants before hiring agreements take place.



# Chairman's Tenants Focus Group on Sheltered Housing

## Budget

- In the past there was a specific budget for sheltered housing improvements. Tenants would like to know about any future investment plans.

## Out of hours services

- Need to clarify the remit of care link services.
- Further discussions are needed regarding the use of electric doors and safety.



# Chairman's Tenants Focus Group on Sheltered Housing

## Communication

All agreed that the issue of communication keeps being raised.

Need to be confident that everyone involved is kept up to date with any changes to avoid rumours and speculation and ensure that information is consistent.



# Chairman's Tenants Focus Group on Sheltered Housing

## Service charges

General Principal – all tenants should be aware of what they have to pay for and how charges are broken down. The tenants recommend that information about service charges should:



## **Chairman's Tenants Focus Group on Sheltered Housing**

- Be clear and consistent detailing a breakdown of services charged for;
- A copy in large print, laminated should be put in communal areas;
- Information about service charges should be on the back of / attached to people's rent books;
- Information about service charges should be in an accessible format.



# Chairman's Tenants Focus Group on Sheltered Housing

## Service Delivery / 24 hour cover

- Tenants would like to know when Job descriptions / scheme management processes were last reviewed and checked for consistency.
- There needs to be a balance between people's time and involvement in meetings due to the impact this may have on schemes.





## **Chairman's Tenants Focus Group on Sheltered Housing**

### **Involving tenants in recruitment**

- Tenants stated that they would like to be more involved in staff recruitment.



# Chairman's Tenants Focus Group on Sheltered Housing

## THE ASSESSMENT PROCESS

### – Allocations and Adult Social Care

- Tenants would like to know how allocations to sheltered housing fit in with the general allocation policy.
- Tenants recommend a robust assessment procedure looking at people's needs and their suitability for sheltered housing is the age limit of 60 always appropriate.



## Chairman's Tenants Focus Group on Sheltered Housing

- Tenants recommend looking at other local authorities housing and support models of delivery e.g. Extra Care Housing.
- Tenants recommend that people be given enough time to think about what they may or may not need in relation to a new property.
- Tenants recommend that they be involved in the advertising and viewings of schemes they represent.



# Chairman's Tenants Focus Group on Sheltered Housing

## Supporting People

- Tenant representatives fed back their concerns about lack of consultation and how the proposals in the strategy development may impact on services.
- Tenant representatives fed back that people are very worried by rumours of some services being withdrawn and whether this will affect them.



# Chairman's Tenants Focus Group on Sheltered Housing

## Adaptations

- There is a need to ensure that all the tenant focus groups work gets linked together.
- Need to make the best use of stock and resources- £750K Council housing adaptations budget.
- There are demand / cost implications for adaptations.



## Chairman's Tenants Focus Group on Sheltered Housing

- Councils must have an accessible housing register.
- Question – why is Occupational Therapist involvement always necessary? E.g. Minor Adaptations.
- Could the council bulk buy adaptations?

**Brighton & Hove City Council**

**Meeting:** Chairman's Working Group (Sheltered Housing)

**Date:** 24 July 2008

**Report of:** Kate Dale (Project Officer – Supporting People) and Peter Huntbach (Older Peoples Housing Manager – Housing Management)

**Subject:** Supporting People and Housing Management road shows.

**1. The road shows**

- 1.1 The road shows were conducted at 17 of the 24 Council sheltered schemes between 30 May and 11 July 2008 (some smaller schemes were 'twinned' up). Each road show was allocated two hours. There were two short presentations – one by Matt Lamburn and Kate Dale from the Supporting People Team, and one by Peter Huntbach from sheltered services. The presentations were followed by a short question and answer session and informal discussions with those present. The road shows were attended by 262 residents and scheme managers, Sue Garner Ford from the Council's Housing Strategy Team and representatives from Sheltered Housing Action Group (as observers). Information was also available on display boards, and via handouts.
- 1.2 The informal nature of these meetings was valued and respondents welcomed the opportunity to talk first hand with officers in attendance.

**2. General comments on the council's sheltered service**

- 2.1 In general residents were positive about the sheltered service they have received. When asked about the service, views received included
- "love it"
  - "so far, love it"
  - "never felt so happy"
  - "never had it so good"
  - "I can't fault it"

- “it amazes me, the help you get being a council tenant, I’m thrilled with the service - I can’t believe the value for money”.

Sheltered Housing was described positively as a being in a “little village” or part of “an extended family”.

- 2.2 However, some people mentioned negative aspects. These included:
- a lack of social activities;
  - a decrease in community spirit;
  - a perceived increase in anti social behaviour or inappropriate allocations;
  - the behaviour of a small “clique”;
  - or the lack of a scheme manager.

### **3. The value of a ‘visible’ scheme manager**

- 3.1 When asked what it is about the service they liked the most, residents routinely mentioned the scheme manager. When asked about what was important about the scheme manager, “being there” was the common answer. As one resident explained “I feel safer because the scheme manager is there”.
- 3.2 When asked about using the scheme manager service, residents described scheme manager’s as someone to talk to, help around the scheme, report repairs, help with correspondence, help with welfare benefits and security (e.g. checking the building, closing windows in the common ways at night.) There was little mention of the support planning role of the scheme manager.
- 3.3 Residents expressed serious concern about rumours that the scheme manager were going to be removed and that they would be left without support, and many said that they did not want to lose their scheme manager.

### **4. When the scheme manager is away**

- 4.1 When asked what it was about the service they didn’t like, residents routinely mentioned times when the scheme manager was away from the site. Comments when the scheme manager was away included “it’s a nightmare” and things “go haywire”. Residents at one larger scheme said “we muddle on when the scheme manager is away.” Although individual relief staff was positively mentioned as the quick “in and out” approach generally the relief service was criticised.



4.2 There was a concern that scheme managers were not always on site, and this made it difficult for residents to contact them. Frequent comments were made about the scheme manager being absent or away from site, for example, when they were on training courses. One resident at a scheme described how she went to see the scheme manager but her office door was closed as they were on the phone. The resident went back to her flat and returned later by which time the scheme manager had left the site – “it’s like we have a scheme manager but don’t have a scheme manager”.

4.3 Residents at larger schemes expressed concern about the workload of the scheme manager and said that the scheme manager needed more help. Similar comments were made about visibility of the scheme manager at the larger schemes with frustration felt when they were not freely available. “Being there” didn’t just mean having a scheme manager; it also meant them being accessible to residents. There was criticism that scheme managers were too often in their office or working on the computer, rather than interacting with residents.

## **5. The value of a scheme manager’s personality**

5.1 The personality and approach of scheme managers was mentioned as an important factor to a good service. A good scheme manager was someone who was friendly, a good listener, helpful, and who joined in at social events. A poor scheme manager was someone who tries to run things their own way, who was not approachable, and didn’t join in or wasn’t visible to residents.

5.2 One resident said that when he moved in the scheme manager had sat down and helped him with a rent problem and other issues, giving him a “yellow folder” with all his medical details – as a result they made him “feel really wanted”. This resident went on to say that the £13.25 charge was good value for money - “the scheme manager is worth that alone”.

5.3 However, there were some scheme managers who were criticised for not being friendly and approachable, and residents regretted this.

## **6. Workload imbalance (larger and smaller schemes)**

- 6.1 Residents at larger schemes questioned scheme manager's ability to cope with the work load. One resident said that he didn't see the scheme manager often and had to leave him a note, at the scheme office, if he wanted to see them. It was suggested that these scheme managers needed assistance, and that maybe scheme managers at smaller schemes could help those with larger schemes.
- 6.2 Alternative suggestions included more staff, or reserve/contingency staff that could be utilised when needed. It was also suggested that sheltered residents could work as volunteers e.g. undertaking the weekend checks on residents.

## **7. The call service (opting out and weekend service)**

7.1 Many residents valued the call service – although some had opted out of the daily call service because they wanted their privacy and/or independence. However, the same people said that they valued the opportunity of opting back into the call service if they needed it in the future. Self-funders who opted out felt that their rent/charge should be reduced. Comments included

- I don't want a call every day
- I go out at 8.00 a.m. most days
- can I have a reduction in rent?"

7.2 There were mixed view on the weekend call service – some thought this was valuable, some thought that it should be scrapped. Some commented that it didn't make sense to have an office-hours only service as a crisis could happen at any time.

## **8. The value of social and community activities**

8.1 Many residents mentioned a range of social activities they attended and that these were valued. These might be provided by the scheme manager, other residents, or by voluntary groups. Activities included Tai-chi, outings, BME elders group, reminiscence, boccia, darts, lunch clubs and gardening.

8.2 However, there were also frequent comments about the dwindling of activities. The most common reasons were:

- Existing residents getting older and frailer

- Newer residents more frail and old
  - Many new residents are men and they seem less interested in coming to social events.
  - There is no-one to organise the activities or those residents that organise the events are now getting older and find this difficult.
  - People now less willing to mix socially
  - Always the same crowd or clique who go along to events
  - Limited range of interesting activities, i.e. not everyone likes bingo
  - People not willing or able to pay for activities
- 8.3 Residents liked the idea of more services and health based activities such as chiropody being held at schemes. Residents who had experienced the complementary therapy sessions brought in via the Eastern Road Partnership said that these were good and commented that they wouldn't otherwise have been able to access or afford them.

## **9. Involving the wider community**

- 9.1 Residents were generally positive about older people from the community attending events at the scheme, especially if this keeps activities in schemes going or brings new activities in. At a large Brighton scheme residents said "we do it here" and would like to see more activities involving people from outside "if they fit in". Some residents explained "I go along with bringing people in / helping people 'out there' a 100%" and "it's a good thing to meet others, and sharing – sharing is the name of the game".
- 9.2 Opposition to involving the community was sometimes suggested as being the result of a small minority of residents - "there's a problem encouraging tenants to invite other people in – these schemes aren't used enough. The Council ought to just say you have to have it or your rent goes up". Sometimes a "little clique" was mentioned that could put people off using communal facilities, and affect the wellbeing of the community.
- 9.3 Where concerns were expressed about involving the wider community, these tended to be about the security of the scheme.
- 9.4 There was scepticism on how the sheltered service could provide a service in the community at a time when funding was being reduced. However, this was not always the case - "it would be nice to feel that in Brighton we're all covered... so there's not all

these isolated units. We'd be prepared to sacrifice a bit to make sure everyone's alright".

## **10 Residential scheme managers**

- 10.1 Residents who had lived at a scheme with a residential scheme manager commented favourably on the role (and their spouses/partners), particularly in organising social activities, including those at the weekend and in the evening - even scheme holidays. As a result, some residents said that they wanted to see a "married couple" in situ since the spouse could help around the scheme. At one scheme one resident said that when the (previous residential) scheme manager was away, it was their spouse who attended if they had problems.
- 10.2 One resident said that she felt safer with a residential scheme manager – she couldn't say why - "it just felt different". However, this was not always the case, and at a one scheme comments were made that as the residential scheme manager could not be guaranteed to be on site out of hours, it was no sense of security at all. Others commented that they could see that it can be a strain on the scheme manager if you can never get away from the job.

## **11 CareLink**

- 11.1 There were mixed views on CareLink – many felt that the service was good and valuable (even if they had not used the service) e.g. "CareLink have always been good to me" and "Brilliant". Many said that the cord pull was a reassuring back up.
- 11.2 However when CareLink was frequently criticised regarding a perceived slow response time and sometimes attitude that was sometimes described as patronising.
- 11.3 Not everyone had a CareLink pendant and some who had one, didn't always wear it. There were comments that more residents should have access to a pendant. One person mentioned that "you can't get a pendant unless you've had a fall".

## **12 Conclusion**

- 12.1 There was a consistency of responses from across the service. These responses could be summarised into a number of key themes set out within this report:
  - A scheme manager is valuable for "being there".

- A 'visible' scheme manager who is friendly and approachable defines a good service, like wise a poor service was defined by an absent, 'invisible' or unfriendly scheme manager.
- Residential scheme managers are valued by those who have (or remember) them.
- There should be more help for scheme managers with larger schemes.
- Social activities are important but have dwindled.
- People from the wider community should be able to attend activities in the schemes, but security concerns need to be addressed.
- Additional activities brought in is a good idea e.g. chiropodist
- There are mixed feelings about CareLink.



# **HOUSING MANAGEMENT CONSULTATIVE COMMITTEE**

## **Agenda Item 31**

Brighton & Hove City Council

<b>Subject:</b>	<b>Chairman's Working Groups (Tenancy Agreement)</b>		
<b>Date of Meeting:</b>	<b>23 September 2008</b>		
<b>Report of:</b>	<b>Director of Adult Social Care &amp; Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Diane Freeland</b>	<b>Tel:</b> 293202
	<b>E-mail:</b>	<b>Diane.Freeland@Brighton-Hove.gov.uk</b>	
<b>Wards Affected:</b>	<b>All</b>		

### **FOR GENERAL RELEASE**

#### **1. SUMMARY AND POLICY CONTEXT:**

- 1.1 To present the results of the tenant led Chairman's Working Group considering the development and adoption of a revised tenancy agreement for tenants living in council housing.

#### **2. RECOMMENDATIONS:**

- (1) That the Housing Management Consultative Committee note the conclusions of the working group outlined in the presentation and draft tenancy agreement attached at Appendix 2.
- (2) That the Housing Management Consultative Committee endorse the conclusions of the working group which will be taken forward as the basis for wider consultation with stakeholders and tenants on the development and adoption of a revised tenancy agreement for tenants living in council housing and forward to the housing cabinet member for approval.

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

- 3.1 Housing Management Sub Committee 15 January 2008 considered reports from the initial chairman's working groups. At the Housing Management Sub Committee on 11 March 2008 the chairman announced the creation of a working group to review the current tenancy agreement to operate in a similar way to those already reviewing other areas

- 3.2 The present version of the tenancy agreement was last reviewed over 10 years ago with minor amendments since then. We need to develop a clear, fair, transparent and easily understood tenancy agreement in consultation with tenants and other stakeholders, which incorporates good practice.
- 3.3 A working group consisting of tenant and leaseholder representatives and officers was set up to undertake a time limited review of a revised tenancy agreement. The group met 3 times from 3 April to 19 May 2008. A summary of the work of the group, its members, key themes arising and issues to be addressed is attached within the presentation as Appendix 1. The group were keen to have an agreement, which was comprehensive yet accessible to all of our tenants. The group considered guidance from the Law Commission on the structure of agreements.
- 3.4 The group considered examples from local housing providers and high performing authorities (including Southampton, Eastbourne, Westminster, Derby Homes and Carrick District Council). The group also referred to the proposed agreement for Brighton & Hove City Housing and highlighted areas of importance to residents. They wished for the agreement to mirror leases as far as practicable.
- 3.5 A draft agreement was produced and agreed at the meeting on the 19 May, which is attached as Appendix 2. This draft will now be subject to consultation with internal stakeholders and will be subject to a plain language review. The terms will also be reviewed to determine they are fair and comply with the Office of Fair Trading guidance on fairness of terms for tenancy agreements.
- 3.6 A final meeting was held on the 14 August 2008 to prepare the presentation of the groups findings to be given at the Housing Management Consultative Committee. The presentation is attached as Appendix 1.
- 3.7 Once a final draft is agreed there will be a 28-day consultation period when all tenants will have the opportunity to provide comments on the agreement. These comments will be considered and discussed with the working group and any final changes will be made to the agreement. A 28-day formal variation notice will then be issued to all tenants. The Tenant Handbook will also be updated to reflect the new conditions.
- 3.8 A number of key themes emerged from the meetings, which tenant representatives wish to see addressed. These included:
- 3.9 **Floor Coverings** – Our current policy is that all floor coverings should be removed when a tenant moves out of their property. The group felt that this was wasteful if the floor coverings were in a good condition and the group would like this policy to be reviewed. This proposal has since been considered and an agreement has been reached with contractors to demonstrate more flexibility.



- 3.10 **2 week rent waiver following the death of a tenant.** The council's current policy is to waive 2 weeks rental liability if after the death of a tenant the executor wishes to clear the property within the first two weeks of the notice period. The group would like to see this policy decision added into the agreement.
- 3.11 **Succession.** The group felt that all tenants need to understand this complex piece of legislation, as it remains an area of confusion. The focus group would like to see this included in the Tenant Handbook.
- 3.12 **Photographs of Tenants.** A number of housing providers operate a photo ID scheme for new tenants. These schemes aim to prevent fraud by enabling the council to identify unauthorised occupants and tenants who have illegally sublet their homes. The focus group would like to explore this option with officers and tenants.

#### **4. CONSULTATION**

- 4.1 In order to ensure full and effective consideration of the proposals to develop and adopt a revised tenancy agreement it is proposed that the issues raised and the draft agreement produced will provide the basis for wider consultation with stakeholders and tenants.
- 4.2 The progress of this consultation exercise and the formal consultation with tenants will be subject to consideration by the tenant led review group prior to reporting back to Housing Management Consultative Committee.

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

##### 5.1 Financial Implications:

The estimated cost of adopting a revised tenancy agreement is approximately £10,000, which includes communications for the initial production of the agreements, the associated postal costs for consulting with tenants and issuing variation notices.

These costs will be met within the existing Housing Revenue Account Budget 2008/09.

When exploring the option of a photo ID scheme for tenants the focus group will also need to consider the costs of the scheme, which would include initial start up costs and ongoing annual costs.

*Finance Officer Consulted: Susie Allen, Principal Accountant 1 August 2008*

## 5.2 Legal Implications:

The terms of a secure tenancy can be varied in accordance with section 103 of the Housing Act 1985. This involves service of a preliminary notice on tenants, which specifies the variation with its effect and invites tenants to comment within such time, as the landlord considers reasonable. The landlord must consider those comments. If the landlord wishes to go ahead with the variation, a formal notice of variation has to be served, allowing at least four weeks between service and the notice taking effect. The final draft of the revised tenancy agreement will be subject to further legal scrutiny as appropriate.

*Lawyer: Deborah Jones*

*: 19 August 2008*

## 5.3 Equalities Implications:

The development of a revised tenancy agreement will be undertaken with due regard to equalities and diversity issues and will be subject to an Equalities Impact Assessment which will be completed in October 2008.

## 5.4 Sustainability Implications:

There are no direct implications arising from this report. Housing is one of the 12 key objectives in the Council's sustainability strategy, which aims to ensure that everyone has access to decent affordable housing that meets their needs.

## 5.5 Crime & Disorder Implications:

A revised tenancy agreement will positively contribute to preventing crime and the fear of crime by stating the types of Anti Social Behaviour that is prohibited and the enforcement action that the council can take should such behaviour occur.

## 5.6 Risk and Opportunity Management Implications:

None

## 5.7 Corporate / Citywide Implications:

The development of a revised tenancy agreement will have citywide implications for council tenants.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Continue with the existing tenancy agreement. However this is not recommended, as it does not allow the council to take advantage of developments in best practice. We need to ensure that we have a comprehensive agreement, which covers all areas of tenancy management and reflects the priorities that are important to the council and tenants.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 To consult members of Housing Management Consultative Committee on the conclusions of the Tenancy Agreement Focus Group.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix 1 – Tenant Focus Group Presentation
2. Appendix 2 – Draft Tenancy Agreement

### **Documents In Members' Rooms**

None

### **Background Documents**

None



# TENANCY AGREEMENT TENANT FOCUS GROUP

Tenant presentation to  
Housing Management Consultative  
Committee 23 September 2008



# Tenancy Agreement – Tenants Focus Group

## Communication with Tenants

The group – tenant representatives and officers involved in tenancy management

This Tenant Focus Group was formed by Councillor Mary Mears.

Our remit was to help produce a new tenancy agreement for Council tenants



# Tenancy Agreement – Tenants Focus Group

- **Group Members**

- Tina Urqhart (West)
- Chris El-Shabba (East)
- Barry Hughes (North)
- Trish Barnard (Central)
- Chris Kift (High Rise)
- Charles Penrose (Sheltered)
- Adrian Channon (Housing Manager – Oxford Street)
- Diane Freeland (Housing Manager – Manor Place)

- **Meetings**

- 3 April 2008
- 21 April 2008
- 19 May 2008
- 14 August 2008



# Tenancy Agreement – Tenants Focus Group

## Main areas of discussion

- What makes a good tenancy agreement
- What is good and bad about our current agreement
- Examples of Best Practice from other local housing providers and high performing authorities (3\*)
- Produce a draft agreement





## Tenancy Agreement – Tenants Focus Group

### What makes a good agreement?

Clarity. Tenants should understand their obligations and rights as well as those of the Landlord.



# Tenancy Agreement– Tenants Focus Group

## Our current agreement – what’s good and bad

### Good

- Crystal Mark – Good use of plain language
- 4 page agreement - succinct

### Bad

- Not in line with our leases – we need to reflect the clauses and spirit of the lease
- Is it too short? Does it cover the requirements in enough detail?



# Tenancy Agreement– Tenants Focus Group

## Examples of good practice

- The group looked at local housing providers plus high performing authorities (3\*)
- Westminster, Carrick, Derby Homes
- Southampton, Eastbourne
- Brighton & Hove City Housing (proposed draft agreement)
- Assured Short hold example from the private sector



# Tenancy Agreement– Tenants Focus Group

## Examples of Good Practice

- Layout is very important . Good use of tables and sections.
- Plain language essential
- A number of authorities asked for photographs of their tenants
- Statement relating to Anti Social Behaviour and responsibility to neighbours
- Joint agreements for introductory and secure tenants
- New and tighter clauses I.e. making a false statement, clearer terms on pet ownership and untidy gardens



# Tenancy Agreement– Tenants Focus Group

## Draft Agreement – what did we want?

- Set a tone of voice – engaging and welcoming. We propose ‘welcome to your new home’ whilst reminding tenants how important this document is ‘keep it safe’
- Layout and language need to be clear
- The agreement to be broken down into sections i.e. repairs and maintenance. living in your home, living with your neighbours



# Tenancy Agreement– Tenants Focus Group

## Draft Agreement – what did we want?

- Keep to one agreement but highlight the differences between introductory and secure tenancies
- Link the agreement to the Tenant Handbook
- The agreement needs to be thorough enough for tenants to know their responsibilities
- Section on ending the tenancy so everyone is clear



# Tenancy Agreement– Tenants Focus Group

## Other ideas/Issues for consideration

- Should we ask for photographs?
- We need to be clear on succession so all residents understand what it means. Ensure Tenant Handbook is clear.
- Ending tenancy due to the death of the tenant – 2 week rent waiver – should our policy be written into the agreement?



# Tenancy Agreement– Tenants Focus Group

## Other ideas/Issues for consideration

- Floor coverings. Do we need to remove all coverings?
- Revise handbook so they compliment each other
- At the 'sign up' the agreement needs to be fully explained with key areas highlighted.





# Tenancy Agreement– Tenants Focus Group

## Conclusions –Next Steps?

- Draft agreement subject to consultation with internal stakeholders
- Equality Impact Assessment to be completed in October 2008
- 28 day consultation with all tenants
- Comments considered and discussed (focus group plus officers)
- HMCC & Cabinet agree final version
- 28 day formal variation notices issues to all tenants
- Tenant Handbook to be updated
- Target implementation date April 2009.



## Welcome to your new home

Brighton & Hove City Council would like to welcome you to your new home and neighbourhood. We hope that you will be very happy as a council tenant.

This tenancy agreement sets out both your responsibilities as a tenant and those of the council as your landlord.

**This is an important legal document. Please keep it safe.**

### Type of tenancy

If you are not currently a 'secure' or 'assured' tenant, you will be an 'introductory tenant' for the first year of your tenancy with the council. After that time, you automatically become a secure tenant unless we have extended your introductory tenancy for a further six months or have applied to the court to gain possession of your home.

If you transfer from another of our properties, you will continue to be a secure tenant unless you are still in the first year of your introductory tenancy. In this case, your introductory tenancy continues at the new property until the end of the first year.

Your type of tenancy is indicated below. You will find more details about introductory and secure tenancies in the Tenant Handbook.

- You have an Introductory Tenancy** with us, which we have given you under the Housing Act 1996. It will last for one year until \_\_\_\_/\_\_\_\_/\_\_\_\_. After this date it will automatically become a secure tenancy, unless we have applied to court for possession of your property or it has been extended for a further six months.
- You have a Secure Tenancy** with us, which we have given you under the Housing Act 1985.

### Joint tenancies

If you have signed this agreement with someone else - such as your husband, wife, civil partner or partner - you are a joint tenant. In joint tenancies, each tenant is jointly and individually responsible for all of the conditions of this agreement. This means that if one tenant leaves the home the other tenant must still keep to these conditions.

**Please ask at your local housing office if you have any questions about the type of tenancy you have.**

## Tenancy conditions

Your tenancy conditions are the rights and responsibilities you have as a tenant and those we have as a landlord. This agreement does not remove any rights you or we have which are set out in the Housing Acts or other law.

In these tenancy conditions, 'we', 'us', or 'our' refers to Brighton & Hove City Council. 'You' refers you the tenant or, in the case of joint tenancies, you and the person you have signed this agreement with. You are responsible for the behaviour of all members of your household, including your children and any lodgers, subtenants or visitors ('they').

In the tenancy conditions, when we refer to 'your home' or 'the property', we mean the premises you live in including any garden, balcony, parking area or storage area that is used by you.

It is very important that you read these conditions carefully as you may lose your home if you do not keep to them.

Most of the tenancy conditions are the same for introductory and secure tenancies, but some conditions only apply to one or the other. We have indicated where this is the case in this agreement.

Before we change this agreement we will consult you through our tenants' consultation procedures. We have described these in the Tenant Handbook.

## Your right to live in the property

This agreement gives you the right, as a tenant, to live in the property unless there is a legal reason for us to take legal action against you for possession and the court takes the property away from you. For example, this might happen if:

- You break any of the conditions of this agreement. If you do we may take legal action to force you to meet the conditions, or ask the court for permission to evict you.
- You stop using the property as your only or main home.
- You have given false or fraudulent information to get the tenancy.
- We need to carry out redevelopment or major repairs to the property, which we cannot do unless you move out.
- There is a legal ground for possession under the Housing Act 1985, the Housing Act 1996 or any other law.

## Contents

- 1. Your rent and other charges**
- 2. Repairs and improvements**
- 3. Living in your home**
- 4. Living with your neighbours**
- 5. Ending your tenancy**

## 1. Your rent and other charges

1. You must pay your rent and other charges when due. The rent and other charges are due on Monday every week. If you choose to pay fortnightly or monthly you must pay in advance.
2. Your rent card shows you the weekly rent and other charges you need to pay each week. We will tell you in writing when your weekly rent and charges change.
3. We may increase or reduce your rent and other charges. If this is going to happen we will give you at least four weeks' notice in writing.
4. If you have a joint tenancy, each joint tenant is responsible for paying the rent, other charges and any outstanding arrears. Even if one joint tenant leaves, both tenants will still be responsible for the full weekly charges for the property and any outstanding arrears.
5. You must pay any rent arrears due in accordance with any agreement entered into with us.

## 2. Repairs and improvements

### Our responsibilities:

1. We are responsible for keeping the following items in good repair and working order:
    - the structure and outside of buildings including drains, gutters and pipes
    - all fittings, pipes and connections supplying water, gas and electricity
    - all equipment for sanitation including basins, sinks, baths and toilets
    - all equipment that provides heating and hot water
- If you live in a flat, we will keep the shared parts and services - entrances, halls, stairways, lifts, passages, refuse chutes and lighting - clean and in a good state of repair.
2. We will decorate the outside of your home and the shared parts when necessary.
  3. We will keep communal grounds and landscaped areas that are our responsibility clear and tidy.

### Your responsibilities:

4. You must let us know when a repair that is our responsibility needs to be done. You can report a repair by phoning the Repairs Helpdesk freephone, or by writing to or visiting your local housing office. If the repair is an emergency and our offices are closed, you should contact the out of hour's emergency number. You will find details of this service in the Tenant Handbook.
5. You must keep your home, including fixtures and fittings, clean and in good condition and make sure that other members of your household and people visiting you do the same.
6. You are responsible for minor repairs and you should decorate all internal parts of your home as often as is necessary to keep them in good decorative order. You will find more details on this in the Tenant Handbook.
7. You must allow our officers and people we authorise into your home at reasonable hours to:
  - inspect the condition of your home
  - carry out any work that may be necessary to your home or adjoining properties
  - inspect and maintain any gas and electrical installations

We will give you reasonable notice of when access is needed where possible. Our contractors and employees may enter your home without giving notice if we believe that entry is necessary due to an emergency which could cause injury, or damage to your home or to a neighbouring property.

8. In an emergency you must give our officers and people we authorise immediate access to your home.
9. You must get our written permission before you carry out improvements or alterations to your home. This includes, but is not limited to:
  - the fixing of satellite dishes and aerials
  - the installation of CCTV cameras

You must apply for our permission in writing and give full details of the work you want to carry out. You may also need planning or building regulation consent. Your Tenant Handbook gives more details of this. **If you have an introductory tenancy you will not be able to carry out improvements or alterations to your home until your tenancy has become secure.**

10. You must get our written permission if you want to install a hard floor finish such as laminate flooring, hardwood overlay or ceramic tiles, or if you want to have bare floorboards in any room in your home. We will not refuse permission unreasonably but that we will probably only grant permission if you live in a house or ground floor flat. You must use an approved high quality underlay.

As the use of hard floor finishes could cause nuisance to your neighbours due to noise transmission, if you carry out any of the above alterations without our written permission, we will be entitled to restore the property to its original condition during, or at the end of your tenancy. If we do so we are entitled to recover reasonable costs from you for carrying out this work. Your Tenant Handbook gives more details of this. **If you have an introductory tenancy, you will not be able to carry out improvements or alterations to your home until your tenancy has become secure.**

11. The following condition applies if we tell you in writing that we are aware of a potential noise nuisance coming from your home that might be caused by the installation of a hard wood floor finish or bare floorboards:
  - a. You must keep all your floors, including hallways and stairs, covered with carpet and a good quality underlay or with a similar floor covering that has similar noise-reducing qualities. This does not apply to kitchens and bathrooms where floor coverings have been supplied by the council.
12. If you or any member of your household or visitors cause any damage to the property or any shared areas, you will have to make good the damage or pay our repair costs. If the damage was caused other than by accident, the council will normally support any police prosecution that may follow.

Your Tenant Handbook gives more details of what is covered under this condition.

### 3. Living in your home

1. You may take in lodgers or have members of your family living with you, as long as this does not cause overcrowding. If you take in a lodger, you are responsible for their and their visitors' behaviour, including any noise nuisance or damage they may cause. You should tell us details of any lodger living at your home when we ask you.
2. You may sublet part of your home, as long as you get our written agreement first. You are not allowed to sublet the whole of your home. If you do sublet part of your home, you are responsible for the behaviour of your subtenant and their visitors, including any noise nuisance or damage they may cause.
3. Any anti-social behaviour by your lodger(s) or sub-tenants may lead to us taking action against your tenancy.

4. Assigning your tenancy:

### **Introductory tenants only**

Your tenancy may only be transferred to someone else in the following circumstances. This is called assignment:

- By a Court Order under the Matrimonial Causes Act 1973, the Matrimonial & Family Proceedings Act 1984, The Children Act 1989 or the Family Law Act 1996
- To a 'potential successor', meaning someone who would be qualified to take over your tenancy in the event of your death.

The Tenant Handbook gives more information on this.

### **Secure tenants only**

Your tenancy may only be transferred to someone else in the following circumstances. This is called assignment:

- Under the Right to Exchange, with our written permission
- By a Court Order under the Matrimonial Causes Act 1973, the Matrimonial & Family Proceedings Act 1984, The Children Act 1989 or the Family Law Act 1996
- To a 'potential successor', meaning someone who would be qualified to take over your tenancy in the event of your death.

The Tenant Handbook gives more information on these.

5. You or any member of your household may not run a business from your home without our written permission. You may ask for permission from your local housing office. You may also need planning permission. We have included details of how to apply for planning permission in the Tenant Handbook.
6. You must live in your property as your only or main home. If you do not do this, for example if you abandon the property or return the keys without giving proper notice as described in clause 5.1 of this agreement, we will take action to end the tenancy by serving you with a Notice to Quit. We will serve this notice on your property if you cannot be traced for us to serve the notice on you personally. This notice will give you at least four weeks' written notice ending on a Monday. If you have left someone else in the property, we will start court proceedings to regain possession of the property when the notice ends.
7. You must inform us, in writing and if possible in advance, if you are, or expect to be, absent from your home for 28 days or more.
8. In houses and bungalows, you may use the loft space for storage at your own risk. We will hold you responsible for any damage this causes to the property and we will not be liable for any damage caused to your possessions. You will need our written permission if you wish to use the loft space as living area. The loft space must not be used in flats.

## **4. Living with your neighbours**

Brighton & Hove is a unique place in which to live, work, and visit. All residents, visitors, and businesses have the right to enjoy the city, live peacefully in their homes and neighbourhoods, feel safe, and enjoy the resources and culture that the city has to offer, free of concerns for their well-being. Brighton & Hove City Council, together with its partners, is committed to tackling nuisance and anti-social behaviour in the city.

## **Our responsibilities:**

1. We will not interfere with how you use your home as long as you keep to the terms of this agreement or unless there is any other reason under the Housing Acts of 1985 and 1996 or any other law where we may need to.
2. We will investigate any complaints of nuisance or harassment and take appropriate action

## **Your responsibilities:**

- 3 You are responsible for the behaviour of all members of your household, including your children and any lodgers, subtenants or visitors ('they'). This applies in your home and in the shared parts of your block or estate and its surrounding area.
- 4 You and they must not do or threaten to do anything which causes, or is likely to cause, a nuisance or annoy someone else. Examples of anti-social activities, which cause nuisance and annoyance include, but are not limited to:
  - loud music from televisions, radios, music systems and musical instruments
  - noisy parties
  - too much noise from DIY activities
  - shouting and swearing
  - banging and slamming doors
  - dogs barking and fouling
  - dumping rubbish
  - vandalism and graffiti
  - offensive drunkenness

We may take legal action to evict you if you or they behave anti-socially or if you or they commit a crime or are convicted of an indictable offence at the property or in the local area. We may also take legal action to get an injunction against you or any person you allow to act anti-socially and to recover the costs of this action from you. We are unlikely to offer you another tenancy if you have been evicted because of anti-social behaviour.

5. You and they must not harass or threaten any other person because of race, colour, sex, nationality, religion, age, mental illness, disability, sexuality or for any other reason. Examples of harassment include, but are not limited to:
  - violence, threats of violence or violent gestures
  - using abusive words or behaviour
  - writing threatening, abusive or insulting graffiti
  - damage or threats to damage property
  - stalking any other person
6. You and they must not use or threaten to use violence, abuse or use threatening behaviour to anyone in the area of your home or the area of our offices, including other residents, our employees, agents working on our behalf or other people visiting or carrying out lawful activities in the area of your home or our offices.
7. You and they must not use your home or any shared area for any criminal, immoral or illegal activity such as using drugs, drug dealing or prostitution.
8. You must not do the following or allow another person to do the following in your home:
  - use or produce any drugs or substances covered by the Misuse of Drugs Act 1971 (or any other relevant act or regulations)
  - supply or offer to supply any of these drugs to another person
  - possess any of these drugs with the intention of supplying them to another person



9. You must not use or threaten to use violence by using physical, mental, emotional or sexual abuse against any other person living with you, anyone you have invited into your home, or anyone living in another of our properties. If you do and that person or their children have to leave the property because of violence, or threats of violence or abuse against them, we may take steps to evict you from your home.
10. You and they must not damage or deface our property. You are responsible for paying for any repairs that you cause or replacing items that you or they damage.
11. You and they must not interfere with security equipment in shared areas, such as door entry systems and closed circuit television equipment. Doors must not be jammed open and strangers must not be let in without showing identification.
12. You and they must co-operate with us and your neighbours to keep any shared areas clean, tidy and clear of obstructions. You must also keep emergency exits free from obstruction. If we need to clear any items belonging to you from shared areas, you may need to pay our costs.
13. You and they must not block local roadways and other vehicular access, and must keep them and car parking spaces clear of unroadworthy vehicles and other obstructions.
14. You and they must not carry out non-routine car repairs, like paint spraying, or dump unwanted vehicles in shared areas.
15. You and they must not park a vehicle, caravan, boat or trailer on any paths, gardens, yard, car park, service road, grassland or other land belonging to us without our written consent. You and they must not store vehicles or vehicle parts in your garden.
16. You or they must not keep a dog, bird or other animal in your home without our permission - the Tenant Handbook gives details of when we will give permission. Your pet(s) must not annoy or frighten other people, nor must you allow your pet to foul shared areas. It is a breach of your tenancy agreement if you are convicted of causing cruelty and suffering towards an animal.
17. You or they must not encourage or feed any wild feral pigeons, seagulls, rats, mice, squirrels on your property, our land or in the locality.
18. You and they must not keep liquid petroleum gas or any other flammable or explosive substance in your home or shared areas. You must also not do or keep anything in these areas which might affect the insurance of the property. You must not tamper with fire safety equipment.
19. If you have a garden, patio or balcony, you must keep it tidy. You must not dump rubbish in the garden, including household items or vehicle parts. You must not allow any garden plants, trees or shrubs to grow onto or over neighbouring land. If you fail to keep these areas tidy we may do the work and you will have to pay our costs.
20. You or they must not smoke in any enclosed shared areas.

## **5. Ending your tenancy**

### **When you decide to end your tenancy:**

1. You must give us at least four weeks' written notice before you want to end your tenancy, which must end at 12 noon on a Monday. You must return all your keys to your housing office before this time. If you return your keys later than this, we will charge you the full charges for the property until the end of the week in which you return them. If the Monday is a Bank Holiday, you must return your keys to your housing office before noon on the Tuesday following the holiday. If you return the keys without giving at least four weeks' written notice, we might not accept this as an end to the tenancy.

If you are transferring to another council or housing association tenancy, you will need to give us two weeks' written notice before you want to end your tenancy, which must end at 12 noon on a Monday. You must return all keys to your local housing office by 3pm on the Monday. If you return your keys later than this, we will charge you the full charges for the property until the end of the week in which you return them. If the Monday is a Bank Holiday, you must return your keys to your housing office before noon on the Tuesday following the holiday.

2. You must pay the rent and all charges for the whole period of the notice, even if you have moved out and returned the keys before the Monday on which the notice period ends. If you fail to clear any outstanding rent and charges before you move out, we will take action to recover the debt.
3. You must take all furniture, floor coverings, belongings and rubbish from your home and leave the property and the fixtures and fittings in a reasonable condition and state of repair.
4. If you fail to clear the property and/or leave it in a state of disrepair, we will charge you for the cost of removing the items that you leave behind and for any work that is necessary. We will not be responsible for any items that you leave behind.
5. You must not leave anybody living in your home when you move out, such as a lodger. If you do so, we will take court action to remove them from the property and you and your lodger will have to pay the costs.

## **When we want to end your tenancy:**

### **6. Introductory tenants only**

If you have an introductory tenancy, we can only end your tenancy with a court order. We will only ask the court for a possession order against you if you break the conditions of this tenancy agreement or there is any other reason under the Housing Act 1985, the Housing Act 1996 or another law why we need possession of your home.

If you break your tenancy conditions, we may serve a 'Notice to Terminate' on you. This notice will say that the court will be asked to make an order for possession and give the reasons why the action is being taken. It will also give you the date after which possession proceedings will start. This will be at least four weeks after the notice is served.

If you do not use the property as your only or principal home or move out without giving proper notice, we can end your tenancy by serving a 'Notice to Quit' giving four weeks' notice.

We will serve a notice on you by either delivering it to you in person, sending it to you by post at the property, leaving it at the property, or giving it to another adult at the property.

### **7. Secure tenants only**

If you have a secure tenancy, we can only end your tenancy with a court order. We can only ask the court to grant a possession order if one or more of the grounds for possession set out in the Housing Act 1985 exists.

If one or more of the grounds exist, we may serve a 'Notice of Seeking Possession' on you. This notice will say that the court will be asked to make an order for possession and give the reasons why this action is being taken. It will also tell you the date that possession proceedings will start. This will normally be at least four weeks after the notice is served.

If you do not use the property as your only or principal home or move out without giving proper notice, we can end your tenancy by serving a 'Notice to Quit' giving four weeks' notice.

We will serve a notice on you by either delivering it to you in person, sending it to you by post at the property, leaving it at the property, or giving it to another adult at the property.

## Death of a tenant

8. In the event of your death, the tenancy becomes part of your estate and, if you have left a will, the tenancy can be brought to an end by a personal representative of your estate. The personal representative must give at least four weeks' notice in writing ending on a Monday. Your estate is also responsible for other conditions of this agreement as set out in clauses 5.1 to 5.5 of this agreement.
9. If you die without leaving a will, known as 'intestate', legal responsibility for your tenancy passes to the Public Trustee. We will end the tenancy by serving a Notice to Quit on the Public Trustee. A copy of this notice will be given to any next of kin that you may have.

Full details on ending a tenancy in these circumstances are included in the Tenant Handbook.



# Your Tenancy Details

## This tenancy agreement is between:

Name(s) of tenant(s) \_\_\_\_\_  
and Brighton & Hove City Council

The address and postcode of the property rented in this agreement is:

## The weekly charges for the property at the start of your tenancy are:

- Rent £ \_\_\_\_\_
- Heating and hot water £ \_\_\_\_\_
- Service charge £ \_\_\_\_\_
- Other charges £ \_\_\_\_\_
- **Total** £ \_\_\_\_\_

## Rent arrears from any previous tenancy:

You also have to repay rent arrears of £ \_\_\_\_\_ and have agreed to keep to the arrangement you have with us to repay the debt.

The names of the people who will live in the property are as follows:

Full name	Date of birth	Relationship to you
		Tenant

The maximum number of people allowed to live in your home is \_\_\_\_\_

## Photos

Permission is given to keep the following pets:

Permission is subject to you keeping to the terms of this agreement.

The tenancy begins on \_\_\_\_/\_\_\_\_/\_\_\_\_ under the conditions set out in this agreement.

The provisional date your Introductory Tenancy becomes secure is \_\_\_\_/\_\_\_\_/\_\_\_\_

**I have read and understood this tenancy agreement, and agree to the conditions set out in it.**

Tenant's signature: \_\_\_\_\_

Tenant's name: \_\_\_\_\_

Joint tenant's signature: \_\_\_\_\_

Tenant's name: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Signed for Brighton & Hove City Council by:**

Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Under Section 48 of the Landlord and Tenant Act 1987, if you need to give us any notices, please send them to: King's House, Grand Avenue, Hove, BN3 2LS.**

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