

Subject:	New Homes for Neighbourhoods – Kensington Street – Final Scheme Approval – Extract from the Proceedings of the Housing Committee held on 14 January 2015		
Date of Meeting:	22 January 2015		
Report of:	Monitoring Officer		
Contact Officer:	Name:	Caroline DeMarco	Tel: 29-1063
	E-mail:	Caroline.demarco@brighton-hove.gov.uk	
Wards Affected:	All		

FOR GENERAL RELEASE

Action Required of the Policy & Resources Committee:

To receive the item referred from the Housing Committee for approval:

Recommendation:

That the Policy & Resources Committee be recommended to agree that the site is appropriated to the Housing Revenue Account for a capital receipt of up to £225,000 for the development of new housing.

HOUSING COMMITTEE

4.00pm 12 NOVEMBER 2014

COUNCIL CHAMBER, HOVE TOWN HALL

DRAFT MINUTES

Present: Councillor Randall (Chair) Councillor Phillips (Deputy Chair), Barnett, Daniel, Meadows, Kennedy, Mears, Peltzer Dunn (Opposition Spokesperson), Rufus and Wilson (Group Spokesperson)

PART ONE

60 NEW HOMES FOR NEIGHBOURHOODS – KENSINGTON STREET – FINAL SCHEME APPROVAL

- 60.1 The Committee considered the report of the Executive Director Environment, Development and Housing which informed Members that Housing Committee gave delegated authority in September 2012 to award a contract following completion of a procurement process for a delivery partner to take forward final feasibility design and development of new council homes to rent on four former garage and parking sites in

the city. The Guinness Partnership was selected to take four sites forward including the car parking site at Kensington Street, Brighton. The report was presented by the Project Manager, Estate Regeneration Team.

- 60.2 Councillor Mears commented that the units looked very small. The Housing Programme Manager replied that the scheme complied with national space standards.
- 60.3 Councillor Peltzer Dunn asked for clarification around the financial implications in Section 6 of the report. The Housing Programme Manager explained that the project commenced with an indicative budget. Full costs would not be known until a contractor was procured. The project was in budget.
- 60.4 Councillor Phillips stated that she was not comfortable with approving an 80% market rent. She asked if a working group could be established to consider alternative financial proposals to try to achieve a lower market rent level.
- 60.5 The Principal Accountant stressed that the proposals in the report were based on the rent model being set at 80% market rent capped at LHA rate.
- 60.6 Councillors Meadows and Wilson agreed that they did not want the scheme to be delayed.
- 60.7 Councillor Peltzer Dunn asked if the development would be endangered if 80% market rent was not agreed. The Executive Director Environment, Development and Housing replied that under those circumstances, the scheme would not be viable unless there was a subsidy.
- 60.8 The Housing Programme Manager emphasised that the report was recommending approval of the rent model set at 80% market rent capped at LHA rate. This was below the market rent level.
- 60.9 Councillor Phillips suggested that a working group could be established to consider new information for future schemes.
- 60.10 **RESOLVED –**
- (1) That Option One is agreed for the scheme as set out in Table 1.
 - (2) That the design be noted.
 - (3) That the rent model set at 80% market rent capped at LHA rate be approved.
 - (4) That the estimated levels of subsidy required from the HRA for the chosen rent model be approved and that delegated authority be given to the Executive Director of Environment, Development and Housing and the Executive Director of Finance and Resources in consultation with the Estate Regeneration Member Board to agree reasonable amendments to that subsidy if changes arise.
 - (5) That the Policy & Resources Committee be recommended to agree that the site is appropriated to the Housing Revenue Account for a capital receipt of up to £225,000 for the development of new housing.