

Brighton & Hove City Council

Housing Committee

Agenda Item 73

Subject: Homes for Brighton & Hove – external communal area management at Denman Place, Coldean Lane, Brighton.

Date of meeting: Housing Committee 15 March 2023
Policy & Resources Committee 16 March 2023

Report of: Executive Director Housing, Neighbourhoods & Communities

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Ward(s) affected: Hollingdean & Stanmer

For general release

1. Purpose of the report and policy context.

1.1 Homes for Brighton & Hove (HBH) was established in December 2017 as a Limited Liability Partnership (LLP) between Brighton & Hove City Council and Hyde Housing Association in order to help tackle the city's 'housing crisis' and to increase the number of affordable homes.

1.2 The council's Housing & Policy & Resources Committees agreed on the 21 October 2020 to change the partnership to a development company model enabling homes to be developed by HBH and then sold back to the council and Hyde. This does not include the external areas surrounding the blocks and HBH have been considering options for their future management.

1.3 This report outlines arrangements for the management and maintenance of external areas at the HBH site at Denman Place, Coldean Lane, Brighton which will be undertaken by the council and seeks authority for the council to take on the Head Lease at the site to fulfill this function.

2. Recommendations

That Housing Committee:

2.1 Recommends to Policy & Resources Committee that it delegates authority to the Executive Director of Housing, Neighbourhoods and Communities to enter into a 250 year head lease of the HBH site at Denman Place, Coldean Lane, Brighton.

That Policy & Resources Committee:

- 2.2 Delegates authority to the Executive Director of Housing, Neighbourhoods and Communities to enter into a 250 year head lease of the HBH site at Denman Place, Coldean Lane, Brighton.

3. Context and background information

- 3.1 HBH have two housing schemes under construction at Quay View, Portslade and Denman Place, Coldean Lane, Brighton with 346 homes due to be provided. The properties will be sold back to the council and Hyde. Hyde will be providing shared ownership homes with the council providing the rented homes on approximately a 50:50 split (rented and shared ownership). Both organisations will be responsible for the management and maintenance of their own blocks, entrances and any car parking spaces demised to them.
- 3.2 External communal areas are not included in this disposal and the future arrangements for the management and maintenance of these areas has been considered by the HBH board. At the board meeting on 12 December 2022 it was agreed that Hyde would take on responsibility for the Quay View site at Portslade with the council taking on responsibility for the Denman Place, Coldean Lane, Brighton site. This decision is implemented by the Council taking the headlease of the site so was made subject to the Council agreeing to this.
- 3.3 The approach was agreed as Quay View aligned with similar sites that Hyde manage and it has a higher proportion of shared ownership homes. It was also felt that the council was better placed to manage Denman Place due to the nature of the grounds maintenance and woodland management that would be required.
- 3.4 The services required to be delivered at Denman Place will include:
- Graffiti reporting and removal
 - Removing bulk waste, fly tipping and litter picking
 - Upkeep of communal estate signage
 - External communal lighting
 - Sweeping of hard surfaces
 - Maintenance of the estate road and pavements
 - Informal playground inspection and maintenance
 - Grounds maintenance – initially following the set 5 year landscape and open space strategy
 - Woodland management – initially following the set 5 year management plan.
- 3.5 Some services will commence from practical completion which is currently anticipated in December 2023 but PMC Construction (the developer) will be responsible for the maintenance of the following for a further year after practical completion.

- Informal playground inspection and maintenance
- Grounds maintenance – initially following the 5 year landscape and open space strategy.
- Woodland management – initially following the 5 year management plan.
- External communal lighting

- 3.6 The council and Hyde will agree a final specification for these works and agree a pricing schedule. The final cost of delivering the services will be covered by Hyde Housing Association and the council. The council will invoice Hyde annually for their share of the costs and service charges will be applied to tenant's charges in order to recover costs.
- 3.7 Transferring the 250 year Head Lease from HBH to the council will enable the council to take on this responsibility. The term of the lease is the same as the lease agreed between the council and HBH for the land. The lease is at a peppercorn rent (if demanded) and therefore there is no payment required for the council to enter into this lease.

4. Analysis and consideration of alternative options

- 4.1 If the council did not take on management and maintenance of the external areas Hyde would be approached to see whether they would take on the site. Hyde have however stated their preference and have agreed to take on the Quay View site. They do not have comparable schemes with extensive grounds/woodland management.
- 4.2 The alternative would be for HBH to tender the management and maintenance services direct to carry out the functions. It would not however be suitable for a development company to retain the long term interest in the land. This would require HBH to have ongoing oversight and collect service charges from each organisation to pay for the works contracts.

5. Community engagement and consultation

- 5.1 None as this report relates to the council taking on a lease to fulfill its management responsibilities before residents move in.

6. Conclusion

- 6.1 HBH was established to increase the supply of affordable homes in the city. Putting in place these arrangements for the future management of the external areas of the sites will ensure that residents benefit from well managed and maintained grounds.

7. Financial implications

- 7.1 There are no direct financial implications arising from this report, however if recommendation 2.1 is approved the council will enter into a 250-year lease with Homes for the City of Brighton & Hove to provide the management

services for those external areas not covered within the main agreements to purchase the blocks.

As outlined in the main report the cost of this is still to be determined, but the principle will be that the council will be charged for 100% of the costs with 50% being recovered from Hyde. The remaining 50% will either be recovered through tenant's service charges or will form part of the management costs for which the new rental income will pay for.

The expenditure and income will form part of the HRA's main budget provision and will be monitored via the Council's Targeted Budget Monitoring (TBM) reporting process, this being the key component of the council's overall performance monitoring and control framework.

Name of finance officer consulted: Craig Garoghan Date consulted
10/2/23

8. Legal implications

- 8.1 If the recommendation is approved, the Council will enter into a 250 year headlease which will require it to maintain the external areas of the site. Policy & Resources Committee is the appropriate committee to authorise the acquisition of land.

Name of lawyer consulted: Alice Rowland Date consulted: 21/2/23

9. Equalities implications

- 9.1 None

10. Sustainability implications

- 10.1 HBH develop homes that are both cost effective to live in and meet high standards of environmental sustainability in line with the city's 2030 net zero carbon target and helping tackle the climate change and bio diversity emergency.

11. Other Implications

None

Supporting Documentation

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