





Brighton & Hove
City Council

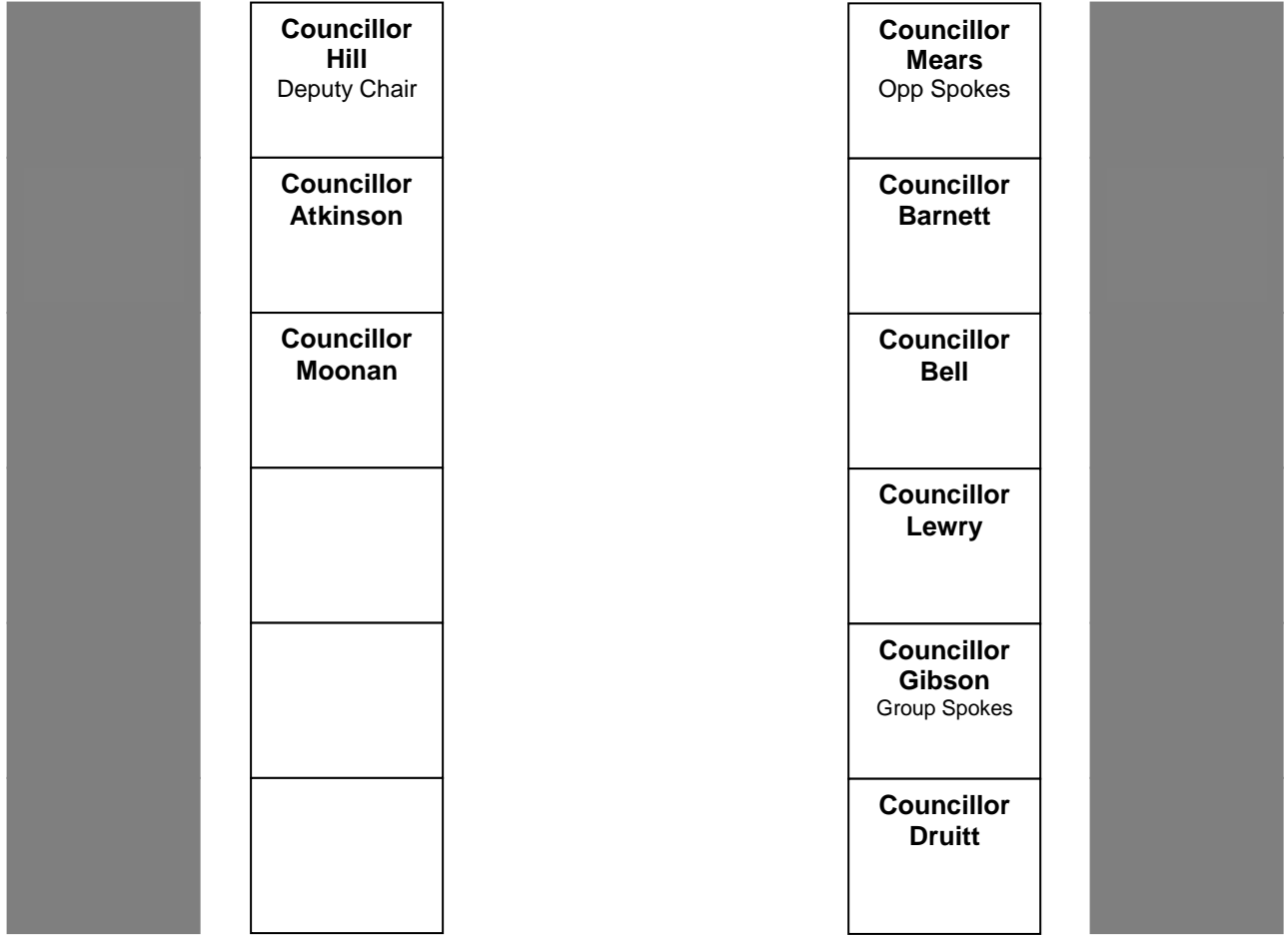
Housing & New Homes Committee

Title:	Housing & New Homes Committee
Date:	17 January 2018
Time:	4.00pm
Venue	Council Chamber, Hove Town Hall
Councillors:	Meadows (Chair), Hill (Deputy Chair), Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Barnett, Bell, DrUITT, Lewry and Moonan
Contact:	Caroline De Marco Democratic Services Officer 01273 291063 caroline.demarco@brighton-hove.gov.uk

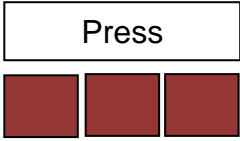
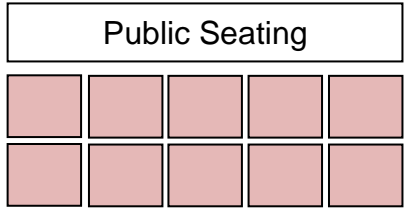
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Housing & New Homes Committee

Head of Housing	Executive Director Neighbourhoods, Communities and Housing	Councillor Meadows Chair	Lawyer	Democratic Services Officer
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Public Speaker/
Officer Speaking



AGENDA

PART ONE

Page

61 PROCEDURAL BUSINESS

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

(b) Declarations of Interest:

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

In each case, you need to declare

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

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

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

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

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

62 MINUTES OF THE PREVIOUS MEETING

1 - 34

To consider the minutes of the meeting held on 15 November 2017 (copy attached).

63 CHAIRS COMMUNICATIONS

64 CALL OVER

HOUSING & NEW HOMES COMMITTEE

- (a) Items 67 to 72 will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

65 PUBLIC INVOLVEMENT

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

- (a) **Petitions:** to receive any petitions presented to the full council or at the meeting itself;
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 11 January 2018;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 11 January 2018.

66 ISSUES RAISED BY MEMBERS

35 - 36

To consider the following matters raised by councillors:

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

67 HRA ENERGY STRATEGY

37 - 92

Report of Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Alexander Fox

Tel: 01273 290773

Ward Affected: All Wards

68 YOUR ENERGY SUSSEX ENERGY TARIFF

93 - 104

Report of Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Miles Davidson

Tel: 01273 293150

Ward Affected: All Wards

69 HOUSING FIRST

105 - 110

Report of Executive Director for Health & Adult Social Care (copy

HOUSING & NEW HOMES COMMITTEE

attached).

Contact Officer: Sue Forrest

Tel: 01273 292960

70 EMERGENCY PLANNING AND RESILIENCE – PREVENTING AND RESPONDING TO EMERGENCIES 111 - 130

Report of the Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Annie Sparks

Tel: 01273 292436

Ward Affected: All Wards

71 HOUSING REVENUE ACCOUNT BUDGET AND INVESTMENT PROGRAMME 2018/19 AND MEDIUM TERM FINANCIAL STRATEGY 131 - 168

Report of Executive Director for Finance & Resources and Executive Director for Neighbourhoods, Communities & Housing (copy attached).

Contact Officer: Monica Brooks, Martin Reid

Tel: 01273 292279, Tel: 01273 293321

Ward Affected: All Wards

72 ITEMS REFERRED FOR FULL COUNCIL

To consider items to be submitted to the 1 February 2017 Council meeting for information.

In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, any Group may specify one further item to be included by notifying the Chief Executive no later than 10am on the eighth working day before the Council meeting at which the report is to be made, or if the Committee meeting take place after this deadline, immediately at the conclusion of the Committee meeting

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HOUSING & NEW HOMES COMMITTEE

disc, or translated into any other language as requested.

For further details and general enquiries about this meeting contact Caroline De Marco, (01273 291063, email caroline.demarco@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

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For further details and general enquiries about this meeting contact Caroline De Marco, (01273 291063, email caroline.demarco@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

Date of Publication - Tuesday, 9 January 2018

BRIGHTON & HOVE CITY COUNCIL**HOUSING & NEW HOMES COMMITTEE****4.00pm 15 NOVEMBER 2017****COUNCIL CHAMBER, HOVE TOWN HALL, NORTON ROAD, HOVE, BN3 3BQ****MINUTES**

Present: Councillor Meadows (Chair); Councillor Hill (Deputy Chair), Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Barnett, Bell, Druitt, Lewry and Moonan

PART ONE**42 PROCEDURAL BUSINESS****42a) Declarations of Substitutes**

42.1 There were no substitutes.

42b) Declarations of Interests

42.2 Councillor Druitt declared an interest in Item 50 – Proposed Selective Licensing Scheme for Privately Rented Homes as his wife has a privately rented flat. Councillor Gibson declared an interest in Item 50 as he is the joint owner of a property in Portslade which was leased to the council to house homeless households. He had taken advice and was permitted to speak and vote.

42c) Exclusion of the Press and Public

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

42.4 Councillor Mears referred to Item 58 – Appendix 3 to the New Homes for Neighbourhood – Rotherfield Crescent report. Councillor Mears considered this item should be considered in Part One of the agenda. The Chair replied that the appendix contained commercially sensitive information which would not be appropriate to put in the public domain. The Executive Director, Economy, Environment & Culture stated that in the past officers had sometimes included estimated costs in Part One reports. That

had tended to be in circumstances where officers had already engaged with a contractor. In this case, officers had not already engaged with a contractor and therefore on balance, it was felt it was better to leave the costs information in Part Two to ensure competitive pricing. There had been cases where the final price was lower than the estimated price. The Executive Director suggested that if the Committee wished to publish the Part Two paper they should do so in consultation with the Head of Law, in order that any commercially sensitive information could be redacted. Councillor Mears considered that there were issues within the paper that were relevant for Part One, bearing in mind that tenants money was being spent and that a great deal of the work had already been carried out.

- 42.5 The Chair invited members to vote on whether Item 58 should be considered in Part One of the agenda. Members voted by six votes to four to move item 58 to Part One of the agenda.
- 42.6 **RESOLVED** - That the press and public not be excluded from the meeting during consideration of the appendix at Item 50.

43 MINUTES OF THE PREVIOUS MEETING

- 43.1 **RESOLVED** - That the minutes of the Housing and New Homes Committee meetings held on 20th and 25th September 2017 are agreed and signed as a correct record.

44 CHAIRS COMMUNICATIONS

The Chair stated the following:

- 44.1 “Since we last met, significant progress has been made on our plans to improve energy efficiency in the city.
- 44.2 Work is well underway to develop our Housing Revenue Account (HRA) Energy Strategy.
- 44.3 The overarching aim of the strategy is to reduce energy consumption (and costs) for residents by future proofing the housing stock. This should also reduce carbon emissions and contribute to improving health & well-being for our tenants.
- 44.4 The strategy will set out relevant local and national policy and note the transformation taking place in the energy sector, which includes the increasing digitalisation of services.
- 44.5 It will outline the current performance of the stock and achievements to date, and will highlight current work and opportunities that officers are delivering or exploring to meet the strategies aim.
- 44.6 Currently the strategy is being introduced to residents through the Service Improvement Group; tenant representative meetings and focus groups; the intention is to go to Area Panels in early January 2018; with a full report and draft strategy coming to this committee in January.

- 44.7 Continuing the theme of energy efficiency and helping to tackle fuel poverty, we have been working with partners within the Your Energy Sussex partnership to procure a licensed energy supply partner.
- 44.8 Through an OJEU compliant procurement process the partnership selected Robin Hood Energy as our delivery partner. Robin Hood Energy are a not-for profit licensed energy company wholly owned by Nottingham City Council.
- 44.9 Your Energy Sussex, will offer a range of competitive, council-backed energy tariffs to residents with a focus on good **customer service, fairness and transparency.**
- 44.10 The aim is that a 'soft launch' will take place in December 2017, with a larger launch and specific campaigns taking place in early 2018. A full report will be presented to this committee in January 2018.
- 44.11 Moving on to increasing the supply of housing in the city, I am pleased to confirm that the DCLG funding of £464,000 for community led housing has now been awarded to Brighton & Hove Community Land Trust.
- 44.12 The funding will be used to set up a Community Housing 'Hub' to take the project forward. This reflects the council's continued commitment to working with community housing providers as another way of responding to housing need in the city. A pilot self-build co-operative scheme is due to start on site shortly and the council will work with the Hub to identify other opportunities including looking at council land and sites.
- 44.13 The council will be represented on both the Hub's Steering Group which oversees activities and an Assessment Panel which will examine specific projects/schemes put forward for funding.
- 44.14 Key outcomes of the Hub include increasing the amount of community led housing; increase awareness of community housing in general and responding to site opportunities. The Hub will also act as one central point of referral for community housing in the city.
- 44.15 Following on from creating more homes, I am pleased to update you on a truly successful community event held in Whitehawk which was organised by colleagues in Neighbourhoods Communities and Housing.
- 44.16 Housing staff joined a wide range of agencies and people from the community across all tenures to engage in the conversation about what they want for their area at the Whitehawk Community Day.
- 44.17 Housing staff recorded really useful feedback from 76 tenants during the day which will be added to Housing's contribution to the East Brighton Neighbourhood plan.
- 44.18 The event allowed conversations with other service providers and will help to maintain connections to ensure we work together more effectively. Attendees included the Trust for Developing Communities HRA- funded Youth Programme working with Housing's Resident Involvement Team and the Crew Club; Children's Service and our Work &

Learning Team; Southdown Housing's Floating Mental Health Service and Housing Options Trailblazer Project; Digital Brighton & Hove; SHINE project; Race Hill Orchard, Serendipity, Employment & Enterprise; and many more.

- 44.19 Activities were provided for the children including face painting and drawing competition with 18 children entering drawings of "what they love most about their homes" and Mears kindly donating the main prize, the Xbox360 which was won by Ruby Taylor, from Whitehawk Way.
- 44.20 Four groups of residents asked to work with the Resident Involvement Team to make improvements to their estates from Wiston Road, Haybourne Road, Crossbush Road, Whitehawk Way.
- 44.21 Tenants told us how much they "love their homes and the place they live" with a lasting memory from the event from a little boy who told staff that he loves living in Whitehawk and he loves his home and his friends but could we please build more houses for the homeless people.

45 CALL OVER

- 45.1 It was agreed that all items be reserved for discussion.

46 PUBLIC INVOLVEMENT

Petitions

- 46.1 There were no petitions.

Questions

- 46.2 Mike Bojczuk asked the following question:

"Will Council agree to provide Wi-Fi access to common area lounges of their senior housing schemes? Volunteering with Digital Brighton & Hove I have found that none of the Council run senior schemes provide this, unlike Housing Association schemes visited.

Providing broadband to 25 schemes isn't greatly expensive and if provided by the Council, it could be used in many ways to add to and improve communication and services to senior residents. City libraries and buses provide free Wi-Fi access so can you also extend this service to help mitigate the digital exclusion faced by many of our older residents?"

- 46.3 The Chair replied as follows:

"Thank you for your question. BHCC Housing is committed to supporting digital inclusion initiatives. The council is a partner of Digital Brighton & Hove and is actively working with local community and commercial organisations that provide volunteers to support residents to improve their online skills and experience. Seniors housing

schemes have held many 'gadget workshops' supporting older people to become more familiar with all things digital. With more families communicating digitally and more organisations moving information on-line we're keen that older people in seniors housing, as well as other residents, are not digitally excluded.

There are real challenges to providing internet access and we've previously had discussions with providers (BT, Barclays) to see if they could offer a free pilot project. Unfortunately, at that time, they were not able to offer a system that was suitable to allow the necessary level of data management that is required by our own policies as well as national and European legislation. There are some particular challenges on security, and the council's liability, when providing access to a communal setting, not least in terms of people accessing illegal or inappropriate material.

This said, we are continuing to investigate how we can support better digital inclusion amongst all council tenants (for example those of working age who are impacted by Universal Credit), despite the known challenges.

In seniors housing we are looking at how we can support better digital connectivity at our new extra care scheme, Brooke Mead, which may help provide useful pointers in terms of delivering this more widely in our schemes."

- 46.4 Mr Bojczuk stated that he was a volunteer with digital Brighton & Hove and had worked to help bring Wi-Fi into Elizabeth Court with BT and Barclays. Mr Bojczuk stated that IT at the council put a much greater level of security on a simple Wi-Fi connection than was actually needed. He asked if the council could look at the security and make it to a lower standard so that it will suit the more limited needs of older people.
- 46.5 The Chair stated that the Digital First Lead would be asked to contact him to discuss this issue.
- 46.6 **RESOLVED-** That the Public question be noted.
- 46.7 Barry Hughes asked the following question:

"I am aware that, in purely legal terms, the normal service of notices *"sent by first class post shall be deemed to have been received by the addressee within 48 hours of posting"*. However I have recently been involved in a Leaseholder dispute where Section 20 notices were sent to my members and not received and I am reminded that, in the commercial world, *"proof of posting is not proof of receipt"*. I would respectfully request that the council, in enacting its value of customer focus, adopts the use of recorded delivery when issuing Section 20 notices in the future?"

- 46.8 The Chair replied as follows:

"The Courts accept first class delivery as proof of service on the second business day after posting. A move to using recorded delivery would both increase costs for leaseholders and create greater difficulty for the Council in ensuring service. Recorded delivery requires a person to sign for the post. If the leaseholder is not at the property for any reason, then it means that added delay and uncertainty would be brought in to the process. The letter could for instance sit in the post office uncollected.

There is no advantage to the Council or leaseholders to incur additional costs for an uncertain delivery process. The Courts have allowed first class service for a long time specifically because it does provide certainty. I would urge leaseholders to ensure that the Council has their correct correspondence address and provide an additional address for service (which could include an e-mail address for instance) to ensure that their correspondence does reach them.”

46.9 Mr Hughes stated that he considered that it would be best customer service practice to ensure notices were received when the council were asking someone to spend more than £250 and sometimes several thousand pounds.

46.10 The Chair noted Mr Hughes’ comments.

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

46.12 Barry Hughes asked the following question on behalf of Martin Cunningham:

“With regards to the proposed Hereford House Hostel what measures will be put in place to protect the residents from the increase in anti-social behaviour this will bring to Kemptown?”

46.13 The Chair replied as follows:

“The Council has listened to the concerns of residents in the local area regarding the proposal to relocate West Pier Hostel to Hereford House and this relocation will now not be taking place.”

46.14 Mr Hughes asked the following supplementary question:

“Was the Committee consulted on the proposals to convert "Hereford House" into a "vital hostel facility" in place of the approximately 25 people already living in the building? Hereford House is currently a home to retail workers, nurses and students, including a woman who is eight months into her pregnancy. If the Committee was not consulted, do Members feel it should have been?”

46.15 The Chair replied informed Mr Hughes that this proposal was taken forward by Adult Social Care. Housing & New Homes Committee were not consulted as it is not a housing scheme.

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

46.17 Daniel Harris asked the following question:

“The Council have announced that only 605 homelessness applications were received during Quarter 1 and 2 2017, can the council tell me exactly how many temporary accommodation units they plan to stop using and how this process will work?”

46.18 The Chair replied as follows:

“The figures for Quarters 1 and 2 are in line with previous years and on target. On average the council receive around 1000 applications per year and accept a full housing duty to around 420 households.

The council is working towards preventing homelessness in the first place by sustaining accommodation where possible. Furthermore, where possible we want to avoid the need for homeless households to move twice to and from temporary accommodation to sustainable accommodation.

We already have an ambitious new build programme; our joint venture with Hyde housing to deliver 1000 new homes and through the community housing hub to promote community housing. Alongside these initiatives we are focussing on prevention and finding sustainable housing solutions, which should reduce our need for Temporary accommodation by half by 2019.

This is in line with Homelessness Reduction Act from April 2018 and currently being delivered through our Homelessness Trailblazer project, which you will hear more of later on the agenda.”

46.19 Mr Harris asked the following supplementary question:

“Recently the Department of Communities and Local Government reported that Brighton & Hove City Council since 2015 have reported that no children have lived in bed & breakfast accommodation for more than six weeks. Would you be willing to guarantee today that these figures are correct?”

46.20 The Chair confirmed that the figures were correct.

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

46.22 John Hadman asked the following question in relation to the night shelter opening on 10 December:

“I am very pleased that we are going to have a night shelter operating from the 10 December. I would like to move the whole thing on so for next year we are more prepared to have night shelters starting on a more appropriate date and properly funded. What provision will be made in the council’s budget in next February’s review?”

46.23 The Chair replied as follows:

“We have received good news that we have a night shelter opening on 10 December. It has been very difficult to work through the logistics of funding a suitable venue and many councillors here are part of a working group looking at this issue. We need to discuss at our budget council whether there is money put aside for a sustainable future for the shelter.”

46.24 Mr Hadman asked the following supplementary question:

“What assurance have we got that this will happen? The council voted to use their empty property in January and they still had not got anything sorted until yesterday.

They did not prepare getting a night shelter in place for this winter. They started less than five weeks ago.

46.25 The Chair replied as follows:

“No that is not correct. I know that there has been a working group working on this issue for many months now. It has taken this long to find accommodation to make sure it is a safe space for rough sleepers to use. It has not just been five weeks, it has been many months. Councillor Clare Moonan has been working on this all through the summer and she has achieved a great deal because of her hard work in pushing this forward. I cannot give assurances. It is down to councillors at Budget Council to determine what next year’s budget will be and I as just one councillor cannot give assurance for all 54 councillors. I am sure it will be put in the budget but the test will be how it is voted on.”

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

46.27 Clare Hudson asked the following question:

“It was welcome news to hear a positive response to John Hadman’s question at the Housing Committee on 20 September regarding a permanent Night Shelter managed and run by Brighton and Hove City Council.

Are Members of the Committee satisfied with progress made? How many people will be accommodated in the Night Shelter and for what period will the shelter be available? Are facilities to be made available on a permanent and long term basis?”

46.28 The Chair replied as follows:

“We have a large room at the Brighton Centre as has been stated in The Argus. It will operate from the 10 December to 11 February. By then we should have another venue in place to continue on that shelter. It will be for up to 30 people and work is ongoing through the budget process to ensure that this is a sustainable project going forward into future years.”

46.29 Ms Hudson asked the following supplementary question:

“Can you confirm what will happen to the other 114 people currently sleeping rough on our streets following the two deaths we have had recently?”

46.30 The Executive Director of Neighbourhoods, Communities & Housing replied as follows:

“In addition to the night shelter we have also extended SWEP, the Severe Weather Emergency Protocol which will offer accommodation. It should be said that that even when we do operate SWEP it is used by about 30 rough sleepers even though there is provision for all rough sleepers. In addition to this we work with St Mungo’s to provide outreach. We also work with Equinox and Pavilions to provide support for people that are rough sleeping, so through the additional SWEP which will happen now when there is an amber weather warning or when there is two nights that are predicted to be below

zero and through this night shelter and through the continued work we are doing through the rough sleeper strategy we are looking to help as many rough sleepers as we can.”

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

46.32 Gemma Challenger asked the following question:

“The ‘Oxford Street Housing Office’ - What progress has been made in converting this building into a permanent Night Shelter or temporary accommodation? For what period has this building been empty and when is it scheduled for use in a manner that benefits our homeless fellow citizens?”

46.33 The Chair replied as follows:

“Oxford Street former housing office was decommissioned in November 2014 and in January 2017 the Housing & New Homes Committee requested officers bring forward options to convert the building into much needed Temporary Accommodation (in accordance with the needs identified in the housing strategy).

As part of the options work, issues were identified with the party wall which has impacted on the progress of the project. Professional advice has now been received and we are currently engaging with the adjoining owner to carry out necessary remedial work with the aim of lodging the formal planning application in spring 2018.

Consultation will be carried out with the local residents to input into the pre-planning stage of the project and subject to planning approval the council hopes to complete works by mid-2019.”

46.34 Ms Challenger asked the following supplementary question:

“What plans are there to make this accommodation affordable and is there going to be accessible accommodation within the Oxford Street Housing Office?”

46.35 The Chair replied as follows:

“It would always be accessible to those on our housing register or who have come through our homeless route. It is temporary accommodation for that purpose. In terms of affordability it is temporary accommodation that is usually at the local housing allowance level (up to benefit level).”

46.36 The Executive Director of Economy, Environment & Culture stated that he was aware that the building did have some challenges in being a DDA compliant, but any refurbishment that is carried out would look to ensure that this is accessible to people with disabilities as is possible, given the constraints of the building.

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

46.38 Maria Garret-Gotch asked the following question:

“Could the Committee provide any examples of the way in which it could delay or prevent the “roll-out” of Universal Credit in Brighton and Hove? Could you please provide precise details by post code of the Government proposals for Universal Credit in our City?”

46.39 The Chair replied as follows:

“Thank you for your question. The Council is not able to prevent or delay the roll-out of Universal Credit in our city, as this is government policy. There is, however, a lot of work being done in the city to support people with some of the impacts of this new welfare reform and I know that housing officers have been working on this for the last 18 months, particularly with our tenants.

Roll-out has commenced in the BN3 postcode area from October this year; with BN2 planned for the end of November this year; and BN1 and BN41 planned for mid-January 2018. More information, on any changes, can be found on the government’s Department for Work and Pensions’ website.”

46.40 Ms Garrett- Gotch asked the following supplementary question:

“With the roll-out of Universal Credit across the UK, instantaneously we have seen it caused poverty, debt, homelessness and death. Are the implementations of our council that are being put in place as a safety net successfully going to secure and protect the lives and homes of the residents of our city bearing in mind the housing benefit loan grant only covers 80% and people are without money for six weeks?”

46.41 The Chair replied as follows:

“Unfortunately this is government policy so I cannot say with any assurance or any certainty what will happen to our residents. We are as prepared as we can be however there may be people who haven’t before contacted the council in any way and we will not know about those people. We won’t know how much they are in debt or need our support until they actually appear on our doorstep. We urge anyone who needs support to contact us as early as possible for any help at all. The earlier we are contacted will result in a better result for our residents.”

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

46.43 Jim Dean on behalf of Steve Parry asked the following question:

“The recently published response by the Government to the Communities and Local Government & Work and Pensions Committees Joint Report on the future of supported housing, the DWP Supported Housing Task and Finish Groups Final Report, and the DCLG/DWP Policy Statement and Consultation on Funding Supported Housing have major implications for Brighton and Hove particularly in relation to Temporary & Emergency Accommodation including BHSC.

Will the Committee commission a report from officers to be discussed at its 17.1.18 meeting, and ensure that community representatives are invited to contribute to this report particularly ETHRAG and the Brighton and Hove Housing Coalition?”

46.44 The Chair replied as follows:

“Thank you for your question. There may be a little confusion here, as our temporary and Emergency accommodation is not supported housing. The consultation reports you have referred to are for Supported housing, which does not impact on our Temporary and Emergency accommodation. Any comments can be fed back directly to the Government and Adults social services will be responding to the DCLG consultation within the timescale on the impact to supported accommodation.”

46.45 Mr Dean asked the following supplementary question:

“Does the Committee feel that it would be important at this stage to review the supported housing in respect of finance? Stories travel round the city of accommodation which was £700 rent; a box gets ticked and the rent is increased to £2000 because it has been considered to be supported housing. When there is no change to the property and very little change to the service it is provided through that property doesn't the Committee feel it is important to review those rent hikes?”

46.46 The Chair replied as follows:

“Unfortunately there is some confusion here. Housing & New Homes Committee are not responsible for Supported Housing. This is an Adult Social Care issue. Could I suggest that you put a question to the Health & Wellbeing Board who work the finances through for Adult Social Care in the City.”

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

46.48 The following question had been received from of Zuzana Sukova on behalf of Brighton Homeless Action Group:

“Taking into account all of the deaths of homeless human beings on our streets, when will the local authority start to apply the Extended Winter Provision” for those living on our streets by opening shelters every night throughout the winter from November to March as advised by the Homeless Link Guidance to prevent the loss of even more lives on our streets. Although, severe weather can arise outside of these months so shelter is needed all year round as a long-term solution.”

46.49 The Chair replied as follows:

“The Council has been working to secure provision for a night shelter over winter and we have made that announcement very recently.

We have recently changed the Severe Weather Emergency Protocol to operate when the temperature is predicated to be at 0 degrees or below for two consecutive nights. This is a change from the 3 consecutive nights under the winter 16/17 protocol.

SWEP continues to operate to protect rough sleepers during severe weather and is open to all rough sleepers within the city regardless of need or local connection.”

46.50 Ms Melody asked the following supplementary question:

“It is still completely immoral to wait two nights below zero. It is not protecting those on the street at all. This is why we are asking why it can't be updated to every night throughout the winter until something more permanent is put in place?”

46.51 The Executive Director for Neighbourhoods, Communities & Housing replied as follows:

“Government statute is three nights below zero. The reason we are not able to provide one every night is twofold. 1) The government fund us to provide the Severe Weather Emergency Protocol (SWEP) and we wouldn't get funding for that. 2) The reason that SWEP is able to take everybody with very high support needs is because it is run by our partners in the city who have specially trained staff. When those specially trained staff run SWEP they do it in addition to their own job and in the event that we ran SWEP every night we couldn't get the qualified trained staff that we currently have in place. We have spoken to Brighton Housing Trust and St Mungo's about operating as much as we can and it has been established that what we are operating is within the ability of what we can do staffing wise. We also wouldn't have the funding to be able to extend the service.”

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

46.53 Ree Melody had submitted the following question on behalf of Love Activists:

“When will the local authority adhere to the change in law made by the supreme court of law in May 2015 with regard to the vulnerability assessment of those who are homeless?”

46.54 The Chair replied as follows:

“Thank you for your question and I am pleased to confirm that the council adheres to the new assessment which requires us to consider whether or not someone, when homeless, is “significantly more vulnerable than ordinarily vulnerable when compared to the ordinary person becoming homeless” as referenced in your question (that the Hotak case brought in and which replaced the previous test set by the Pereira case). The Council changed its assessment immediately following the court case and remains entirely compliant with this test. We have also implemented the lessons from the cases of Kanu and Johnstone and continue to review all cases from the Higher Courts as they are decided, implementing changes where they are needed.”

46.55 The Senior Lawyer stated that the Chair had briefly described the test that was introduced by Hotak replacing Pereira. It was a conjoined appeal in the Supreme Court. The Senior Lawyer did not know when the council implemented it but she was instructed that Hotak was taken on board immediately the report was available.

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

Deputations

46.57 The Committee considered the following deputation which was presented by Michael Fitzpatrick and supported by Diane Montgomery, John Hadman, Joanna Evans and Ian Needham:

Deputation to Housing and New Homes committee from the Living Rent Campaign on Rent Policy

“We are here today to urge the housing and new homes committee to agree a rent policy for new council houses that is affordable for those households on low incomes. The Living Rent Campaign argues for rents to be set in relation to household incomes not the market. We want to see a rent policy that enables the council to provide a range of rents, in particular rents that are affordable for the lowest income households who suffer most economic stress in the current housing market and for whom the council is the only hope of affordability.

Each year at least 50 socially rented council houses are sold. When the council replaces these with welcome new homes the rents have been more than double social rents and are not affordable for low income households. There are no other housing providers (other than co-ops who are currently small scale) offering rents at less than Living wage rents. The living wage rent concept is laudable in that it links rents to incomes, however the assumptions made about incomes are flawed since they do not look at actual household incomes (and end up producing “living wage rents” just less than local housing allowance that are not affordable for the lowest actual incomes)

Looking at actual household incomes, the committee report suggests that a third of households in the city have incomes of less than £20,000. According to Shelter rent should swallow up no more than 35% of household income to be affordable. Therefore it follows that an affordable rent for the lowest income households (the bottom third- who are the very households that most need low rent housing), should be less than £7,000 a year or less than £135 a week. Rent options offered in the report are all higher than this ranging from £148 to £339)

Only social rents provide for this and yet the committee report is proposing the exclusion of social rents being charged for new council housing. So none of the options recommended are affordable for the bottom third of household incomes in the city

We therefore propose that the committee include in their rent policy a “living rent option” (which is set at 60% more than social rents. These rents would range from £110 a week for a 1 bed flat to £168 a week for a 4 bed house. These rents would be much more affordable for many of the low income households that the proposed rent policy seeks to provide with truly affordable homes, but would still be high enough to reflect the enhanced energy efficiency of the new homes and would not place anything like as great a demand on existing HRA funds for support as would the social rent option

According to the councils own “Assessment of affordable housing need” report (2012) there are 15,000 households who can only afford to pay social rents, so we urge the committee to also include social rents as an option for new council homes for the lowest income households along with a “living rent” which is calculated to be 60% more than social rents as an option that we estimate would be affordable for most of lowest 40% of household incomes (once energy cost savings are allowed for). We also ask that the committee consider, in line with the legal advice in the report, the option of providing a mix of rent levels in any one scheme, so that rents can be better aligned to peoples’ ability to pay.”

46.58 The Chair responded as follows:

“Thank you for your deputation and comments. The report on the agenda today sets out a number of principles for a rent setting policy for new council homes, as well as rent options for members to consider and social rent is one of those options. A key one of these is that rents should be affordable to those in low paid employment as well as households with full benefit entitlement.

It is **not** the case that the new homes the council has built so far are not affordable for low income households. Many tenants of the new homes are working **and** qualify for Housing Benefit to help pay their rent, a measure of their low earnings.

Of the 34 homes completed under the New Homes for Neighbourhoods programme to date – all of which are let at Affordable Rents capped at Local Housing Allowance levels of Housing Benefit - 15 tenants are on full Housing Benefit, 15 are on partial Housing Benefit and there are four that have no Housing Benefit award at present. That’s the same proportion of tenants on full Housing Benefit as in the council’s stock as a whole. And a greater proportion in new build are on partial Housing Benefit compared to wider council tenants, reflecting their priority need in recently being allocated a new council home.

Nationally the majority of Housing Benefit claimants are working households on a low income, so availability of benefits needs to be taken into account when assessing affordability of rents.

Many tenants of our new homes have health and mobility issues which make it more challenging for them to be in employment. These households may be fully dependent on benefits and also need homes that are suitable for their physical needs. So, were the council to charge rent at less than the affordable rent capped at Local Housing Allowance level, then it would be foregoing this extra income from the Department of Work and Pensions. All our new homes are built to be easily accessible and adaptable for people with mobility needs, with at least 10% to full wheelchair user standard. 15 of the 34 homes already completed new were let to people with an assessed mobility need, including 5 Mobility 1 bedroom homes designed for wheelchair users.

Tenants of the council’s new build homes completed so far **all** told us they are satisfied that their rent provides value for money and 80% are **very** satisfied with their rent level. That’s actually higher than satisfaction levels for tenants in our older council homes let at social rents.

The report explains that there are many factors to be considered in agreeing a rent policy in order to balance fairness for new and existing council tenants and to enable the council to continue its much needed programme, so that more people in housing need can be offered good quality, secure accommodation at well below market rent levels. The rent policy also needs to be consistent, fair and easily explainable, and must be easy and cost effective for officers to administer, including calculating any annual rent increases.

Whereas the benefits system keeps track of households’ changing income levels and adjusts their benefits payments accordingly, the council as landlord does not. Therefore

a rent policy and rent increases geared to each tenant's varying and fluctuating ability to pay with a mix of rent levels at each scheme would be very complex and administratively burdensome to deliver.

The committee will consider the options in the report and any amendments later in the meeting. But to be clear, the committee report is **not** "proposing the exclusion of social rents being charged for new council housing". The proposed policy is that officers will model Target Social Rent levels along with the other rent options, and then recommend one of these three rent options as appropriate for that scheme based on the rent principles as agreed by this Committee."

- 46.59 Councillor Mears stated that her group supported affordable housing in the city and welcomed all rent options in every scheme so that viability could be considered in order to be able to provide affordable housing for those most in need in the city particularly those on very low incomes. Councillor Mears had spoken to many tenants who had expressed their concerns that what was being built was unaffordable.
- 46.60 Councillor Hill agreed that there needed to be different options in the council's rental policy, and there needed to be options that reflected incomes. Such a rent level had been used in the council's joint venture with Hyde Housing, which related proposed rents to incomes. Councillor Hill stressed that social rents were in the policy and she considered that the deputation was incorrect in stating that "Rent options offered in the report are all higher than this ranging from £148 to £339" because the lowest possible social rent for a one bedroom flat was much lower than those figures. The deputation stated "...we urge the committee to also include social rents as an option..." This was already being done. Councillor Hill stressed that there was a trade-off between the rents that the council offered and the number of new homes that the council could build, and stated that she would be interested in hearing more from the people on the waiting list for council homes regarding this issue.
- 46.61 Councillor Gibson stated that the Green Group would be proposing an amendment later on the agenda to offer a lower option and to make it completely clear that the social rents were an option. He believed that the council should try and achieve affordability as far as possible by offering an option based on the living wage rent principle. He agreed with Councillor Hill in that there was a trade-off and this would be debated later on the agenda. Decisions needed to be debated on a scheme by scheme basis. He further agreed that the council should consider the views of people on the waiting list.
- 46.62 **RESOLVED**
- (1) That the deputation be noted.
- 46.63 The Committee considered the following deputation which was presented by Mr D Croydon and supported by David Rumelle, Keith Marston, Barbara Roberts, Monica Del Olmo and Michael Bushby:

Deputation: Legal action against B&HCC leaseholders on the Bristol Estate

“Irwin Mitchell LLP, on behalf of Brighton and Hove City Council, in a letter dated 25 September 2017 to all B&HCC leaseholders in Allamanda, Sorrel, Jasmine, Hazel, and Meadowsweet blocks on the Bristol Estate have stated they are to take all leaseholders to the First - Tier Tribunal. This proposed action is despite a number of leaseholders being in the process of following B&HCC complaint and dispute procedures that are not yet completed.

This action is unprecedented, potentially involves large sums of money for tenants (through the HRA) and leaseholders individually, is causing a great deal of stress for many individuals including vulnerable residents, and appears to involve an absence of Duty of Candour.

We request that the Committee discusses this issue before any further action is taken and ask that every effort is taken to avoid an application to the Tribunal including discussions between this Committee, the Leaseholder Action Group, Justice for Tenants and the Brighton and Hove Housing Coalition.”

46.64 The Chair responded as follows:

“We acknowledge the Deputation.

All but 12 of the 39 leaseholders involved have already made arrangements to meet the charges which they have been asked to pay.

The outstanding sum of money is approximately £400,000 and was due to be paid over two years ago. This is money that has been spent by the HRA and money that would otherwise be of benefit to the tenants of Brighton and Hove City Council, in a difficult financial period. All those disputing payment have been given the opportunity to deal with matters through a dispute resolution process.

The correct method of disputing payments in this situation is not the complaints process but is via the tribunal. What is proposed in this deputation will simply incur further delay for the HRA (and its tenants) and increase costs for the Council. The tribunal process will take several months before it reaches final hearing in which time there will be plenty of scope to seek to come to an agreement if that is possible.

We are saddened to hear it is causing stress to some of the people who have objected, but by taking matters to the tribunal we can bring matters to a conclusion and so reduce the uncertainty which presumably contributes to the stress. Anyone with vulnerability will be able to bring it to the attention of the tribunal.

The Duty of Candour issue appears to be misunderstood in its application in this case. In Public law, the duty of candour is the duty imposed on a public authority 'not to seek to win [a] litigation at all costs but to assist the court in reaching the correct result and thereby to improve standards in public administration'. We can confirm that we are not attempting to win litigation at all costs and that instead after two years we would welcome the Tribunals findings on this issue based on their independent assessment of the issues. We will fully inform the tribunal of all material issues and answer any questions they feel are relevant.

It is incorrect to say that seeking to address a dispute through a tribunal is unprecedented. It is what the law says is the correct thing to do. We were engaged in

the tribunal process on the first phase of the works on the estate and were pleased that we could reach an amicable agreement with the leaseholders that avoided a final hearing. If those objecting to paying the money are correct then it is to their advantage to have the tribunal decision.

We are running a joint working group which is the cross party group to look at how we work with leaseholders in the future, and we are running a workshop with leaseholders in December”

- 46.65 Councillor Mears appreciated the concerns of leaseholders regarding this issue and stressed that it was important to work with leaseholders to find a resolution. She acknowledged that there was a real concern with regard to the pricing of some of the works. Councillor Mears stressed the importance of the council talking to leaseholders; having a much more open way of working; and looking at this issue at the cross party working group. She acknowledged the real concerns and pressures that leaseholders had been put through and stressed that it served no purpose to have such a serious dispute. A mechanism needed to be found to be able to look at this issue and to provide proper costings that leaseholders considered acceptable.
- 46.66 Councillor Druitt expressed concern that the council had ended up in this situation. The only losers were leaseholders and tenants who had to pay the bill for all the legal costs. Councillor Druitt welcomed the cross party working group. He asked if there could be a report in six months to see how the group is working and what measures could be taken as a council to ensure this situation did not occur again. The council needed to work much more closely with leaseholders.
- 46.67 The Chair confirmed that the working party would be reporting back on the work that had been carried out. She considered that it would be better to report back after a year.

46.68 **RESOLVED**

- (1) That the deputation be noted.

47 ISSUES RAISED BY COUNCILLORS

- 47.1 There were no Petitions, Written Questions, Deputations or Letters from Councillors.

48 YOUTH SERVICE UPDATE AND USE OF HOUSING REVENUE ACCOUNT

- 48.1 The Committee considered a report of the Executive Director, of Families, Children and Learning which provided members with an update on changes to youth services including the use of the Housing Revenue Account's (HRA) annual £250,000 contribution to the budget. The report explained how the money was being spent, projected outcomes for tenants and their families and how performance would be monitored. The report was first considered by the Children, Young People and Skills Committee on 13 November. The report was presented by the Assistant Director, Education & Skills and the Head of Early Years, Youth and Family support.
- 48.2 Councillor Moonan stated that HRA money, which was tenant's rents, was being used to fund the projects. She stressed that it was important to know how this was directly

benefiting tenants and their families. She asked for more clarification as to how the money had been spent.

- 48.3 In response, it was explained that the total funding for youth services was £759,000 for the year, and the contribution from the HRA was £250,000. There were also other services that benefited young people that were funded separately and outside that area. Officers would monitor some of the other Families, Children & Learning services for young people who were living on council estates to get a fuller picture of how they were benefiting. Specifically, on how young people were benefiting from the youth grants programme as well as the work that was carried out by the in-house service team. There was some additional funding for the arts award and Duke of Edinburgh award. HRA funding was a proportion of a number of sources of funding.
- 48.4 It was further explained that housing officers were involved in the specification for the tender and looked at what was required for the tenants. The specification was built around putting more resources into the areas where there was a high density of council tenants. Outcomes would be monitored, specifically, reducing antisocial behaviour, helping young council tenants getting ready for work, and encouraging young people to engage in decision making for housing as part of the tenants movement. Area based cluster meetings would be attended by Youth Grants Providers to ensure work was joined up, and to ensure that there was value of money for the tenants. Officers were also monitoring the work by using the Aspire Programme.
- 48.5 Councillor Mears concurred with the comments made by Councillor Moonan and suggested that a report back in six months would be more appropriate. It was confirmed that the Children, Young People and Skills Committee had requested a report back in June 2018. That report could be brought back to this committee.
- 48.6 Councillor Mears asked when the formula was devised what thought was given to the people living in the outlying areas who rely on detached youth workers. Councillor Mears referred to page 46 – Equalities. It was a positive piece of work but she wanted to be reassured that these young people are encouraged to be involved with the wider groups in the city to encourage social inclusion.
- 48.7 Officers explained that the allocation of funding was linked to the spread of council estates across the city in four different areas. There were some open access youth clubs which were targeted on the outlying areas, including some services which would be delivered from the Crew Club, in Whitehawk and the 67 Club in Moulsecoomb. With regard to the final point about equalities it was explained that each of the bids had addressed how the area based groups were going to engage with the equalities groups.
- 48.8 Councillor Atkinson commented that he was pleased to see Portslade mentioned in the paper, as there had been some serious anti-social behaviour in North Portslade and Mile Oak. He was also pleased to note on page 44 that the YMCA was mentioned as a partner with the Hangleton and Knoll project. Councillor Atkinson stressed that there were a significant number of young people in council tenancies in North Portslade so he welcomed the proposals.
- 48.9 Councillor Gibson referred to the £250,000 contribution from the HRA and stressed that this needed monitoring. The committee needed clear information on the total number of young people worked with in the grant programme. He had concerns about the detached youth work and lack of detached youth work in his own ward but had been assured that things were in the pipeline that would help. Officers confirmed that the request regarding numbers would be provided to councilors alongside qualitative case

studies. It was explained that it would be helpful to look at the issue of detached youth work at the next cluster meeting. [The voluntary sector also had a role to play – delete this line as all the detached youth work is done by the voluntary sector].

48.10 Councillor Druitt welcomed the report. It was wonderful that HRA money supported the youth service and it was obvious that much good work was being achieved; however, the burden for paying for that was falling on the tenants too much. Councillor Druitt considered that officers should look at how the General Fund should support youth services.

48.11 The Chair invited members to agree an amendment to resolution 2.2 as suggested by Councillor Mears, to have a progress report in six months. This was unanimously agreed.

48.12 **RESOLVED:-**

(1) That the report is noted.

(2) That it is noted that a progress report will be prepared for June 2018.

49 PROPOSED ADDITIONAL LICENSING SCHEME FOR HOUSES IN MULTIPLE OCCUPATION

49.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which outlined the proposal for an Additional Licensing Scheme for smaller Houses in Multiple Occupation (HMOs) within Brighton & Hove following public consultation. If the Additional Licensing Scheme was approved, it was proposed that the designation would come into force, following statutory notification requirements, on 1 March 2018 for a period of five years. The report also set out the proposed fee structure and conditions for approval to apply across all HMO licensing schemes. The report was presented by the Head of Housing Strategy, Property & Investment and the Housing Strategy & Enabling Manager.

49.2 Councillor Mears raised some concerns. She stressed that the city had serious housing needs and the proposed additional licensing scheme could lead to landlords passing on costs to their tenants. The worst case scenario was that landlords would sell and that this would result in fewer properties to rent. Councillor Mears asked whether the Temporary Accommodation team had projected an increase in their budget as a result of extra licensing. Councillor Mears stressed the need to be mindful that the council already had powers to deal with rogue landlords and should be seen to be imposing a money making scheme.

49.3 Councillor Atkinson noted that the result of the consultation was 87% in favour of the overall proposal and 82% in favour of the fee structure. The council already had 1,187 large HMOs that were licensed and 2264 smaller HMOs covered by the two additional licensing schemes. With the Lewes Road scheme, 1998 licences were applied for and 1981 were granted. When the scheme was first introduced there were no large scale withdrawals from the rented sector and a large number of people applied for licenses. The council had listened and changes have been made to the proposals. The proposed fee was lower than many other councils and it had followed a detailed analysis of all the options. The standards expected of landlords were those which in legislation and best practice should already be in place and which tenants should be expecting.

49.4 Councillor Gibson had submitted the following amendment which was seconded by Councillor Druitt as follows:

“To add the recommendations as below, as shown in bold italics

2.6 That officers will explore appropriate concessions on licence fees for participating landlords, should such a good landlord scheme be launched in the city.”

49.5 Councillor Gibson welcomed the report and proposals, and stressed that there was sound evidence from the existing schemes that standards in accommodation had improved significantly. Councillor Gibson had been told that in the five years of HMO licensing approximately 2185 properties had had fire safety improvements and 1598 management repairs. 1140 properties had received loft insulation & 1228 ventilation. Councillor Gibson praised what had been achieved in the previous scheme and considered that there were good reasons to extend it. There was scope to cover a number of concessionary situations. The good landlord scheme was potentially a very positive scheme that would offer lower rents for tenants.

49.6 Councillor Hill stated that the experience of HMO licensing so far was that the fees were reasonable and that rents had increased considerably more than licensing fees. The council did need to look at standards and conditions and address those concerns. It had been demonstrated that the HMO licensing schemes had improved standards for thousands of people living in the city. It had not resulted in a drop in supply and HMOs continued to increase. Councillor Hill stressed that although there were existing powers, the council lacked resources to be pro-active in terms of how they were used. Existing powers relied on the tenant being pro-active and making a complaint about their property. The advantage of HMO licensing was that it placed the responsibility in the hands of landlords and the council who between them should ensure that the tenant was living in a suitable property. Councillor Hill thought the amendment was covered in the report and the council could offer a discount based on the expected savings made from a landlord being a member of an accredited scheme. She thanked officers for producing a solid piece of work.

49.7 The Committee voted on the Green amendment as set out in paragraph 49.5 above. The amendment was agreed unanimously. The Committee then voted on the substantive recommendations. Recommendations 2.1 to 2.5 were unanimously agreed as set out in the report along with the Green amendment 2.6.

49.8 **RESOLVED:-**

That the Housing & New Homes Committee:

- (1) Notes the results of the consultation undertaken in relation to the proposed Additional Licensing Scheme as summarised in this report and detailed in the appendices 1 and 2.
- (2) Designates the 21 wards in the city as subject to additional licensing under S56(1) of the Housing Act 2004 in relation to smaller HMOs of two or more storeys occupied by three or more people, other than those that are HMOs by virtue of Section 257 of the Housing Act 2004. Such designation to take effect from 1 March 2018 and last for five years, and revokes the existing City Centre designation with effect from 1 March 2018.

- (3) Agrees the fee structure for the HMO licensing schemes as set out in paragraph 3.30. This will apply to the existing Mandatory HMO and City Centre additional licensing schemes from 1 January 2018 and if approved the new scheme from 1 March 2018.
- (4) Agrees the HMO licensing scheme conditions and standards attached at Appendix 3. This will apply to the existing Mandatory HMO and City Centre Additional licensing schemes from 1 January 2018 and if approved the new scheme from 1 March 2018.
- (5) Authorises the Executive Director Neighbourhoods, Communities and Housing to take such steps as are required following the designation and revocation referred to in 2.2 above.
- (6) That officers will explore appropriate concessions on licence fees for participating landlords, should such a good landlord scheme be launched in the city.

50 PROPOSED SELECTIVE LICENSING SCHEME FOR PRIVATELY RENTED HOMES

- 50.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which outlined the proposals for a Selective Licensing Scheme for the private rented housing sector within Brighton & Hove following public consultation. If the Selective Licensing Scheme was approved, it was proposed that permission was then sought from the Secretary of State to proceed. If approval was given, statutory notification requirements would need to be followed. The report also set out the proposed fee structure and conditions for approval to apply to a Selective Licensing Scheme. The report was presented by the Head of Housing Strategy, Property & Investment and the Housing Strategy & Enabling Manager.
- 50.2 The Chair stressed that this report referred to all other rented homes that were not HMOs.
- 50.3 Councillor Mears referred to the wards listed in paragraph 2.2 of the report. She was aware that there were already problems that were affecting the boundaries of Rottingdean. In response to a question about the temporary accommodation budget, it was explained that there were leasing arrangements for temporary accommodation. This was not subject to licensing. Rents in temporary accommodation were decided by landlords.
- 50.4 Councillor Gibson had submitted the following amendment which was seconded by Councillor Druitt as follows:

“To add the recommendations as below, as shown in bold italics

2.6 That officers will explore appropriate concessions on licence fees for participating landlords, should such a good landlord scheme be launched in the city.”
- 50.5 Councillor Gibson stressed that there had been extensive consultation and the proposals had the potential to make a huge impact. He paid tribute to Councillor Hill for the work carried out. The proposal could improve the lives of 27,000 people in the city. He appreciated the concerns expressed by landlords. His amendment was the same as in the report at item 49.
- 50.6 Councillor Druitt supported the amendment in the light of costs being passed onto tenants. The amendment would lead to good landlords paying a lower fee.

50.7 Councillor Hill stated that the scheme was ambitious. If it went ahead it would transform how the council managed the private rented sector in the city. The council continued to gain evidence to support the scheme.

50.8 The Committee voted on the Green amendment as set out in paragraph 50.4 above. The amendment was agreed unanimously. The Committee then voted on the substantive recommendations. Recommendations 2.1 to 2.5 were unanimously agreed as set out in the report along with the Green amendment 2.6.

50.9 RESOLVED:-

That the Housing & New Homes Committee:

- (1) Notes the results of the consultation undertaken in relation to the proposed Selective Licensing Scheme as summarised in this report and detailed in the appendices 1 and 2.
- (2) Designates the following wards as subject to selective licensing under section 80 of the Housing Act 2004
 - St Peters & North Laine
 - Regency
 - Moulsecoomb & Bevendean
 - Hollingdean & Stanmer
 - Queens Park
 - Hanover & Elm Grove
 - Brunswick & Adelaide
 - East Brighton
 - South Portslade
 - Central Hove
 - Westbourne
 - Preston Park
- (3) Authorises the Executive Director Neighbourhoods, Communities and Housing to submit an application for confirmation of the designation to the Secretary of State.
- (4) Agrees the fee structure for a Selective Licensing Scheme as set out in paragraph 3.36.
- (5) Approve the Selective Licensing Scheme conditions attached at Appendix 3.
- (6) That officers will explore appropriate concessions on licence fees for participating landlords, should such a good landlord scheme be launched in the city.

51 HOMELESS REDUCTION ACT 2017 AND TRAILBLAZER PREVENTION

51.1 The Committee received a presentation from the Head of Temporary Accommodation & Allocation which stated that the Homeless Reduction Act 2017 was the biggest change in Housing legislation since 1996. The presentation set out the current legislation which provided limited duties to homeless households. The Homeless Reduction Act was summarised and there was an explanation of how new duties extended to a much wider group of people. The Trailblazer Prevention/Early Intervention Service was explained

including details of funding/spending and outcomes. The presentation concluded by setting out opportunities and risks.

- 51.2 In response to a question from Councillor Druitt, it was confirmed that there was no age limit for NightStop. Councillor Druitt asked for examples, in a high cost housing environment, of reasonable steps taken in preventing homelessness. With regard to outcomes, how were those targets created and what were the reasons they were not met. It was explained that some targets were set from the previous year. Total prevention was 338. The reason the target had not been reached was it took longer to recruit staff, provide training and make connections with the pathways. The duty to take reasonable steps was part of the new relief duties. The code of guidance had only just been issued and the few examples provided by the guidance were having workshops to enable people to understand what they need in order to access the private rented sector; working with people to look at how they can save money; and helping people to access shared housing. Some councils provided deposit guarantees but this depended on the funding received by the council concerned.
- 51.3 Councillor Atkinson was concerned to read that a group of London Councils were only receiving £11m to implement the act, when they would actually need £132m. He asked how confident officers were that the council could reach the target of 402 homelessness preventions. He further asked how many homeless people were from the city and how many were from other areas. It was confirmed that officers were confident that targets would be reached by the end of the year. Information on rough sleeping could be sought from Adult Social Care. In terms of London, the feedback had been that they needed a third more staff. Brighton & Hove were fortunate in that it had extra staff through Trailblazer. There were 12 additional staff for three years.
- 51.4 Councillor Mears commented that the fact that this work was prevention and work far in advance was excellent and would greatly benefit families. She commended the Homeless Reduction Act and the Trailblazer Prevention.
- 51.5 In response to questions put by Councillor Hill it was explained that currently the council had a duty for people being made homeless within 28 days and many people did not come to the council until it was too late. Officers were working with a range of organisations who would let officers know when people were starting to get into difficulties. Work was being carried out to engage with health and with GPs. There was a whole plethora of other people speaking to the council. Work was carried out with private landlords, officers were putting out publicity and there was working with schools. The deposit guarantee scheme had been considered but it would need to be funded. There were some issues with an insurance scheme and officers could come back to Councillor Hill on that. Landlords were joining in with workshop.
- 51.6 Councillor Bell referred to page 267 and asked where the 1.3m was being spent. He asked the Chair if she had authority to open SWEP. It was explained that the Chair did have the power to ask officers to open SWEP but there needed to be the resources available. It would not be possible to open SWEP in non SWEP times. It was further explained that £160K was being spent over two years by Adult Social Care & Children's Services, which would fund two social workers. £614k was allocated to funded services. £153k had been spent so far. £415k was for BHCC based Trailblazer posts. £88k had

been spent to date. £25k had been spent to enhance the discretionary housing payment provision.

- 51.7 Councillor Gibson referred to Tenancy Access Planning and asked how the council could help people financially stressed. He was very pleased about the enhanced NightStop for over 25s. He would welcome an update circulated to Committee members (not necessarily a committee report). He referred to risks on page 269 relating to Universal Credit. He had concerns regarding landlords being put off renting. He was interested in any sense of the likely consequence of landlords pulling out. Officers explained that there were Tenancy Access Planning Workshops, where anyone could drop in. NightStop was 87 nights in accommodation. So far it had worked well. NightStop was hoping to receive host families. Officers were happy to provide performance data updates. With regard to Universal Credit and the potential impact, there were still many good relationships with landlords.
- 51.8 Councillor Moonan asked for any further information to be circulated to all committee members. She stressed that the council would be ahead of the game with Trailblazer. She urged the council not only to work to target but to exceed targets. One of the major concerns was what would happen when funding ran out. In two years' time a decision would have to be made as to how to progress with the scheme.
- 51.9 The Chair thanked the Head of Temporary Accommodation & Allocation for her presentation and looked forward to receiving further updates.

51.10 **RESOLVED:-**

- (1) That the presentation be noted.

52 STUDENT HOUSING STRATEGY - EVIDENCE AND OPTIONS

- 52.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which explained that the Student Housing Strategy 2009 had now expired and there was now a gap in the City's Housing Strategy which was agreed in 2015. A refresh of the strategy had been discussed at the City's Strategic Housing Partnership and agreement was now sought to consult and deliver a new Student Housing Strategy. The strategy would be developed, building on the progress of the previous strategy, setting out priorities and goals that will support the changing needs and challenges faced by students living in the city. It will set a balance between meeting students' needs and those faced by the rest of the City's population. The report was presented by the Head of Housing Strategy, Property & Investment.
- 52.2 Councillor Atkinson welcomed the initiative but stressed that 17,000 students still needed accommodation. He noted that there seemed to be no central helpline. In response it was explained that there was always a balance on how much accommodation for students should be available in the city. There were land supply issues.
- 52.3 Councillor Mears welcomed the report which was the first Housing Strategy report since 2009. She looked forward to its implementation in 2018.
- 52.4 Councillor Gibson stated that one of the concerns in his ward and in Lewes Road wards was that the council had got its approach to managing and limiting the concentration of

HMOs and it appeared that head leased properties run by the students were essentially operating HMOs, avoiding these constraints.

52.5 Councillor Druitt referred to page 278, paragraph 7.4 (sustainability implications) and declared an interest. He stressed that the vast majority of students lived along the Lewes Road corridor. If the council were going to mitigate high concentrations of students then it needed to look at transportation. In response, it was explained that there had been a great deal of conversations about transport issues.

52.6 Councillor Hill stressed that the referendum factor would have a massive effect on the future of the universities in terms of how much they would expand. She stressed the importance of working in partnership with the universities. Purpose build student housing was very important and it was something that the universities needed. Land in the city was needed to accommodate that need. However head leasing was a major concern amongst residents in the Lewes Road area. There was potential for some of the councils' planning consents to be undermined.

52.7 **RESOLVED:-**

That Housing & New Homes Committee:

- (1) Note the evidence, options and consultation process outlined in the report and within the scoping paper at Appendix 1.
- (2) Agrees to go out to consultation on a new Student Housing Strategy.

53 **MINIMISING THE RISK OF EVICTIONS**

53.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which reminded members that a Notice of Motion was presented to Council on 6 April 2017, requesting the Committee to call for a report outlining how the risk of evictions arising from, Housing Benefit changes and the Benefit Cap could be minimized. This report looked at actions being taken by the council to minimise the risk of eviction of local residents as a result of impact of welfare reforms. Particular attention was given to groups most likely to be impacted by the changes, including young single people and large families; and the benefit changes causing this impact, namely Universal Credit and the Benefit Cap. The report was presented by the Head of Incomes, Involvement & Improvement.

53.2 Councillor Gibson proposed a Green amendment as follows:

To amend the recommendations as below, as shown in bold italics:

2.2 Where (i) all other avenues have been explored, and (ii) where it is possible to clearly identify that arrears are solely due to the shortfall in housing element resulting from the introduction of universal credit and the benefit cap; officers will use all means to support residents other than evictions and bailiffs to recover rent due.

53.3 Councillor Gibson paid tribute to all the excellent work carried out. He considered that people would be reassured by the committee publicly stating in an amendment that

officers would use all means other than evictions and bailiffs to recover rent due, and they would be more likely to engage with the council with the very effective methods of support offered.

- 53.4 The Senior Lawyer expressed concern that the amendment would not allow exceptions for tenants to be evicted for rent arrears. The council currently had a discretion to apply to the courts for a warrant. She suggested that a modification to the amendment was made to state that eviction would be the last resort.
- 53.5 Councillor Mears suggested that the words “other than eviction & bailiffs to recover rent due” were removed from the amendment. She was happy to support the amendment if legal advice was sought.
- 53.6 The Senior Lawyer stated that the law required that where there was discretion, it should be exercised in each and every case. Elements of discretion must be retained.
- 53.7 In response to questions it was explained that officers wanted to prevent debt building up. There was no intention to commence court action during the period when benefits were not paid. Officers were trying to do everything to minimise evictions whilst ensuring that tenants are aware of their responsibilities. Meanwhile, paragraph 7.2 of the report made it clear that any change to the eviction policy would need Policy, Resources & Growth Committee approval. It was further explained that the Money Advice Service advised the council that having a no eviction policy did not help tenants to engage.
- 53.8 Councillor Gibson asked if the committee were willing to have a transition period time limited to April 2019. It was explained that there were big concerns in terms of having a time limit as this could lead to debt spiraling out of control, which would be hard to manage. Officers wanted to take the responsible approach so residents could take a responsible approach. Officers would not take action whilst people were waiting for Universal Credit.
- 53.9 Councillor Druitt formally moved the Green amendment with the further amendment that there should be reference to a transitional period to make it legal. The Senior Lawyer stressed that she had concerns about the legality of the amended amendment.
- 53.10 The Committee voted on the Green amendment as set out in paragraph 53.3 above and further amended by a reference to a transitional period. The amendment was not carried. Two members voted for the amendment, 4 members voted against and 4 members abstained from voting.
- 53.11 Councillor Moonan commended officers for the work carried out. She referred to page 294 paragraph 3.8 (Actions being taken in addition to those outlined in paragraph 3.4). It was not in anyone’s interest to allow tenants to build up big debts. If a tenant was behind with their payments they could get involved in a payment plan.
- 53.12 Councillor Mears thanked officers for a very detailed report which she supported.
- 53.13 In response to a question put by Councillor Druitt it was explained that officers did know who people were in the first weeks they went into arrears. Officers contacted them in the first and second week they went into arrears; however it was necessary for people to engage. Officers could make contact but if people did not respond it was difficult to help them. Officers asked tenants representatives to encourage anyone in debt to make contact with the council officers.

- 53.14 Councillor Bell thanked officers for all the work they carried out to deal with arrears. Councillor Atkinson concurred. The fact that Brighton & Hove had the lowest rate of evictions out of 105 councils was excellent.
- 53.15 Councillor Gibson shared in the tributes but considered that the lowest rate of eviction was achieved as a result of no evictions for the bedroom tax. He referred to arrears information of under occupiers on page 295 of the agenda. He stated that the previous policy was not deemed illegal. He considered that some of the fears regarding debt spiraling out of control were unfounded.

53.16 **RESOLVED:-**

- (1) That Housing & New Homes Committee note the contents of this report.
- (2) That Housing & New Homes Committee endorse the actions being taken to support residents and foster a culture of responsibility, thereby minimising the risk of eviction arising from welfare reforms.

Note: Councillor Barnett left the meeting at this point.

54 HOUSING MANAGEMENT PERFORMANCE REPORT QUARTER 2 2017/18

- 54.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which covered Quarter 2 of the financial year 2017/18. The report was presented by the Head of Income, Involvement & Improvement.
- 54.2 Councillor Bell noted the improvements made since the last report and thanked officers. In response to questions put by Councillor Bell it was explained that the Repair's Helpdesk was located in the Housing Centre. On page 313 – Repairs and Maintenance – both 4.7 (responsive repairs passing post inspection) and 4.8 (Repairs completed at first visit) were both red as they were not on target. The up arrow demonstrated that there had been an improvement since Quarter 1.
- 54.3 Councillor Mears thanked officers for the report which was very well laid out.
- 54.4 Councillor Druitt stated that it looked an impressive report apart from customer satisfaction. He asked if there was any information as to how many queries had been referred to other teams and not been followed up. It was explained that one of the areas of dissatisfaction was that tenants felt that officers did not get back to them. Exact numbers were not known, but it was often cited as a reason for dissatisfaction. Officers wanted to be clear about who was taking accountability for an issue and who was checking back to make sure a response had happened. In terms of communications, officers had held a meeting/workshop with several teams to look at what they were trying to achieve for tenants; what was being done well; and what more needed to be done.
- 54.5 **RESOLVED:-**
- (1) That the report which was circulated to the Area Panels in October and November 2017 be noted along with the comments of the Committee.

55 RENT POLICY FOR NEW BUILD COUNCIL HOMES

55.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing and Executive Director Economy, Environment & Culture which outlined rent options for future schemes, identified other factors to consider in agreeing a rent policy and proposed a rent setting policy for new council homes. The report was presented by the Lead Programme Manager, City Regeneration, and the Project Manager.

55.2 Councillor Gibson had submitted the following amendment which was seconded by Councillor Druitt as follows (the wording below includes slight amendments to the original to provide clarity – This wording was agreed by the Green Group:

“To amend the recommendations as below, as shown in bold italics:

- 2.1 The Housing and New Homes Committee agrees the proposed principles for a rent setting policy for new council homes as set out in paragraph 3.27 of this report, ***inclusive of bullet points 2, 4 & 5:***
 - Rents for new build council homes should ~~***be set above Target Social Rents to reflect their take into consideration the high quality, amenities, standards and energy efficiency compared to older homes built in previous decades;***~~
 - Rental income from new homes should support an ongoing development programme to continue to build much needed new council homes for rent on council owned land. Schemes with fewer site constraints and/or free HRA land ***will may*** cross subsidise others that prove more costly to develop due to payments for General Fund land and/or greater site constraints and pressures;
 - The amount of HRA subsidy for new homes should be minimised ***over the programme as a whole, with subsidy considerations and calculations taking into account the costs and projected income over the whole 60 year period;***
 - 2.2 That the Housing & New Homes Committee approves a rent policy as set out below
- 3.28 *Proposed rent policy*
- Rents for proposed new schemes of new build council homes will be modelled ***as below, with the option of a mix of rents to achieve a spread of affordability on any one scheme to be available:***
 - Affordable rents capped at LGA rates
 - 37.5% Living Wage Rent
 - ***27.5% Living Wage Rent and***
 - Target social rent levels

For each scheme officers will recommend one of these ~~three~~ **four** as appropriate for that scheme and based on the rent principles above, for housing and new homes committee to agree the rents when it approves the scheme.

2.3 That a task and finish working group be convened to explore how social rents and other more affordable rent levels (such as the 27.5% Living wage rent level) may be delivered to ensure genuine affordability for all the people of Brighton and Hove. The group shall comprise:

- **Tenant representatives**
- **Representation from the Housing Coalition,**
- **Living Rent campaign representation**
- **Councillors,**
- **Building costs specialists and**
- **Housing Specialists”**

- 55.3 Councillor Gibson welcomed the production of a rent policy and the scheme modelling over a 60 year period when setting the subsidy. Some elements of the amendment were to make that more explicit. It was important that the council considered the option of something intermediate that was an affordable rent. The final clause of the amendment was a proposal to set up a Task and Finish Group. Councillor Gibson confirmed that the first three bullet points related to paragraph 3.27. He further confirmed that it was his intention that the Housing & New Homes Committee would set up the Task & Finish Group.
- 55.4 Councillor Mears stated that she was happy to support the amendment up to, but not including 2.3. She was concerned as to how the group would be appointed and how a consensus would be reached. She suggested voting on the amendment in separate parts.
- 55.5 Councillor Moonan referred to 2.3 of the amendment. She considered that to work effectively, all stakeholders would need to be engaged. This could not be achieved in a small working group. However, there could be some sort of consultation process using the portal. She could not support 2.3.
- 55.6 Councillor Bell commented that a lot of work had gone into the rent policy but it was being looked at from the wrong angle. The reason why it took so long to pay money back was due to the design cost of new build homes.
- 55.7 Councillor Hill referred to paragraph 7.2 with regard to financial viability modeling. This was over a 60 year period and had been changed following a review. She would welcome the input of people on the housing waiting list as they were the people most impacted by this issue. They should be asked if they wanted more homes at higher rents or fewer homes at lower rents.
- 55.8 Councillor Mears commented that if there were more realistic build costs, more homes could be built.
- 55.9 In response to a question from Councillor Gibson regarding apparent discrepancies between the figures for living wage rents in this report and the following report it was explained that rents included in the rent policy report at paragraph 3.19 were calculated on the Living Wage in 2020. Rents in the Rotherfield Crescent report were assuming living wage rents in 2019 when the scheme was up and running.

55.10 Councillor Druitt welcomed the policy especially the inclusion of paragraph 3.8. It was clear that fuel and water efficient homes, could make a massive difference to residents' bills. With regard to the comments about 2.3 of the amendment Councillor Druitt commented that the point of this part of the amendment was not to restrict other groups but to include as many relevant groups as possible.

55.11 The Committee voted on the Green amendment as follows. 2.1 and 2.2 were agreed unanimously. 2.3 was not agreed (two votes in favour and 7 against).

55.12 The Committee voted on the substantive recommendations and 2.1 and 2.2 as amended were unanimously agreed.

55.13 **RESOLVED:-**

(1) That Housing and New Homes Committee agrees the proposed principles for a rent setting policy for new council homes as set out in paragraph 3.27 of this report, inclusive of amended bullet points 2, 4 & 5 as follows:

- Rents for new build council homes should ~~be set above Target Social Rents to reflect their take into consideration the high quality, amenities, standards and energy efficiency compared to older homes built in previous decades;~~
- Rental income from new homes should support an ongoing development programme to continue to build much needed new council homes for rent on council owned land. Schemes with fewer site constraints and/or free HRA land ~~will may~~ cross subsidise others that prove more costly to develop due to payments for General Fund land and/or greater site constraints and pressures;
- The amount of HRA subsidy for new homes should be minimised **over the programme as a whole, with subsidy considerations and calculations taking into account the costs and projected income over the whole 60 year period;**

(2) That Housing and New Homes Committee approves a rent policy for new build homes as set out in paragraph 3.28 of this report as amended below.

3.28 Proposed rent policy

Rents for proposed new schemes of new build council homes will be modelled **as below, with the option of a mix of rents to achieve a spread of affordability on any one scheme to be available:**

- Affordable rents capped at LGA rates
- 37.5% Living Wage Rent
- **27.5% Living Wage Rent and**
- Target social rent levels

For each scheme officers will recommend one of these **three four** as appropriate for that scheme and based on the rent principles above, for housing and new homes committee to agree the rents when it approves the scheme.

56 NEW HOMES FOR NEIGHBOURHOODS - ROTHERFIELD CRESCENT

- 56.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture which set out the development proposals for the site at Rotherfield Crescent put forward by the successful architects, Innes Associates, which the Estate Regeneration team wished to progress through to planning and construction stage. The report was presented by the Project Manager, Estates Regeneration Team.
- 56.2 Councillor Gibson asked how tender price inflation had arisen and how it had reached the figure of £77,000 in the breakdown of the estimated costs on page 358. He noted that the breakdown for preliminaries, overhead and profit was £140,000, and asked what element of that figure was profit? Councillor Gibson noted that the scheme costs worked out overall at £300,000 a property and he felt that the council needed to find ways of bringing the costs down. People in the city would not see this as a good use of HRA money. He was concerned at going ahead with a scheme which had such high costs, and the council should look at ways of bringing costs down.
- 56.3 Officers responded by confirming that the net cost for Rotherfield Crescent was £1,820 per sq metre. The BCIS average prices for low rise apartments once taking into account the Brighton location was in a range of £908 to £2829 per sq metre with a mean or average of £1490 per sq metre. The scheme was in the middle of that range and slightly above the mean average for Brighton based on equivalent costs but this was not exceptionally high. There was an opportunity to look more acutely into the costs, and the report did recommend that the council appoint an independent cost consultant. The shared space added cost to the build but was necessary. The scheme was a quality build which adhered to Brighton & Hove City Council's design specification. Materials were being used that had longevity and durability but ultimately would lead to lower maintenance costs for the council. There were exceptional circumstances related to the site, with 22 properties backing on to the site with gardens and garages and officers had to maintain access to 10 privately owned garages which was why there was more expense attached to the access road into and out of the site. It was a very constrained site. Officers had looked at a range of ways of trying to develop this site. The council needed to develop some of these small sites if it was going to deliver all its housing numbers and if it was going to improve some of its neighbourhoods
- 56.4 It was further explained in response to questions that the tender price inflation of 77,000 was bringing the prices up from quarter One in 2016, to quarter One of 2018 when the scheme would be finished. It had added 3.5% for the first year and 4% for the second year.
- 56.5 Councillor Bell stated that the design was outstanding but was not appropriate for HRA funded housing land. It was an expensive scheme with a total cost of £1.25m. The scheme should be about providing affordable, social rents. At full council it had been stated that a rent of £1000 was not acceptable yet the weekly rent for the three beds was £230.28 which would be £997 a month. Councillor Bell asked why the scheme had brick walls, flat roofs and used resin bound gravel for the access road. There was no need for solar panels, large flat windows, a barbeque area and a roof terrace. The price was unrealistic. Tenants and tax payers could not be expected to pay for high specification design. Spending £1.2 m for four houses was not viable.
- 56.6 The Executive Director, Economy, Environment & Culture responded to reassure the committee that officers did listen to the debate at the Housing & New Homes Committee

and wanted to reflect the wishes of the committee. However, it had not been possible to find a normal development route for this site. The Committee had asked officers to move forward on this site and the committee had agreed that there should be a design competition. It was acknowledged that the unit costs were higher on this scheme, however, the majority of costs were external costs. All options were open to the committee

- 56.7 Councillor Mears stated that she was a member of the Regeneration Board. She considered that £300,000 per unit was unacceptable. She suggested that the site could be sold to a small builder. Spot purchase properties could be bought at a cheaper price. She could not support the scheme. Either the costs should be looked at or officers should look at a different scheme.
- 56.8 Councillor Druitt referred to the argument of charging LHA rates made earlier on the agenda. The same argument applied to this scheme. Sheffield had a very successful partnership that produced a scheme that cost £200,000 for each property. There was no reason why Brighton & Hove should have a scheme that cost twice that amount. Councillor Druitt proposed that the report was deferred to the next meeting of the committee in January to give more time to look at the finances. He considered that the current scheme seemed poor value for money. Councillor Druitt asked for more detail about external works and for details on the design construction contingency. He stressed that members needed more time to look at the costs.
- 56.9 In response it was explained that external works included a 40m access road, a derelict waste site, the demolition of garages, and dealing with contamination. There needed to be a contingency. The idea of the scheme was to create a nice neighbourhood for people who moved into the houses. Some costs could be brought down; for example, the bonded surface would be replaced with a tarmac surface. The green roof and shared space added higher costs.
- 56.10 Councillor Hill was interested to know how often this proposal had been discussed at the Regeneration Board, and how much detail the Board had been given to date. She asked what role the Regeneration Board had played with this scheme. It was explained that the project had been regularly presented to the cross party Board. However, this was the first time that detailed costings had been brought forward.
- 56.11 Councillor Hill remarked that if a member of the Board had problems with flat roofs, large windows and bonded surfaces they could have raised objections before now. A recent workshop for councilors had discussed details of the partnership. Taxpayers did not fund these projects – the money came out of the HRA. The schemes were difficult to develop and there was a shortage of space in the city. She asked officers to comment on the suggestion that the site could be sold to a small builder. With regard to the value of the site if sold to a small builder, officers explained that there were 10 privately owned garages and access rights to the site. A small builder's budget would not cover the costs. The site was very constrained and there would be little interest from others to develop the site.
- 56.12 Councillor Gibson stated that he wanted to see quality new homes, but there needed to be scrutiny on how costs could be reduced. He was aware that the council wanted to achieve as many council homes as possible. There was a need to see if costs could be brought down by the next meeting. The way forward was to defer the report to the next meeting to enable officers to consider ways of saving on costs.

- 56.13 The Chair stated that she would not go to a vote on the recommendations as there was no cross party agreement. She withdrew the report and stated that it would be presented to the next meeting.
- 56.14 Consideration of the report was therefore deferred until the meeting on 17 January 2018.

57 ITEMS REFERRED FOR FULL COUNCIL

- 57.1 No items were referred for information to Full Council.

58 NEW HOMES FOR NEIGHBOURHOODS - ROTHERFIELD CRESCENT APPENDIX - EXEMPT CATEGORY 3

- 58.1 Members had the opportunity to ask questions on Appendix 3 during Part One of the meeting.

59 PART TWO MINUTES

- 59.1 **RESOLVED** - That the Part Two minutes of the Housing and New Homes Committee held on 25th September 2017 be agreed and signed as a correct record.

60 PART TWO PROCEEDINGS

60.1 **RESOLVED:**

- (1) That the Part Two minutes of the meeting held on 25th September 2017 remain exempt to the press and public. It had been agreed that the appendix at Item 58 be moved to part One; However, Item 58 was deferred for consideration at the next meeting on 17 January 2018.

The meeting concluded at 10.25am

Signed

Chair

Dated this

day of

NOTICE OF MOTION

APPROVED BY COUNCIL ON 14 DECEMBER 2017

COUNCIL OWNED SHORT TERM HOMELESSNESS ACCOMMODATION

This Council resolves:

1. To request that a report be brought to Housing & New Homes Committee on the business case modelling for a “spend to save” purchase of emergency/temporary accommodation by the council and that this modeling:
 - (i) Estimates revenue savings on current expenditure of private provision;
 - (ii) Estimates the capital appreciation *and rental income* that would flow to the council through ownership of Emergency accommodation;
 - (iii) Explores the potential to offer greater support to residents of emergency accommodation from any savings achieved;
 - (iv) Should take into account and continue to build on the work already in progress on the feasibility of temporary housing options, in addition to the existing HRA purchasing policy;
2. That after consideration and approval of the report by the Housing & New Homes Committee any recommendations be referred to the Policy, Resources & Growth committee, such as recommendations on policy changes and delegated powers.

Supporting information:

- 1) In 2016/17, £0.571m in Housing Benefit was used to cover the cost of Emergency Accommodation landlord charges in the city; and £16.66m in Housing benefit payments were used to cover temporary accommodation costs. (<http://bit.ly/2AdZ9pi>)
- 2) Given cheap borrowing rates, right to buy receipts and prospective rental income it is likely to prove cost effective for the Council to acquire buildings (e.g. via Public Works Loans Board and Right to Buy funds) to directly provide short term homelessness accommodation rather than use private providers. Current PWLB rates are just over 2% for a 30 year loan.
- 3) Investment in emergency/temporary accommodation can allow the council to save on future revenue. Reports on a similar initiative from Shepway Council detailed that providing 12 units of temporary accommodation in-house would save £0.186m per year and produce ‘a far superior housing solution’ with ‘long term capital asset value’ (<http://bit.ly/2zQm4I7>)
- 4) Initial modelling suggests rental income would generate a surplus which could be used to provide much-needed support services for residents, who are often at crisis point. Current private Emergency/Temporary Accommodation providers, such as Baron Homes and Helgor Trading, are not contracted to provide such support services.

Subject:	Housing Revenue Account Energy Strategy		
Date of Meeting:	17 January 2018		
Report of:	Executive Director Neighbourhoods Communities & Housing		
Contact Officer:	Name:	Alex Fox	Tel: 01273 290773
	Email:	Alex.fox@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

- 1.1 The Housing & New Homes Committee is asked to consider the attached Housing Revenue Account (HRA) Energy Strategy that outlines the current energy efficiency performance of the stock and sets out approaches for future improvement.

2. RECOMMENDATIONS:

- 2.1 That the Housing and New Homes Committee approve the HRA Energy Strategy as Appendix 1.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Property & Investment (P&I) team has been successful in continually improving energy performance in council owned homes to date – improving housing quality by meeting the Decent Homes Standard and installing measures to reach an above national average for energy efficiency.
- 3.2 However, there are risks and opportunities that the Energy Strategy aims to identify and tackle. Primarily, these are around:
- Fuel poverty alleviation;
 - Understanding and responding to resident priorities;
 - Transformation of the energy sector;
 - New (2020) repairs and maintenance contract procurement; &
 - Short to long-term business planning, to ensure we invest in the assets in the most effective way.
- 3.3 The Energy Strategy provides the basis for detailed consultation with residents and councillors to make informed choices about how we can modernise and be more energy efficient.

- 3.4 The overarching aim is to reduce fuel poverty. The Energy Strategy does, however, take account of the Energy Trilemma; the challenge referring to Carbon emissions; Security of supply; and the Cost of energy, on the basis that acting on energy efficiency produces multiple positive outcomes. That is, by mitigating fuel poverty through energy efficiency, we will subsequently improve security of supply and reduce Carbon emissions (amongst other drivers).
- 3.5 A twofold approach follows the aims:
- Approach 1. **Technical Energy Efficiency** – to work towards compliance with legislation such as the Fuel Poverty regulations via repairs & maintenance; construction and infrastructure works & projects.
 - Approach 2. **Lifestyle Energy Efficiency** – to mitigate the impacts of the cost of energy through access to fair pricing and energy saving advice.
- 3.6 This will be delivered by:
1. The HRA Asset Management, energy efficiency leads and Finance colleagues, to incorporate energy efficiency risks and opportunities into business planning;
 2. Any new repairs and maintenance contracts to incorporate and/or enable opportunities to increase technical compliance;
 3. Technical Major Projects to be developed holistically, in-keeping with long-term asset business plan for the particular stock. Projects could potentially be cross-directorate, through officer and/or external partnerships. Such project solutions may include energy generation and the potential deployment of a Special Purpose Vehicle where appropriate;
 4. Continue to support and develop lifestyle home energy efficiency projects & schemes where they provide value for money. Links with wider council financial inclusion work-streams also to be supported;
 5. Work towards home energy efficiency advice (services, contacts, referrals etc.) to be fully incorporated into current and any developing council communications, as a permanent fixture, where value for money;
 6. Work with residents to incorporate their priorities on energy performance wherever possible.
- 3.7 The body of the report describes:
- Opportunities that are currently being developing and/or delivered;
 - Proposed next steps and timings to take the strategy forward and support business planning and delivery;
 - Key findings from the research undertaken, which forms the evidence base;
 - Multiple drivers, or benefits, that energy efficiency measures and advice bring;
 - National and local strategic context, including duty and compliance;
 - The current performance of the HRA and what can be done.
- 3.8 Specific projects relating to achieving the aims & objectives will be brought to Committee as required.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Our future HRA Business Planning needs to understand and integrate all of the possible risks and opportunities related to energy and managing the HRA homes.
- 4.2 A holistic, planned approach to property management is required to modernise the stock within potential financial constraints on the HRA and to achieve value for money.
- 4.3 Not adopting the strategy raises the risk that the HRA would not achieve our aims & objectives, including national targets.
- 4.4 Confirmation of the expected trajectories for energy efficiency (mitigating fuel poverty); costs of works (measures); Carbon targets; etc. are to be sought through a procurement for external consultancy, as outlined in the 'next steps' of the report. This piece of work will be commissioned to inform and support business planning of the Asset Management Strategy.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The following consultation has been carried out with tenants;
- Service Improvement Group 25th July 2017
 - Tenant focus group 1st November 2017
 - Tenant Rep focus group 7th November 2017
 - Email survey to Senior Housing Action Group is being developed at time of writing
 - Agenda item on all Area Panel meetings set for early January 2018.
- A consolidated report of the focus groups is available as appendix 2.
- 5.2 The opportunity to feedback and discuss the draft strategy was offered to all Councillors via a circular email on 15th November 2017.

6. CONCLUSION

- 6.1 Previous energy efficiency measures have been carried out via cyclical works programmes and as part of major repairs. This level of approach has been successful to date, but we now need a broader, consistent approach to deliver on the aims and objectives the strategy sets out.
- 6.2 The Energy Strategy represents a positive, forward-thinking opportunity through early planning and better integration of the risks and opportunities brought by improving energy efficiency. This will enable sound future investment in the quality of our homes.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 There are no direct financial implications arising from the recommendation made in this report. The external consultancy referred to in Section 4.4 will be met from existing budget resources.

Specific projects requiring funding in support of the Energy Strategy will be assessed for financial implications prior to implementation and reported as part of the budget monitoring process or separate report to Committee as necessary.

Finance Officer Consulted: Name Michael Bentley Date: 30/11/17

Legal Implications:

- 7.2 The Housing & New Homes Committee has delegated power to discharge the council's functions in relation to the council's Housing Strategy. It is appropriate for the Committee to review the HRA Energy Strategy as it supports the Housing Strategy.

Lawyer Consulted: Liz Woodley Date: 05/12/17

Equalities Implications:

- 7.3 The strategy has been developed with reference to the Housing Strategy, Asset Management Strategy and the Fuel Poverty & Affordable Warmth Strategy. Relevant equalities issues have been drawn from those to inform its content.
- 7.4 Equalities Impact Assessments will be carried as appropriate, to inform future review of this strategy and specific projects related to achieving strategy objectives.
- 7.5 The Energy Strategy notes the transformation taking place in the energy sector, and in particular the move to digital services (both at a system operation level and at the consumer experience). It is, therefore, important to note that this has potential impact on those without internet services and/or those that experience difficulty in making the most of internet services. We will seek to mitigate this through robust Equalities Impact Assessments on specific projects to ensure there is no adverse impact on more vulnerable residents.

Sustainability Implications:

- 7.6 Health & wellbeing will be positively impacted by mitigating fuel poverty; continued improvement in the quality of the HRA's homes; improved air quality through any proposed removal of combustion processes (decarbonising heat supply).
- 7.7 Energy efficiency will be at the heart of the strategy and this will mitigate the Energy Trilemma. A positive impact of particular note is that the HRA's Carbon

emissions will be reduced, playing a vital local role in the international effort to combat climate change.

- 7.8 Business viability, i.e. sustainability of the HRA will be improved through thorough business planning and potentially taking financial opportunities associated with generation potential.
- 7.9 Some projects will potentially deliver across many sectors e.g. economic development; transport; public health; land use and supporting communities.

Any Other Significant Implications:

- 7.10 None at this time.

SUPPORTING DOCUMENTATION

Appendices:

1. Housing Revenue Account Energy Strategy
2. Energy Strategy Consultation 2017 - tenants feedback

Documents in Members' Rooms

1. None

Background Documents

Numerous background / supporting documents are referred to within Appendix no. 1 the HRA Energy Strategy.

Crime & Disorder Implications:

- 1.1 None identified.

Risk and Opportunity Management Implications:

- 1.2 Risk and opportunities will be appropriately assessed as appropriate to specific projects following on from the strategy are developed and delivered.

Public Health Implications:

- 1.3 Strategically addressing cold homes and fuel poverty in vulnerable groups will contribute to the prevention of ill health and excess winter deaths, reduce health and social inequalities, and improve wellbeing and quality of life.

- 1.4 Any proposed decarbonisation of heat will be achieved by reducing energy demand of buildings and also by reducing combustion processes used to generate heat. As a result, the longer term impacts of greater energy efficiency and the drive to remove Carbon and other pollutants from heat generation will contribute to vastly improved air quality for the city, consequently mitigating related health outcomes for citizens.

Corporate / Citywide Implications:

- 1.5 This Energy Strategy has been commissioned to support the HRA's Asset Management Strategy and therefore, the sound management of the council's housing stock across the city.
- 1.6 It supports the Housing Strategy 2015, Priority 2: Improving Housing Quality, for 'Decent, warm and healthy homes'.
- 1.7 It supports the Fuel Poverty & Affordable Warmth Strategy, where the HRA (and potentially through mixed-tenure projects both):
- Increase the energy efficiency of the City's housing stock;
 - Support residents struggling to pay their energy bills;
 - Improve awareness and understanding of fuel poverty for residents in all tenures;
 - Work together to tackle fuel poverty through partnership and learning;
 - Increase effective targeting of vulnerable, fuel poor households; &
 - Maximise resources and opportunities for tackling the causes of fuel poverty.
- 1.8 It will support citywide energy strategy and policy as necessary.

HRA Energy Strategy

Brighton & Hove
City Council
Housing Revenue
Account

Alex Fox, November 2017



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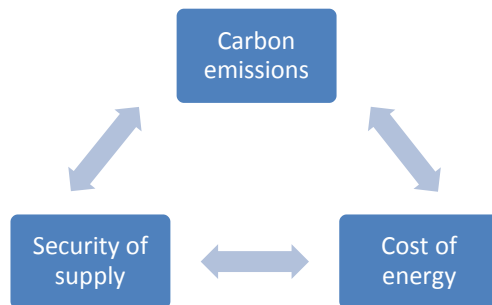
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Draft

Executive Summary

The principle challenge concerning energy is known as the 'Energy Trilemma', which refers to: Carbon emissions; Security of supply; and the Cost of energy.



Energy Efficiency is the solution, any such measure positively impacts all three issues (in general).

As a result, energy efficiency measures will need to be more deeply integrated into our property management and potentially even lead the way.

This strategy takes stock of council housing energy efficiency performance; outlines what needs to happen in the future; and offers potential opportunities to meet those needs. It sets out a twofold approach based on research (summarised in the Key Findings & detailed in the appendices) and sound energy efficiency principles. This provides the basis of options for our residents and housing leaders to make choices about how we can modernise and be more energy efficient.

Aims & Objectives

The focus of energy efficiency in the domestic sector is often on the issue of fuel poverty. The HRA Energy Strategy will prioritise energy efficiency solutions with the **aim of mitigating fuel poverty**. As noted above, a direct consequence of tackling this aim will also improve Security of Supply and Reduce Carbon Emissions, thereby positively impacting the 'Energy Trilemma' within our sector.

The causes of fuel poverty are attributed to:

- (Low) household income;
- (Poor) energy efficiency of the dwelling;
- (High) cost of energy.

There has been good work to date by the Property & Investment Team and the energy efficiency of the HRA stock is reasonably good, for now. Our national Carbon emissions reduction targets are slipping; the infrastructure is ageing; and the trend for cost is upwards, hence pressure on change is mounting. The HRA is also suffering its own financial pressure, primarily on rental income, and this inhibits our ability to deliver change and improvement. We also need to be up-to-speed with the transformation that the energy sector is set to undergo through the 2020's, due to the introduction of digital services and the ongoing changes to supply and service delivery.

Household income is under separate remit and not in scope of this strategy. In light of this, the **HRA Energy Strategy recommends a twofold approach be adopted** in order to tackle the energy efficiency of buildings and the impact of energy costs:

Approach 1. **Technical Energy Efficiency** – this will aim for compliance with legislation such as the Fuel Poverty regulations via repairs & maintenance; construction and infrastructure works & projects.

Approach 2. **Lifestyle Energy Efficiency** – this will aim to mitigate the impacts of the cost of energy through access to fair pricing and energy saving advice.

There are duties to deliver on technical energy efficiency, but not lifestyle schemes. This means as compliance targets loom, priority will need to be on technical measures. For instance, one of the greatest challenges will be the decarbonisation of heat – this can only be achieved by changing the fabric of buildings and the way energy is supplied to them.

Adoption of these approaches is encapsulated by the following **objectives**:

1. HRA Asset Management & finance colleagues to incorporate energy efficiency risks and opportunities into business planning;
2. Any new repairs and maintenance contracts are to incorporate and/or enable opportunities to increase technical compliance;
3. Technical Major Projects to be developed holistically, in-keeping with long-term asset business plan for the particular stock. Projects could potentially be cross-directorate, through officer and/or external partnerships; as solutions may include energy generation and the deployment of a Special Purpose Vehicle;
4. Continue to support and develop Lifestyle home energy efficiency projects & schemes where they are value for money. Links with wider council financial inclusion work-streams also to be supported;
5. Work towards home energy efficiency advice (services, contacts, referrals etc.) to be fully incorporated into current and any developing council communications, as a permanent fixture, again where value for money;
6. Work with residents to incorporate their priorities on energy efficiency performance wherever possible.

Opportunities

Most opportunities are complex and in some cases will not be delivered exclusively by/to the HRA, but those key to delivery include:

- Utilising existing and ensuring new service contracts have a focus on energy;
- Lifestyle schemes focusing on behaviour, such as the EU-funded SHINE project;

- Heat network development (i.e. decarbonising heat and potentially providing price protection to the most vulnerable), most likely in collaboration with city regeneration;
- Capital works projects e.g. External Wall Insulation;
- Deploying heat pumps (i.e. decarbonising heat) where cost effective;
- Energy generation, including solar PV on an individual basis and/or a shared scale; &
- Potential whole house retrofit models e.g. a European model, or a revamped Green Deal.

There is a lot to do, but also a lot happening – prioritisation will be key; as will sound business planning, in order to make informed decisions.

Next Steps

- The HRA will **commission a report** into EPC and Carbon data to aid the delivery of this strategy by providing: energy & carbon trajectories (science-based targets); assessment of opportunities and their impacts; cost assessments of potential measures and schemes to determine value for money. An internal data audit will need to be carried out beforehand.
- This will enable effective risk management, through further business planning, working closely with Property & Investment Asset Management and Finance colleagues to **establish a Delivery Plan** that ensures we spend in the right way.
- **Continue the communication strategy** that has been in place. The focus being resident engagement; seeking the views of council leadership; with the aim of the strategy being agreed at the Housing & New Homes Committee of January 2017.
 - Governance for monitoring & steering the delivery of the energy strategy is a consideration for all.
 - Other communications services to incorporate energy efficiency support and advice for residents; and potentially all employees and citizens.

Timing

Relevant deadlines and periods are as follows:

- Hard target of 31st December 2030 for the Fuel Poverty regulations;
- Carbon budgets: 1-3 on track; 4 (2023-27) and 5 (2028-2032) off track;
- Procurement of new repairs and maintenance contracts by April 2020;
- Next phase of HRA 3yr budgeting cycle is April 2018 – March 2021.

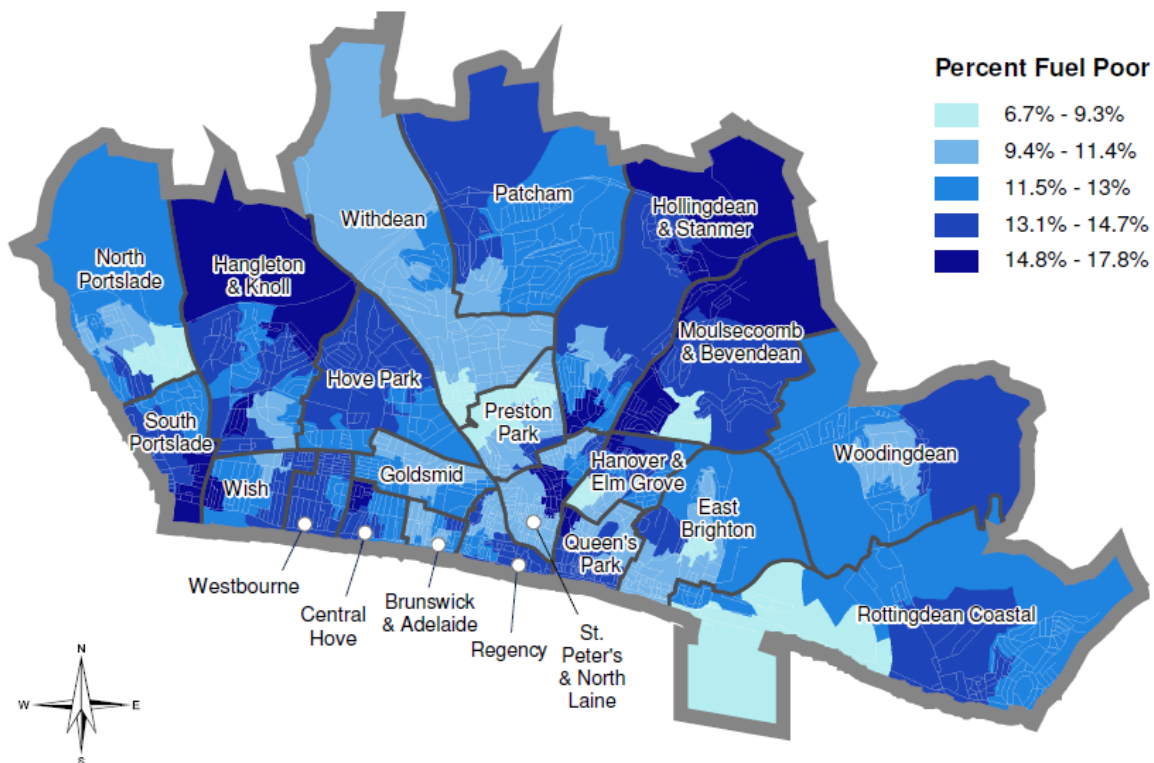
Key Findings

- Drivers for energy efficiency (these are expanded upon in Appendix B):
 - Keeping costs down
 - Reducing Carbon emissions
 - Improving health & wellbeing
 - Improving housing quality
 - Greater energy security
 - Safeguarding against volatile energy prices
 - Saving operational costs for the HRA
 - National policy
 - Local policy
 - Cross-sector benefits
 - Digital services
 - Return on investment from generation.
- Domestic Carbon emissions are the largest of the three main sectors in the city at 40% (30% transport & 30% business)
- The HRA comprises nearly 10% of all tenures in the city and is the largest housing provider:
 - It comprises ageing stock – 75% was built before 1970, including 2,600 homes built pre-1945
- The Decent Homes Standard was met 100% (before 31st December 2013); and the average energy efficiency rating for homes is in Band D
- The Fuel Poverty (England) Regulations 2014 state that households deemed to be in fuel poverty must have an EPC C-rated property by 2030
- Energy efficiency ratings of HRA stock, as at June 2016:

Energy Efficiency Rating	EPC Band	Flats (7191)	Houses (4348)	%
Very energy efficient - lower running costs				
(92-100) A	A	None	1	0.01
(81-91) B	B	7	81	0.76
(69-80) C	C	5178	376	48.13
(55-68) D	D	1837	2034	33.55
(39-54) E	E	168	1464	14.14
(21-38) F	F	1	392	3.41
(1-20) G	G	None	None	0.00
Not energy efficient - higher running costs				

- This shows that 51% of all stock would not meet the Fuel Poverty regulations
- It also shows that nearly 90% of the house archetypes will fall short
- The Annual Fuel Poverty Statistics Report (2015) estimated that in 2013, 2.35 million households in England were in fuel poverty, representing approximately 10.4% of all households in England. In the South East region fuel poverty was estimated to affect 8.1% of households and in Brighton &

Hove the figure was estimated to be 11.9% (14,863 households), higher than both the national and regional averages. In England, the average fuel poverty gap in 2013 was £374. There are no figures available for the average fuel poverty gap in Brighton & Hove. The map below shows the estimated distribution of fuel poor households in Brighton & Hove. However, caution should be exercised when viewing fuel poverty statistics relating to a geographical area smaller than local authority (see note below).



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Source: Department of Energy and Climate Change (2015) Sub-regional fuel poverty levels, England, 2013. Note: estimates of fuel poverty are robust at local authority level, but are not robust at very low level geographies. Estimates of fuel poverty at Lower Super Output Area (LSOA) should be treated with caution. The estimates should only be used to describe general trends and identify areas of particularly high or low fuel poverty. They should not be used to identify trends over time within an LSOA, or to compare LSOA's with similar fuel poverty levels.

- For the HRA, energy efficiency measures installed to-date are very respectable, but going forward they could be considered as low impact
- Under a Technical Approach to energy, a building can be considered in three components:
 - Fabric (walls, floors, roofs, openings)
 - Heat and hot water (generation) supply
 - Power (generation)
- To have lasting impact on efficiency:
 - Fabric needs extensive insulation and a good degree of air tightness (but must still ventilate)

- Heat and hot water must be from efficient conversion, or come from sustainable conversion sources such as heat pumps and solar – the ambition needs to be for fully decarbonised supply (long term)
 - Power must come from efficient, decarbonised & Smart grids; and also be ‘decentrally’ supplied, e.g. solar and storage
- Significant, or high impact measures are needed – like External Wall Insulation (EWI). These works can only be delivered effectively when all tenures receive the measures, e.g. in high rise flat blocks. Projects deploying EWI have been funded by capital works budgets (short term, non-cyclical and high value major works).
- The HRA has budgetary pressures, principally from:
 - Securing rental income
 - Scale of works needed
 - Future costs of repairs and improvements
 - Central government costs
 - These factors indicate the need for a shift in approach to deliver lasting change – energy generation and economies of scale are likely to underpin delivery; realistically, going beyond the boundary of the HRA to do so.
- Energy has undergone significant change over the last decade, principally with the decommissioning of older fossil fuel generation and the increase in renewables. The intermittency of renewable energy generation is pushing a change in the way the nations supply is operated and digitalisation has entered the mix. There is set to be significant operational and consumer transformation in the energy sector over the next decade – balancing supply & demand will be managed via Big Data; Clouds; the Internet of Things; Smart homes & Smart grids that operate on micro (peer-to-peer) and macro (international) scales
 - Some of this will be good, but there is potential risk where consumers that are already marginalised by lack of internet access and effective use, are further marginalised by not having the ability to manage their energy consumption (& therefore cost) to the fullest advantage that others may have
 - Nearly a third of HRA tenants have reported not having access to the internet
- The governments Clean Growth Strategy states a number of areas affecting housing will be reported on in 2018 (& will shape policy):
 - Building Regulations – for both new & existing properties; how this affects the councils new build in respect to both zero carbon homes and decarbonising heat could be important, e.g. future-proofing new build for the installation of zero Carbon heating systems
 - Energy efficiency ratings (EPCs) – there could be a new social housing standard; current targets might change

- There is an “ambition” for all housing to be Band C by 2035 – major energy efficiency schemes (e.g. post-Green Deal) will need to be created to do this; there is also an aim for Private Rented Sector housing to be Band C by 2030. There is currently a consultation underway on the Green Deal
- Acknowledgement that (in all likely scenarios) heat for homes will need to be fully decarbonised by 2050 and this is one of the biggest challenges of all – the HRA has various heating issues; the role of gas will have to be managed carefully, but opportunities to decarbonise heat will need to be investigated
- Recommendations from the industry-led ‘Each Home Counts’ (Bonfield Review) are to be implemented, e.g.: assessing the impact of measures previously delivered (under the Energy Company Obligation for example); quality marks for home energy technology; competency schemes; & codes of conduct for installers
- Cost of Energy Review (Dieter Helm) – at the time of writing it is too early to discern the impact of this report; it is very challenging, primarily for government and the national grid/s, but may hold important steer on subsequent ways to address fuel poverty, amongst other issues
- Local Planning Policy (e.g. City Plan Parts 1&2) will play a significant role in setting direction and affecting change; potentially as a source for collaborations and linking with regeneration and economic development, e.g. making the most of Development Areas by ensuring sound investment in energy infrastructure.

Appendix A – Overview of the Energy Sector - Housing

Sector	Domestic	
Trilemma	CO2 - 40% emissions (BHCC)	Ageing buildings; decarbonising heat
	Cost	Fuel poverty; future digitalised systems
	Security	'Keeping the lights on'; grid capacity
Solution	Energy Efficiency is solution to Energy Trilemma	
Disruptors	Decentralisation - Decarbonisation - Digitalisation	
National Composition	System Operator - District Supply Operators - Local Operators	
Local composition (Operators)	Smart Grids (connected homes, businesses & transport) & Energy Networks (balanced Heat, Power & Cooling)	
Vision	Renewable supply of power	
	Decarbonisation of heat	
	Technical	
	Retrofit of ageing stock	Individually
		Collectively
	New build	Zero Carbon (or future-proofed)
	<i>Reducing demand</i>	
	SAP/Science-based targets	
	<i>Supply & demand</i>	
	Generation – Demand Side Response & Smart Grids	
	Lifestyle	
	Smart homes	Community schemes
	Switching	Bulk-buy
Social tariffs	Surplus generation	

Energy Efficiency in Housing

An energy efficient household is twofold: it means using less energy & having clean supply. A lot of our energy traditionally comes from burning fossil fuels like gas and coal that release Carbon into the atmosphere and this is known to contribute to the Global Warming phenomenon¹. A more immediate problem for households is how much energy we use and how much it costs. Changing the way we produce energy and reducing demand helps bring down that cost, as well as Carbon emissions. In the home we use energy in three main ways:

¹ <https://www.gov.uk/government/topics/climate-change>

1. **space heating** e.g. electric storage heaters and gas boilers with radiators;
2. **hot water heating** e.g. immersion cylinders and also direct from gas boilers, and;
3. **power** e.g. electricity supplied via the national grid.

A traditional energy efficient home is one that is insulated (but well-ventilated) to stop heat escaping unnecessarily; has an insulated hot water tank, or uses instantaneous hot water heating from a gas boiler; and is also run by the household in efficient ways. This last point refers to ways that we can change our behaviour to use less energy for heating; and things we can do about the power-use in our homes to save energy.

Modern homes and those of the future, however, will be highly insulated and have quite different ways of providing space & hot water heating and power. Many readers will know about the recent HRA Solar panel programme and lots of other work the council has been doing in recent years (see Appendix C). In response to the three areas listed above, energy efficiency will mean:

1. increased levels of insulation, so that less heat is lost; meaning less energy is used for heat and therefore, less cost incurred;
2. modern heating systems often combine water heating. This will come from heat pumps and heat networks, though this may start soon it won't be commonplace for 10-20 years;
3. renewable energy from wind and solar at both national and local points and possibly new, digital ways of trading energy for lowest cost.

Appendix B – Housing Energy Efficiency Drivers

The Energy Strategy has focused on fuel poverty, however, it should be noted that the impacts and benefits of greater energy efficiency extend to many other important issues – not least of all; the energy trilemma.

HRA

The following section begins with nine core drivers for the HRA. Three more follow that are more complex, but as will be seen, they could hold the key to bringing about effective change.

1. To keep costs down

Energy is a basic need; it is perhaps not as prominent as shelter, food and water, but it is – as a developed country – unacceptable that people should struggle to pay for it, or even have to consider doing without it. This struggle is known as fuel poverty and there are three contributing factors when finding it hard to keep up with energy bills:

- (Low) household income;
- (Poor) energy efficiency of the dwelling;
- (High) cost of energy.

As the manager of the HRA, this strategy is about acting on the second & third contributory factors – making homes energy efficient & supporting services to help mitigate fuel poverty. This will be achieved alongside the Asset Management Strategy and more broadly, other local policies such as the Fuel Poverty & Affordable Warmth Strategy (more below).

2. To reduce Carbon emissions and prevent climate change

Carbon emissions lead to global warming and global warming leads to climate change.² Lowering emissions is a huge priority for the vast majority of countries of the world: the UK plays its part (and it may be said, has been instrumental in driving wider commitment); Brighton & Hove must play its part and Housing also has a duty. In fact, it's predominantly the housing stock in Brighton & Hove that contributes the most amount of Carbon emissions of any sector in the city.³ Government figures from 2015:

Sector	kt CO ₂ carbon emissions estimate
Industry & Commercial	293.6
Domestic (i.e. Housing)	406.5
Transport	306.0
Total	1006.2*

*Rounding issues

² <https://www.theccc.org.uk/tackling-climate-change/>

³ <https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2015>

Nationally, domestic emissions are approximately 27%; as per the table above, for Brighton and Hove we have just over 40%. This does suggest that if any sector in the city should have a focus on energy efficiency, then it should be Housing.

Impacts of climate change⁴ are tracked by the Intergovernmental Panel on Climate Change:

“[...] the term impacts is used primarily to refer to the effects on natural and human systems of extreme weather and climate events and of climate change. Impacts generally refer to effects on lives, livelihoods, health, ecosystems, economies, societies, cultures, services, and infrastructure due to the interaction of climate changes or hazardous climate events occurring within a specific time period and the vulnerability of an exposed society or system”.

3. To improve health & well-being

There has been a lot of research⁵ recently into the affects that a home with poor energy efficiency has on the people who live in it, but the impacts are quite obvious:

- a. if it costs a lot of money for heating, hot water and power, then that means people will have less money for food, clothes, travel and other essentials; &
- b. if a home is cold, damp and draughty, then people get ill and can't work or enjoy themselves and this affects their well-being.

As was seen with the recent Warmth for Wellbeing programme in the city, a key partner (and resource) was Public Health. As is noted in the local policy section below, the link between poor energy efficiency in the home and costs to the NHS is now well-established. The Joint Strategic Needs Assessment⁶ also includes reporting on excess winter deaths, which sometimes are in part down to poor energy efficiency.

Fuel Poverty Regulations

These first three drivers are the principal reasons for the following national legislation. The Fuel Poverty (England) Regulations 2014 states:

Objective for addressing fuel poverty: England

2.—(1) The objective in paragraph (2) is set for the purposes of section 1A of the Warm Homes and Energy Conservation Act 2000.

(2) The objective for addressing the situation of persons in England who live in fuel poverty is to ensure that as many as is reasonably practicable of the homes in which such persons live have a minimum energy efficiency rating of Band C as determined by the Fuel Poverty Energy Efficiency Rating Methodology (dated 17th July 2014)(1).

(3) The objective in paragraph (2) is to be achieved by 31st December 2030.

⁴ <http://www.ipcc.ch/report/ar5/wg2/>

⁵ The Marmot Review, leading to Public Health England Heatwave Plan for England & NICE Guidelines. Building studies conducted by all major institutions, BRE, RICS, CIBSE & CIOB and Government policy, including regulation, below.

⁶ <http://www.bhconnected.org.uk/sites/bhconnected/files/6.4.2%20Fuel%20poverty%20FINAL.pdf>

There are two immediate things to understand about this regulation:

- i. there is a definition of fuel poverty⁷, as follows:

Under the Low Income High Costs definition, a household is considered to be fuel poor if:

- *they have required fuel costs that are above average (the national median level)*
- *were they to spend that amount, they would be left with a residual income below the official poverty line.*

In simple terms the English Housing Survey 2013: Energy efficiency of English housing report⁸, surveyed and interviewed homes & householders and identified average fuel (energy) costs and their income. What the above definition means is that if your energy costs are above the average for the type of home you live in (a flat; a house; its size; number of bedrooms; etc.); and by paying your energy bills you are left below the poverty line; then you are in fuel poverty.

- ii. The second thing to understand is that homes & other buildings have energy efficiency ratings⁹. Minimum Energy Efficiency Standards use the Energy Performance of Buildings (EPB) Regulations and the 2008 Climate Change Act, to define the energy efficiency of a building.

Energy Performance of Buildings Regulations

In order to make energy efficiency improvements you need to know the energy efficiency of a building in its current state. The EPB Regulations set out the need for Energy Performance Certificates (EPCs – this term is used a lot for energy efficiency) when a building is constructed, sold, or rented. Guidance for which is provided by the Department for Communities & Local Government¹⁰. For **residential buildings**, a Domestic Energy Assessor is needed to carry out a building survey which identifies all the major energy-related components of the building. This includes walls, roofs, floors, openings; but also the age; whether improvements have been made; and the type of space and water heating systems that are present. The certificate then provides a simple summary and a scale for the energy efficiency of that building:

⁷ <https://www.gov.uk/government/collections/fuel-poverty-statistics>

⁸ <https://www.gov.uk/government/statistics/english-housing-survey-2013-energy-efficiency-of-english-housing-report>

⁹ <http://www.legislation.gov.uk/ukxi/2012/3118/contents/made>

¹⁰ <https://www.gov.uk/government/publications/energy-performance-certificates-for-the-construction-sale-and-let-of-dwellings>

Energy Performance Certificate (EPC)



17 Any Street, District, Any Town, B5 5XX

Dwelling type: Detached house
 Date of assessment: 15 August 2011
 Date of certificate: 12 December 2011

Reference number: 0000-0000-0000-0000-0000
 Type of assessment: RdSAP, existing dwelling
 Total floor area: 165 m²

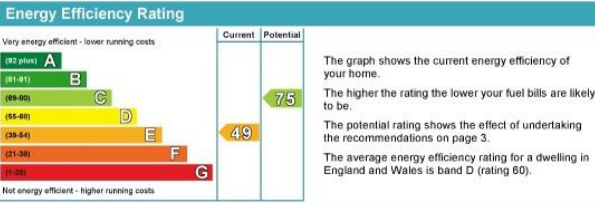
Use this document to:

- Compare current ratings of properties to see which properties are more energy efficient
- Find out how you can save energy and money by installing improvement measures

Estimated energy costs of dwelling for 3 years	£5,367
Over 3 years you could save	£2,763

Estimated energy costs of this home			
	Current costs	Potential costs	Potential future savings
Lighting	£375 over 3 years	£207 over 3 years	
Heating	£4,443 over 3 years	£2,067 over 3 years	
Hot water	£549 over 3 years	£330 over 3 years	
Totals	£5,367	£2,604	

These figures show how much the average household would spend in this property for heating, lighting and hot water. This excludes energy use for running appliances like TVs, computers and cookers, and any electricity generated by microgeneration.



Top actions you can take to save money and make your home more efficient

Recommended measures	Indicative cost	Typical savings over 3 years	Available with Green Deal
1 Increase loft insulation to 270 mm	£100 - £350	£141	✓
2 Cavity wall insulation	£500 - £1,500	£537	✓
3 Draughtproofing	£80 - £120	£78	✓

See page 3 for a full list of recommendations for this property.

When the Green Deal launches, it may allow you to make your home warmer and cheaper to run at no up-front cost. To find out more, contact the Green Deal Advice Service on 0800 XXX XXX or visit www.greendealadvice.org

The example above can be found [here](#) on DCLG's website (please note this is issued in 2012 and the Green Deal has been discontinued).

The EPC provides the energy efficiency rating of that building on a number basis from 1 to 100 (higher being more energy efficient); and also puts the numbers into bands A to G and these are the bands referred to in the Fuel Poverty Regulations. As noted above, you need to know the performance of a property in order to identify improvements – so the EPC also recommends possible measures (works) that will improve the energy efficiency rating of the building. However, the measures are not always so straightforward and it can be very complicated to make improvements to existing homes. Appendix D presents improvement measures in more detail. It is also important to note at this stage that the 'typical' consumer costs quoted on EPCs are not from the people and the bills for that property. They are taken from national averages and can vary greatly.

Alongside the Energy Efficiency Rating there is an Environmental Impact (CO₂/Carbon) Rating. The survey to produce the EPC also results in an estimated calculation of the Carbon emissions for that property. This is a very important piece

of data for the council to measure locally to understand our emissions; and nationally to monitor how we are progressing against national targets¹¹ for emissions reduction.

4. To improve housing quality

Measures that improve the energy efficiency of property often also improve their overall quality. For example, external wall insulation can also reduce condensation in the property by preventing cold bridging; and improve the external appearance of some properties & neighbourhoods. All energy efficiency measures would be undertaken on the basis that there is no detriment to the buildings, in terms of the occupancy standard they provide and the economic value they bring. Indeed, energy efficiency improvements are known to raise the value of the property.¹²

5. For greater energy security

Nationally we face potential short-falls in energy supply that may lead to black-outs.¹³ As well as the inconvenience to our day-to-day activities, this can cause disruption to essential services. Traditionally this is dealt with at grid-level, but with increasingly different technical services coming on to the grid, such as renewables, the problem is now being considered more holistically – energy is said to be undergoing a transformation. Flexibility¹⁴ through Storage, Demand Side Response and Balancing Services are modern concepts and services that if integrated and managed properly should shape a more secure future. This even comes down to the household level where homes might have solar power and battery storage, for example. In any event, as with safe-guarding against energy price rises, greater energy efficiency at the demand end is also known to relieve pressure on the energy system.

6. To safe-guard against increasing energy prices

Like most commodities, electricity and gas are set to cost more in the future¹⁵. This is clearly linked to ‘saving energy’, but it is worth special. It is not possible to predict future energy prices with any great certainty, though there are indexing tables that provide best estimates and are important modelling tools in assessing the effectiveness of potential changes. However, the trends for decades, as with most commodities, are that energy prices will continue to rise. Also, there is a continued trend of increasing demand (28% from 2015 to 2040 in world energy consumption¹⁶),

¹¹ Committee on Climate Change: <https://www.theccc.org.uk/tackling-climate-change/reducing-carbon-emissions/carbon-budgets-and-targets/>

¹² The Clean Growth Strategy indicates consulting on potential Green Mortgages and favourable stamp duty for more energy efficient homes.

¹³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/65643/7101-energy-security-strategy.pdf - 2012 policy.

¹⁴ <https://www.ofgem.gov.uk/electricity/retail-market/market-review-and-reform/smarter-markets-programme/electricity-system-flexibility>

¹⁵ <http://researchbriefings.files.parliament.uk/documents/SN04153/SN04153.pdf> - note the summary states energy efficiency measures are ‘the most reliable way for consumers to reduce their energy bills in the medium and longer term’.

¹⁶ <https://www.eia.gov/outlooks/ieo/>

particularly for power. So, it is a reasonable assumption that without change, energy will cost more for homes and businesses.

Conversely, where homes and businesses are more energy efficient – protecting themselves against price rises – they can then spend less on energy, meaning there is potentially more to be spent and invested within the local economy.

7. To save operational costs for the HRA

As was indicated above by improving housing quality, the on-going maintenance of the HRA buildings can receive positive impact from energy efficiency measures: reducing maintenance & repairs costs and increasing the value of the asset. One area, for example, that could benefit is around damp and condensation, where remedial works can be costly – more energy efficient homes are less likely to suffer from damp and condensation; even excluding the works the operational costs of surveys, reports, calls and visits comprise a significant proportion. We could also make use of Smart technology that can let property management/repairs contractors know when there is a fault; let residents know automatically via mobile/internet; or help with damp claims information (e.g. inadequate use of heating).

In terms of the Asset Management Strategy 30 year business plan, on-going cyclical works programmes (like window and roof replacements; ‘external decorations’ works such as pointing etc.) could receive long-term financial advantages, if whole house retrofit models can prove effective. Some of the opportunities to be explored also offer gaining an income (e.g. heat networks, potential electric vehicle charging points etc.)

In any event, alongside asset and energy business planning, it will be important that all repairs and maintenance contracts enable works that improve energy efficiency, seek out revenue and drive down costs.

Policy

The following two drivers note where we must comply, but also where the council has potential influence to set the agenda.

8. National policy

Further to some of the existing policy mentioned above, central government has released its **Clean Growth Strategy**¹⁷. This crosses many sectors and has a specific section on ‘Improving Our Homes’. In addition to those captured by the Fuel Poverty regulations, there is a medium-term “aspiration [...] that as many homes as possible are improved to EPC Band C by 2035,¹⁸ where practical, cost-effective and affordable.” However, government acknowledges that, “Reducing demand for energy will not be enough on its own to meet our ambitions for homes. By 2050, we will also likely need to fully decarbonise how we heat our homes”. Indeed,

¹⁷ <https://www.gov.uk/government/publications/clean-growth-strategy>

¹⁸ This is an aspiration for all homes, the Fuel Poverty Regulations still stand as Band C by 2030.

“Decarbonising heat¹⁹ is our most difficult policy and technology challenge to meet our carbon targets”. As a result, government intends to continue with most policy as it currently stands; and will review and consult on many issues to increase home energy efficiency, reporting in 2018. A summary of the more relevant policy areas are as follows:

- Fuel Poverty Regulations (England) 2014 remain
- Energy Performance of Buildings review (i.e. EPCs) – where a new EPC standard for social housing may be considered
- Building Regulations review, including potential future-proofing new build for decarbonised heat supply
- Decarbonising heat; Low & Zero Carbon technologies are currently too expensive, groundwork for transition to be laid over current administration (including ambitions concerning grid)
- Smart Meters to continue deployment
- Boiler Plus standard released October 2017
- Energy Company Obligation order to continue potentially to 2028²⁰ - this is set to focus increasingly on fuel poverty
- Heat Network Investment Project to continue as planned.

9. Local policy

As well as national legislation there are also local policies that the HRA adheres to, to deliver the changes necessary and be more energy efficient. The most significant local policies that impact on the HRA and energy efficiency are as follows:

- HRA Energy Strategy – this document.
- [Housing Asset Management Strategy](#) – the primary building management strategy of stock with key objectives as follows:
 - Investing in Homes and neighbourhoods to provide safe, good quality housing and support services;
 - Supporting new housing supply;
 - Ensuring financial viability within the Tenancy Strategy.
- [Housing Strategy 2015](#) – the councils overarching strategy for housing across the city. Under Priority 2: Improving Housing Quality, a primary aim is for ‘Decent, warm and healthy homes’ and is reflected in the AMS and this Energy Strategy.
- City Plan²¹ Part 1 sets out the councils overarching Planning Policy for the city including the strategic objectives SO7 Contribute to a reduction in the ecological footprint of Brighton & Hove and champion the efficient use of natural resources and environmental sustainability. SO8 Ensure design and construction excellence in new and existing buildings in Brighton & Hove which responds positively to the challenges posed by local impacts of climate

¹⁹ Not just in homes, but all sectors where possible.

²⁰ This currently has limited effect on social housing, but is subject to change and is the government’s principle instrument for improving energy efficiency of homes.

²¹ <https://www.brighton-hove.gov.uk/content/planning/planning-policy/development-plans>

change, resource-efficiency, and delivers biodiversity and environmental objectives and improvements to accessible natural green space.

- City Plan Part 2. Work has begun on the remaining development sites and detailed planning policies. This will include further detailed work on energy.
- Brighton & Hove City Council Corporate Plan 2015-2019 The Way Ahead. Principles: Public accountability; Citizen focused; Increasing equality; Active citizenship. Service priorities: Economy, jobs & homes; Children & young people; Health & wellbeing; Community safety & resilience; Environmental sustainability (including energy).
- Corporate Property Strategy and Asset Management Plan 2014-2018. The corporate property objectives include to: Deliver value for money property services; reduce our environmental impact (including energy).
- Brighton & Hove and Lewes Downs Biosphere Management Strategy 2014-19. Aims include: to take positive action to reduce energy & water use and waste generation; encourage sustainable transport and local food production; develop new social and economic opportunities such as outdoor health, eco-tourism and low carbon industries.
- A Greater Brighton Energy Plan is expected to be developed by the end of 2018. This will review opportunities and barriers to affordable, secure energy, low carbon energy for the sub region, developing actions to ensure clean, Smart & sustainable growth.
- Brighton & Hove Renewable and Sustainable Energy Study (AECOM 2012) for the City²² - an early report focusing on local opportunities to provide decarbonisation pathways for the City.
- Brighton & Hove Strategic Housing Energy Study (AECOM 2012)²³ – based on the HRA, this is a high level extension of themes in the City-wide study. Certain aspects are out of date, but a number of the conclusions and recommendations remain valid.
- Fuel Poverty & Affordable Warmth Strategy²⁴ – Public Health strategy drawing on NICE²⁵ Guideline released in March 2015 entitled ‘Excess winter deaths and morbidity and the health risks associated with cold homes’, this strategy provides ‘recommendations on how to reduce the risk of death and ill health associated with cold homes.’ Further, a report by the Building Research Establishment, “estimated, conservatively, that the cost of cold and damp homes to the NHS is approximately £760 million per year”.²⁶

²² http://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/downloads/ldf/BrightonandHove_Energy_Study_Jan2013.pdf

²³ The study was not taken through committee, but is available on request.

²⁴ <https://present.brighton-hove.gov.uk/mglIssueHistoryHome.aspx?lId=50429>

²⁵ <https://www.nice.org.uk/>

²⁶ P.73 Clean Growth Strategy 2017.

- City Sustainability Action Plan²⁷ – Completed in March 2017; this provided targets for energy efficiency in all buildings across the city, including the HRA. SAP reports continue to be submitted by Asset Management to Housing Committee via the Performance & Improvement Team within P&I.
- BHCC Air Quality Status Report 2017²⁸ – AQ is strongly linked to transport emissions and the emissions from the combustion processes involved. Property, including housing, creates additional emissions typically via heat generation (fossil fuel-based boilers). Generally, domestic boilers have and continue to improve their performance, commercial boilers such as those used in combined heat and power engines (including those used for heat networks) will have to be deployed in full accordance with AQ management.

Private Housing Sector

The councils Housing Strategy (2015) includes aims & objectives for all housing in the city (as above) and across many issues. It is known that the Private Rented Sector (PRS) in particular faces many challenges, including that of energy efficiency; and in terms of housing quality & affordable warmth. Indeed, there are also targets for the PRS to achieve that fall within the suggested timeframe of this strategy, as follows:

The minimum standard²⁹

- The minimum energy efficiency standard will be set at an E Energy Performance Certificate (EPC) rating for all eligible properties and new or renewed tenancies from April 2018. From April 2020, this standard will apply to all eligible properties including existing tenancies.
- As can be seen from the Clean Growth Strategy, there are and will be increasing pressures (& legislation) to also improve the performance of private homes.
- As with most cities, Brighton & Hove is comprised of mixed-tenure housing areas, but has a particularly high proportion of private rented housing.

Many of the HRAs flat blocks are mixed-tenure and we routinely carry out works that effect non-tenants. Some of the opportunities we have to improve energy efficiency in the stock will need to be delivered in similar ways and may extend to other archetypes as well. This could prove vital in tackling such an issue within the PRS.

10. Achieving change through joined up approaches

Hence, where opportunities arise, energy efficiency schemes that may also benefit housing outside of the HRA should be investigated – where they prove both financially viable and represent ways to achieve strategic benefits that wider policies seek (such as quality housing for all in the city). This could include schemes that deliver at scale, like heat networks, or large refurbishments, collective switching,

²⁷ This was completed in March 2017. A new strategy and monitoring & reporting policy is in development.

²⁸ <https://www.brighton-hove.gov.uk/content/environment/noise-and-pollution/air-quality>

²⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/401381/Dom_PRS_Energy_Efficiency_Regulations_-_Gov_Response_FINAL_04_02_15_.pdf

community energy etc. That is, it makes economic sense when deploying heat networks, for example, to connect as many consumers as possible in a finite (dense) location.

Low Carbon Economy

A low Carbon economy (LCE), or decarbonised economy is an economy based on low and zero Carbon emitting energy sources that therefore, has a minimal output of greenhouse gas (GHG) emissions. What this means is that buildings, premises, processes, transport, services, energy supply, consumer products etc. virtually all of our activities become low or zero Carbon, but remain viable and affordable.

11. Ensuring digital services for all

As has been mentioned, energy is a commodity and it is brought to us via infrastructure. Modernisation is happening in three key areas of infrastructure:

- Transport;
- Energy; &
- Digital.

This is where we are likely to see significant change and a transition over the next decade, or so, as digital services come into the mix along with increasing levels of renewables. Energy is already changing – from old analogue meters with dials, to digital Smart Meters³⁰ in the home with displays showing how much energy you're consuming and what it costs, in real-time. Also inside the home, our appliances are set to become Smart (like certain TVs) – appliances like fridges will be able to manage their energy consumption across the home; as they will be connected via the internet. A phrase some will have heard of is the Internet of Things (IoT). This is enabled by Big Data & Cloud-based storage – in relation to energy, this is information about where the energy has come from, how it transfers; who to, when and how much it cost. Data is also set to be used in building management³¹ – this is where information about temperature; humidity; CO₂ from people, is monitored and adjusted to keep the occupants content and energy management efficient. This can also be used to measure the effectiveness of works and/or upgrades to existing buildings.

Transport too, will undergo significant change. The government has legislated to ban the sale of petrol and diesel cars by 2040.³² This means most vehicles on the road will become powered by electricity and hydrogen. Subsequently, they will all also be digital entities and the batteries in Electric Vehicles will also interact with home energy management. These things add up to what are referred to as Smart

³⁰ Currently Smart Meters do not need access to the internet to transfer data, but use technology similar to mobile phones to communicate.

³¹ Brighton & Hove ICT dept. and Property & Investment are delivering an IoT Project looking at monitoring the building performance before & after works at Leach Court.

³² <https://www.gov.uk/government/news/plan-for-roadside-no2-concentrations-published>

Cities; and digital services will underpin them. And of course, all this 'digital' will also need power for itself. Although this seems futuristic and aspirational, there are major forces driving this change:

- Legislation – light at present, but Smart Meters,³³ for example, represent a 'data gateway' between the supply and the home. Policy will be needed to harness the advantages and ensure they're used for good;
- IoT – the ability of data to be used in so many aspects of our lives, for energy this will be unprecedented insight and control; &
- Commercial forces – new technology and digital services attract investment and create change.

For many this will happen seamlessly. However, there is risk in how this potentially affects a lot of residents. Energy and digital may well become so intertwined³⁴ that energy management in the home becomes increasingly compromised by any lack of access to the internet. The risk is brought to light in the Tenant Satisfaction Survey (2016) as it reported:

Have access to the internet? *Base: 829*

- Yes: 543 65.5%
- **No: 269 32.4%**
- N/R: 17 2.1%

Overall there is an increase in demand for online services, but the council still has to support access for some.³⁵ The Energy Saving Advice Service is set to become a digital-only platform under recommendations from the Bonfield Review (Each Home Counts).³⁶ The council is unlikely to be in a position to support digital energy services. 'Digital Energy' (beyond relatively simple switching services) could potentially become an unwelcome, additional complication for some, unless consumers are protected and internet capacity increased; as well as 'hands on' support for some.³⁷

12. Exploiting energy generation

Traditionally, energy has come from a centralised fossil-fuel based energy system. This has neither been energy efficient, or good for the environment. In recent years³⁸ there has been more emphasis on decentralised energy³⁹ (which can be a

³³ Also worth noting that the Heat Network Metering & Billings Regulations are driving heat metering for communal systems and heat networks – the HRA will have to deploy them.

³⁴ IoT, Big Data, power grid capacity; demand side response; & balancing services, new digital based business models and services. There is a question of how heat will fit into this – heat networks will; but individual heating will be more complicated (though the electrification for much of heat is set to be a factor of heat decarbonisation & the Boiler Plus standard are a move in the digital direction).

³⁵ For example, see Digital Brighton & Hove Spring 2017 Newsletter.

³⁶ As per the Clean Growth Strategy.

³⁷ The issue of internet service supply for the HRA is under ongoing investigation.

³⁸ Though organisations like the ADE have been around for 50 years: <https://www.theade.co.uk/>

more efficient way to generate energy than the traditional national system) and coal-fired power stations are being phased out. At the same time, renewable energy sources have been increasing which is a major factor for the change that is occurring. It helps to think of energy as two types, heat and power:

- Heat is complicated, in the UK it is most often generated ‘at source’, e.g. an average gas boiler in the home. Communal heating and heat networks, however, are a type of decentralised energy that are known to work well in the right areas of high heat density – they can also be from combined heat and power sources and renewable energy sources. Government and independent bodies⁴⁰ believe heat networks will provide around 20% of heat in the future, the rest is potentially to come from the electrification of heat (e.g. heat pumps) and/or the re-purposing of the gas grid (e.g. biogas and/or hydrogen in place of natural gas in the existing grid infrastructure).
- Power is also complicated, as above, the transition will not be an either/or situation between centralised and decentralised. There will be a combination of *central* nuclear, off-shore wind etc. and *decentral* microgeneration, Smart Grid, transport (EVs), storage and balancing technologies. All will be connected to the grid with a System Operator (national level), District Supply Operators (regional) and then Local Operators (municipal; community; business; individual) – in a highly digitised system that balances supply and demand.

The Local Operator level is one where many local authorities are taking on various roles: generation; interaction & control, along with incentivising & enabling community energy groups, businesses and prosumers. In times of increasing financial constraints on local authorities, energy generation and/or exploiting the market with innovative business models, represent ways for local authorities to deliver on their service objectives. Energy supply for the HRA should be considered within energy supply across the city where appropriate, i.e. where municipal action on monitoring, steering and being part of transition is undertaken – the HRA could add value. Further, where opportunity to act as a local generator arises, it is important to note that re-financing and exit strategies are options, whereas it would be difficult to enter established schemes at a later date. Opportunities that will be explored later make use of these ideas and can contribute to a low carbon economy in the city.

³⁹ <http://www.districtenergy.org/assets/pdfs/White-Papers/CommEnergyPlanningDevelopandDelivery2.pdf>

⁴⁰ Clean Growth Strategy, Committee on Climate Change, Frontier Economics, etc.

Appendix C – HRA Energy Efficiency Performance

The HRA has SAP⁴¹ data for its property (from surveys and from modelled estimates) including data on the heating systems installed. Energy efficiency has been a key area for investment for over a decade. Evidence shows that over this time a lot of improvement work has been achieved, but as demonstrated by the drivers, lots more will need to happen. One of the first things to do will be to get a clearer picture of the data we hold, and map the energy efficiency of the HRA, so we can plan ahead and better inform on improvements (see Next Steps).

The picture to date

We have a good track record. The average SAP rating of HRA property is 65.2 at end of June 2016 – which is in Band D (55-68). The average for England & Wales for a dwelling is 60 (also Band D). This is largely down to a history of upgrading the property (as noted in the AMS) with measures such as:

- Cavity wall insulation; loft insulation; double-glazing. Insulation was largely done in bulk programmes in the 1990's – including windows; which are now being upgraded again;
- Installing more efficient gas condensing boilers. From 2007 we have been installing “A-rated” condensing boilers;⁴²

Then there have been larger projects more recently too:

- Overcladding at Bristol Estate; and high rise blocks such as Essex Place, Warwick Mount, Kingfisher Court; Hereford Court, Wiltshire House;
- Solar PV – including new build, we now have around 400 arrays on the HRA;
- Upgrading lifts and switching to LED lighting systems that are more efficient.

All these things are also reducing the Carbon emissions of the HRA – estimates at end 2016 are that the HRA has reduced its emissions from 46,000tCO₂ per annum to 30,000tCO₂⁴³. Previously, the HRA received SAP and Carbon targets from the City Sustainability Action Plan and submitted its improvement on those targets on a six-monthly basis. This is still reported on via the Performance & Improvement Team. In light of the end of projects such as Bristol Estate, Solar PV and LED upgrades and the end of the CSAP; a more detailed assessment of the HRA's Carbon ‘footprint’ is required.

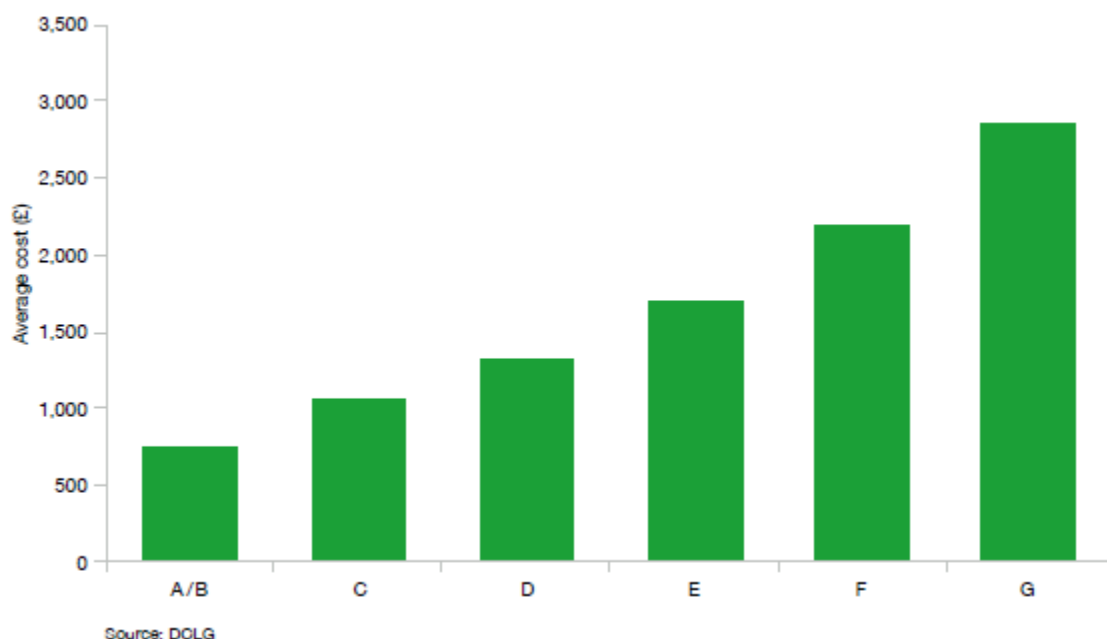
To illustrate the impact of SAP, or Energy Efficiency Bands on typical costs in the home, the following graph is taken from the Clean Growth Strategy (October 2017). The cost estimates are based on analysis by the Department for Business, Energy & Industrial Strategy:

⁴¹ Standard Assessment Procedure provides the data format for EPCs.

⁴² This strategy will take into account the newly released [Boiler Plus](#) standard.

⁴³ See the Asset Management Strategy.

Average annual cost of energy in homes by energy efficiency rating, 2014.



It stands to reason, though it's not the complete economic picture, for a family that live in a band E, F or G property, that they are likely to experience fuel poverty; and if not now, it's increasingly likely that they could in the future, as costs of living rise (including energy prices).⁴⁴ Additionally, they could move from a higher rated property to a lower one.

The Decent Homes Standard was met 100% by the end of 2013. 'Decency' includes thermal comfort – but it is important to note that 'Decent' in this sense focuses on the technical *ability* of a dwelling to heat itself; *not the efficiency* and therefore cost and Carbon performance. So 'Decency' is not a good marker of energy efficiency.

New build property

Zero Carbon

Climate change and energy efficiency have become prominent, modern issues; consequently property that is newly built has to be much more energy efficient than was built in the past. However, even where new build homes reach EPC Band A rating, this does not necessarily mean zero Carbon. As it happens, most new build homes are coming through at Band B. Essentially, insulation and air tightness only get the building so far; to achieve zero Carbon the energy supplies need to (most likely) be from renewable sources.

⁴⁴ <https://www.gov.uk/government/statistics/annual-fuel-poverty-statistics-report-2017> Although prices have decreased to 2015, they have since increased with hikes announced by the Big Six at various times throughout 2017.

The Clean Growth Strategy and other independent publications⁴⁵ note that homes will most likely have to be heated using zero Carbon technologies by 2050. However, current national Planning policy and Building Regulations do not stipulate that new buildings must be 'zero Carbon', so there continues to be a need to plan carefully for new homes; how they could possibly be more energy efficient; and how they will be future-proofed, or made lower or zero Carbon in the future.⁴⁶ Planning policy is (largely) devolved to local government, so the council could initiate its own zero Carbon ambition, as the Greater London Authority⁴⁷ has done, for example.

It is probably a matter of time before a zero Carbon home new build standard is in place, but important to note now that homes (& existing buildings in general) represent one of the most challenging areas for energy efficiency because of their age and complexity in modernising them. This is particularly true for 'change of use' and 'conversions'.⁴⁸ Therefore, there is the risk of history repeating itself by building non-zero Carbon (& lower EPC-rated) homes now, only to have the same challenging and costly issue of retro-fit and upgrading in 5-10+ years time.⁴⁹

Neighbourhoods

New build (including commercial property where appropriate) can contribute and be integrated into the energy demand and supply of wider, area-based schemes, where feasible. For example, surrounding buildings could provide advantages by increasing economies of scale; be that City Plan Development Areas⁵⁰ and/or other economic development & regeneration.

As with energy generation, there can be Local Operator roles in neighbourhoods and communities that create opportunities to work in partnership with new development. This is commonly the way heat networks start, as the new development provides the means to contain an energy centre and the network expands from there. Large-scale solar may also represent opportunities for neighbourhoods to self-supply.

⁴⁵ Frontier Economics: <http://www.frontier-economics.com/news/frontier-report-proposes-programme-policies-deliver-energy-efficient-homes-uk/>

⁴⁶ Clean Growth Strategy states all properties will need to be heated by zero carbon supply by 2050, so for example, new build regulations may need to include future-proofing for LZC heat supply.

⁴⁷ <https://www.london.gov.uk/what-we-do/planning/planning-applications-and-decisions/pre-planning-application-meeting-service-0>

⁴⁸ This issue is being explored in development of the City Plan Part 2

⁴⁹ [Action 9: Raise the energy performance of new dwellings](#)

⁵⁰ Brighton and Hove City Plan: <https://www.brighton-hove.gov.uk/content/planning/planning-policy/city-plan-part-one>

What needs to happen

The HRA stock and energy asset database holds energy data for each home. The results as at the end of June 2016⁵¹ are shown below. For simplification, at this stage the table shows the number of HRA homes by flats and houses, and the Energy Efficiency band they are in:

Energy Efficiency Rating	EPC Band	Flats (7191)	Houses (4348)	%
Very energy efficient - lower running costs (92-100) A	A	None	1*	0.01
(81-91) B	B	7	81	0.76
(69-80) C	C	5178	376	48.13
(55-68) D	D	1837	2034	33.55
(39-54) E	E	168	1464	14.14
(21-38) F	F	1**	392	3.41
(1-20) G Not energy efficient - higher running costs	G	None	None	0.00

11,539 properties have been counted in total; there are corrections for data errors; leaseholders are not included. Maisonettes have been counted with flats (as the majority are within flat blocks). *Bexhill Road property (RTB buy-back; long void due to costs; exemplar refurbishment). **Under investigation (this may be a further data error).

It can be seen that approximately 49% of homes are Band C or above (pale green), but 51% of all homes are lower than Band C (pale red) and therefore, would not currently comply with the Fuel Poverty Regulations in 2030. It can also be seen that there is a slight spread between average to poor energy efficiency (D-G) and very little that could be regarded as highly energy efficient (A-B).

A high level assessment of the differences illustrated on the table is as follows:

- On the basis of the table 37.7% of the HRA is made up of houses and 62.3% are flats;
- Smaller properties have lower heat losses, e.g. flats have neighbours on many sides and often only one or two walls are exposed, compared to houses;
- Newer properties will be constructed with better levels of energy efficiency (most of our flats are newer than our houses);
- Flats also fair better because of recent significant Capital Projects; e.g. Bristol Estate & other flat blocks that have been overclad;
- These works (which include high levels of insulation) result in the flat properties comfortably being in Band C;
- Flats considered on their own – 72.01% are Band C or above;
- Whereas, houses considered on their own – 10.53% are Band C or above;

⁵¹ To be updated. Latest figures will not change assessment. Solar PV project ended (FIT reduction) and EWI projects have stalled (Planning issues/fire safety focus) – prior to June 2016.

- There are still a significant number of properties (c. 2250) that are electrically heated – a system known to be inefficient & expensive to run;
- Previous energy efficiency ‘low impact’ measures such as cavity wall insulation (CWI), double-glazing, loft insulation and gas condensing boilers (particularly for houses), have already had widespread deployment;
- Therefore, a reasonable assumption is that extensive projects will be required to improve the 51% of HRA properties that presently won’t meet the fuel poverty target. Further, nearly 90% of our houses will need ‘high impact’ energy efficiency measures beyond those they have received already.

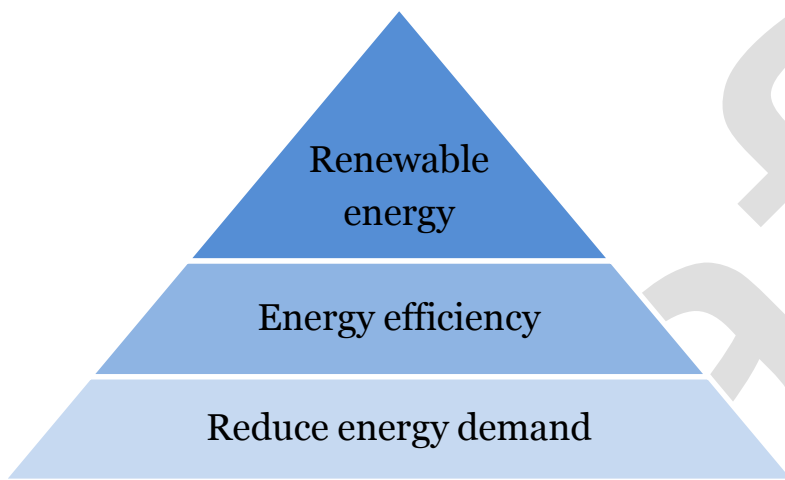
In order to improve the property and generate savings for residents, we must build upon past successes by investigating new opportunities & potential schemes – including innovative business models – to meet this challenge.

As above, it should be noted that energy efficiency improvements also bring added value through lower maintenance costs and higher quality assets; improved health and well-being; lower Carbon emissions & energy security; legislative compliance and many other benefits.

The picture here is for the HRA only. The size of the task required to achieve what will effectively be the future-proofing of the stock, indicate economies of scale will provide a means to deploying measures. Opportunities may well need to be linked to other housing tenures, city development and harnessing the energy transition – where the costs and benefits prove value for money.

Appendix D – Energy Efficiency Improvement Options

The track record for measures delivered by the Property & Investment Team is good, continued improvements now need to be planned for both legislative reasons and to deliver our residents' needs and priorities. The opportunities that follow are focused on technical solutions, as the priority must be to future-proof the stock – ultimately homes will be measured on their SAP scores (Bands G up to A) and Carbon emissions. These solutions should take account of traditional energy efficiency hierarchy⁵², but it must be noted that the changing landscape of policy and funding mean a more flexible and adaptable approach is going to be needed. The (traditional) 'be lean, be clean, be green' energy hierarchy:



The modern view of energy is that approaches can be taken in different order due to policy and economic viability. For example, it had been viable with the Feed in Tariff to deploy Solar PV without recourse to other measures for them to be economic and have impact.

1. Building Fabric

Building fabric refers to walls, floors, roofs and openings (windows & doors) – in energy efficiency terms this means their thermal performance; i.e. how much heat is lost through them. By upgrading these parts of a building (as with the cyclical window replacement programme) the amount of heat that escapes can be reduced. More traditional buildings are designed to for buoyancy and/or wind-driven natural ventilation. Some more modern buildings have mechanical, or forced, ventilation. In either case it is important to note that internal air is replaced and also that condensation (amongst other things) is removed through ventilation.

Reducing demand (energy used) results in not needing to spend as much money on bills. So walls (and floors) can have insulation added (internally, externally and within a cavity if they have one); roofs can have insulation installed in loft spaces & built into flat roof systems; windows and doors can be double-glazed; draughts can

⁵² https://en.wikipedia.org/wiki/Energy_hierarchy

be sealed (air tightness). Many of these measures have already been undertaken and apart from extensive external wall insulation, many of them are lower impact than needs to be deployed. Some options that may be available to help the HRA further reduce demand of the buildings are:

- Energiesprong ('Energy Leap'): this is an example of a whole-house refurbishment solution that has been developed in the Netherlands. A number of local authorities and large landlords across the country are exploring this model in the UK and the council is working with partners within the Coast to Capital LEP on a bid for funding from the European Union⁵³ to explore this locally. It represents a possible approach on all fronts of the energy hierarchy by delivering change at scale. This would need to be delivered cross-tenure and could provide significant regeneration to estates. It is not without significant challenges and development is likely to take approximately 5 years. More information can be found [here](#).
- Capital investment through our partnership contracts: in the past the HRA has been able to use funds for major projects that both ensure the longevity of property and also include energy efficiency improvements. The main examples of this are Bristol Estate, Essex Place & other high rise blocks of flats that have been overclad (protecting the concrete structure, the outer surface and also includes high levels of external wall insulation).
- Energy Company Obligation Order: known as ECO⁵⁴, this is a government scheme that enables funding and/or measures to be made available from large energy supply companies (e.g. British Gas, EDF, etc.) The HRA has received funding in the past for external wall insulation and continues to monitor the scheme. It has changed throughout its life and more changes continue. Its focus in the future is likely to still be on fuel poverty; but accessing funding is complicated⁵⁵. It is however, at the moment the government's main instrument for tackling fuel poverty, so we will continue to monitor it.

A further consideration when improving the thermal performance of building fabric is overheating⁵⁶ – careful design is required when undertaking substantial upgrades (and for 'new build' below). The issues are not caused solely by insulation though, ventilation (space heating & cooling) are equally as important.

⁵³ Until the UK leaves the EU it is business as usual with the EU; and successful applications will be honoured, as far as is known at the time of writing.

⁵⁴ <https://www.ofgem.gov.uk/environmental-programmes/eco>

⁵⁵

https://www.ofgem.gov.uk/system/files/docs/2017/03/170314_domestic_faqs_eco2t_final_version.pdf

⁵⁶ <https://www.cibse.org/getmedia/4a1e86ee-ea51-44ba-95fb-54f3165282cf/DECC-Overheating-guidance-document-19Jun2015.pdf.aspx>

2. Space & Water Heating

The table below shows the types of space heating and hot water heating systems that the HRA has:

Heating type	Flats	Houses
Electric	741	58
Gas	5469	4055
Communal (c. 30 systems)	842	n/a
Heat Network (2 systems)	243	n/a

Approximate, as per data held in Apex at November 2017

In 2016/17 K&T Heating were appointed the main gas contractor (5 years + 2). They are responsible for just over 10,000 properties with a gas supply. The contract represents key opportunities for improvements, such as:

- The effect of upgrading from a “D” to “A” rated gas appliance (not EPC) can save on average £105 per household;⁵⁷
- The current programme is for all properties with a gas supply to have “A-rated” council appliances, however;
- The new Boiler Plus standard has been released (October 2017) – M&E are already trailing compliant systems (supported by the Shine programme below) – if successful & affordable the new programme will be to the Boiler Plus standard;
- Through the service and access that K&T have we may be able to improve our contact with residents with regard to energy efficiency and fuel poverty (this will be explored in Next Steps);
- The contract is already being used to upgrade loft insulation;
- Communal boiler systems – K&T have ‘first opportunity’ to price for works which will include high energy efficiency hardware (boilers, lagging etc.) Where feasible, works will also include pre-heating water via installation of Solar Thermal Collectors⁵⁸.

The HRA has two heat networks, as per the table and further options, possibly together with new build and Development Areas, are being explored. Nettleton & Dudeney was successfully delivered in 2013 (these properties include heat meters, see below. Other studies have been conducted at Eastern Road (incorporating DA5) and Clarendon Road (DA6). North Whitehawk may also benefit from a heat network – the high rises already have communal heating and two blocks are also supplied from one plant room.

The Heat Network Metering & Billing Regulations⁵⁹ have come in to force and they have implications on the way heat is provided, monitored and charged. It provides

⁵⁷ Based on estimates provided by the Energy Saving Trust.

⁵⁸ The HRA has several Solar Thermal systems on Sheltered Housing blocks.

⁵⁹ <https://www.gov.uk/guidance/heat-networks>

definitions of communal systems and heat networks and the HRA is presently working on compliance. The drivers are similar to those of Smart Meters; engaging the consumer in their usage and providing data to operators in order to optimise efficient running of plant. It remains to be seen how Smart heat meters are deployed and interact with other Smart technology in the energy transformation.

As noted above, at the moment electrically heated dwellings are generally less efficient and more costly than gas to run, and possibly other solutions (e.g. renewable energy from heat pumps). Options and feasibility reports could be used to identify improvements or changes, as with the heat network studies above. Most 'pathways' for the decarbonisation of heat expect a massive increase in the uptake of heat pumps.

Thermal storage (similar to electricity) is likely to play an important role in the future. This will largely apply to heat networks and new & replacement communal systems; it can also be used as a source for cooling (via absorption chillers). So, as with many issues, longer term thinking should be adopted in order to meet changing needs and different situations.

3. Power

With any technical projects that go ahead, engagement with the District Network⁶⁰ Operator is crucial, e.g. for new build and district energy. The national grid is known to be struggling with capacity, and balancing supply & demand (due to age and the transformation energy is undergoing, e.g. intermittent generation from renewables). See section 11. Energy generation, above for more information.

Options for the HRA include:

- More renewables for self-generation. This might mean innovation such as large Solar PV systems that make clever use of the electricity generated. This can be through contracts; Private Wire & sub-metering; battery storage; and possibly 'blockchain grids'. The HRA is part of an application for (further) EU funding that could lead to some feasibility studies and pilots to prove the concept of some of these solutions. Result of the application will be known by end of 2017.
- Solar PV may be deployed where we know that only a small change in SAP score is needed to improve a properties rating to Band C for example, but this should be considered as part of a long-term solution.
- Solar PV farms, or other large-scale generation could be invested in by the HRA – with benefits then returned by way of a contract with a supplier.
- Power sales as part of Combined Heat & Power – heat networks are often deployed at first with CHP engines and the electricity revenue is often key to being able to economise the project.

⁶⁰ Evolving to District Supply Operator to reflect the changing role of balancing supply and demand.

- Bulk-buy of electricity. This is where an organisation makes an agreement with an energy supplier to purchase electricity for a large number of buildings in exchange for a cheaper price.
- 'White Label' supply. The council has engaged with a West Sussex County Council partnership to procure a White Label supply. Launching in December 2017, the Your Energy Sussex 'Sussex Tariff' which is a similar idea and HRA properties may be able to benefit.
- Collective switching (which can include gas supply), e.g. possibly working with local partners (similar to bulk-buy) to secure better prices.
- Smart Meters and more affordable key meters (K&T) and again, links with the Sussex Tariff and/or other potential void service providers.
- Greater use of technology to help residents and building managers manage buildings more efficiently; and reduce the potential for conditions where mould growth is possible within them.

4. Lifestyle

This is not strictly a technical solution, as those above, but it is important in making a difference. There are two factors to note: 1) that changes to our habits, even small ones, can and do make a difference to the amount of energy we use; and 2) technology is playing an increasing role in energy management, including in the home and we need to embrace this (e.g. Smart homes) to make the most of them.

Options for the HRA include:

- K&T Contract. Identifying issues such as cold homes on visits, which they currently do; but it might be possible to increase their interaction and support of residents (e.g. sign-post to services, as per Shine below).
- Making the most of self-generation, i.e. knowing how and when to make best use of Solar PV.
- SHINE bid. This will provide an energy advice service up to 2020/21. The HRA could build a larger project/programme from the impetus and learning this creates.
- Lifestyle support programmes and collaboration projects. Independent, or as per the SHINE bid above, partner with local energy groups such as BHSECo (see below) to design a support project for residents.
- Wider distribution of energy meters (e.g. Heat Network Metering & Billing Regulations) to inform residents on their energy use and to support positive impacts.

A note on new build

High level considerations for new housing, including HRA property:

- Where communal heating systems are used, as per the Clean Growth Strategy and local policy, they should be built ready to connect to heat networks and/or be designed for future zero Carbon supply in mind.

- New build properties do not have to be built to EPC A-rated standard. The build is based on Building Regulations Part L and Carbon emissions assessments and there isn't a zero Carbon requirement at present. New homes routinely do not meet band A, and it is difficult for Building Control and Planning to monitor standards post-construction.
 - Therefore, the risk of future potential retrofit costs should be noted.
- The council should consider business models that would enable such energy networks to be developed where they can deliver strategic drivers (economic growth; environmental, social & health benefits).
 - Therefore the council should identify assets that can host energy generation and assess their strategic position as part of potential networks that create greater economic and subsequent social benefit.
- Smart Meter implementation should be taking place during construction.
- Building Management Systems (BMS – these can be used to control heat and hot water) need to be aligned across HRA property so that they can be operated effectively. For example, any communal heating and/or heat network metering and billing services could be shared.
- Solar PV; in light of the section on 'Power' above – building more property means we are increasing the energy demand in the city; the systems installed for new homes need to be effective and/or take advantage of potential innovations that maximise their generation, e.g. storage to be designed in where appropriate.
- Future cooling needs of highly insulated property, for example care homes, need considering. As opposed to cold homes, over-heating can also be responsible for poor health. Should global (& local) temperatures increase, ventilation with increased cooling functionality will be needed and therefore, planned in advance.
- Some schemes (such as “Y-Pods”) may offer opportunities to innovate, including around energy efficiency.

A note on community energy

Essentially, “community energy⁶¹ covers aspects of collective action to reduce, purchase, manage and generate energy”. Community energy groups already exist in BHCC and some are quite prevalent⁶². Existing groups may be able to support the HRA around 'Lifestyle' schemes, but may also contribute to Technical Projects. There may be a role for our Area Panel (amongst other resident) groups in assessing interest and opportunities. For example, there may be a collective approach to using power generated from Solar PV. An interesting outcome of a

⁶¹ <https://www.gov.uk/guidance/community-energy>

⁶² Brighton Energy Coop, <http://www.brightonenergy.org.uk/> & Brighton & Hove Energy Services Company, <http://bhesco.co.uk/>

study⁶³ conducted alongside our Solar PV programme, was that tenants began to understand that not all of the electricity their systems generated got used; and they hoped that there could be ways of sharing it amongst other residents that hadn't been as fortunate.

Draft

⁶³ Research by the Sussex Energy Group, Science Policy Research Unit, University of Sussex (findings due).

Improvement Options Summary

The following (work in progress) table provides high level comments on the broad areas for improvement noted above

Option	Description	Energy Generation Level*	Generation Type	Impact	Comment	Decarbonise Heat	Meet Fuel Poverty Regs**
Business as usual	Low impact measures, e.g. CWI, double-glazing (that have been good in getting us so far)	Low	Limited Solar PV deployment (<1MW)	Low	As can be seen above, with little generation and constrained funds for high impact measures, this is very limited	No	No
Building fabric	High levels of insulation, most likely EWI (Whole house solution would also include generation, mainly through PV)	None	n/a	Medium	Fabric alone reduces consumption, particularly for heat, but this will eventually need to be zero carbon	By proxy – lowers demand which will be key; but is not applicable to the supply	Yes
Space & water heating	Continued deployment of high efficiency gas boilers	Immediate consumption only	At point	Low where gas switched for gas, medium/high where gas switched for electric (e.g. Heat Pumps)	Low Carbon heating alone in 'leaky' buildings, may have to be an option	Will need to transition from combustion processes to (most likely) electrification, such as Heat Pumps	No
Power	Mainly Solar PV solutions, but could also be energy networks, e.g. from heat &	High	Solar, heat & power (potentially cooling if needed)	Medium	Again, alone these measures do not get many SAP points, however, they	Yes (decentralised). 'Nationally' will be the energy supply for Heat	No

	power				provide economic benefits either directly or indirectly (e.g. 'free' energy, or invest-to-save)	Pumps	
Lifestyle	Projects such as Shine, switching services, 'low cost' tariffs.	None (though potential surplus from Sussex Tariff could go to community energy projects. This will require a lot of customers)	n/a	Medium	On its own has no impact on SAP. Can make personal difference, highest impacts when done with building measures	No	No

*Generation in this context means conversion in addition to immediate consumption. **As per current policy.

This table could be expanded upon in more detail – possibly through the procurement suggested under 'Next Steps'. For example, detailed analysis of SAP points per measures delivered on our stock.

Key points to note are:

- A combination of measures will be required to gain high impact;
- that unless a form of grant funding is received, then fabric upgrades are solely, and significant, cost;
- this is the same for space & water heating from conventional individual systems;
- power and heat generation can create returns on investment and help economise deployment of measures.

Appendix E – Funding for Energy Efficiency

As noted above, it is likely that larger projects will be required to make the improvements to the stock in order to meet energy efficiency standards and linked objectives. To establish value for money, the approach will need to be based on whole-life costs, instead of short-term availability.

On a life-cycle basis, generation provides cash-flow, whereas other measures are prolonged spend with zero return. Fiscal instruments (like the early days of ECO) can be useful, but they have been unpredictable; they rarely provide a foundation on which to base a business case. Generating energy and selling it is a stable supply & demand venture, could be viewed as an appropriate risk profile for a local authority.

Funding options for the HRA include:

- Funding via the HRA Capital investment programme. This sets out the estimated levels of funding for each type of project over 3/4 years. The programme aims to deliver the key priorities in the agreed Asset Management Strategy and to strike an optimum balance between investment in the current stock and new homes. The total level of investment available is dependent on a number of factors, including rental income levels and financing costs. Additionally, the housing and Planning Act sets out plans for a 'tariff' on higher value properties, the detail of which is currently unpublished;
- Renewable energy subsidies – the Feed in Tariff subsidy we receive for Solar PV is equity that is shared, FIT income is spread across HRA stock. Surplus can be forecast and used to contribute to other projects. The Renewable Heat Incentive is likely to play a considerable role in the deployment of heat pumps and other renewable technology in any future programmes;
- External funding – we have received funding from the EU, CESP and ECO before and will continue to monitor these and other opportunities, e.g. Heat Network Investment Project⁶⁴;
- Synergies with other works – this is where projects like Energiesprong become viable through economies of scale; and the scale can come from other groups of housing outside of the HRA;
- Partnership working – new gas contract with K&T and existing Mears partnership agreement can be used to explore the opportunities above where we already have a partner in place – but as is noted in the key objectives; new contracts will have to be flexible;
- Links to wider sustainability ambitions – will be mutually supported and may provide links to value for money expenditure;
- Invest to save – schemes such as lighting upgrades to LEDs, lifts, & PIRs represent slight increases in initial cost compared to business as usual (BAU),

⁶⁴ <https://www.gov.uk/government/publications/heat-networks-investment-project-hnip>

but in the long term they are cheaper to run and those savings improve on the BAU;

- Service approach – where we might have to stop, redesign, or commercialise services or schemes in order to prioritise or enable different approaches – this may lend itself to establishing an energy company to enable delivery. See ‘a note on and energy company’ below;
- As the 10 year Mears partnership draws to a close, any new HRA repairs & maintenance contract will have to take full account of this strategy and any wider council policy & objectives. It must be able to either provide delivery and/or enable the delivery of low-to-zero carbon homes through this next transformative period for energy.

The HRA must also consider the indirect costs and benefits concerning property management & maintenance as well as energy efficiency. In this regard, there are other key economic benefits that can also be added to, through potential schemes such as:

- K&T apprentices and jobs – e.g. the Mears Partnership has provided 100 apprenticeships;
- Offering to leaseholders – again the K&T contract could be used to offer services to other occupants and households, on a share-save basis.

A note on energy generation & companies

As highlighted throughout this strategy, the scale of schemes needed to fully deliver our objectives are likely to be considerable. It is also apparent that some complex and longer-term energy investment schemes, such as heat networks and wholesale fabric & energy supply schemes, often require a different approach to delivery, investment and ongoing management and maintenance. One model for this includes approaches that may sit alongside, but not within, the HRA, such as an energy company.

There are effectively two ways in which local authorities are making energy pay i. by generating and ii. by acting as traders & brokers; these approaches are not mutually exclusive. As it might be expected the [Greater London Authority](#) is well ahead with energy services, but other authorities such as [Bristol](#), [Nottingham](#) and recently [Devon](#) have also made great strides. Many other councils and RSLs have also taken up the energy efficiency agenda in various ways: [Portsmouth](#) have established their own tariff switching service; [Worthing Homes](#) created Relish a number of years ago; and [Amicus Horizon \(now Optivo\)](#) have led for several years in the south east with a number of schemes, both people and building focused. At least one London authority is now operating a wholly council-owned energy company, Enfield's [Energetik](#) – principally district heating; and Islington have their own White Label supply much the same as the Sussex Tariff, called [Angelic Energy](#).

A number of local authorities are also linking energy efficiency needs with housing needs. [Sutton](#) for example, have set up an opportunities company that sits above both a [housing company](#) and an [energy company](#). In fact, in [Gateshead](#) the energy agenda in certain respects led the way, linking in to regeneration and incorporating the council housing services and drive for new homes. [Crawley](#) has also been successful in the pilot round of the Heat Network Investment Project and are currently working up their commercialisation plans. Such holistic approaches are becoming common to the thinking of many local authorities.

We, the HRA and Brighton & Hove as a whole, find ourselves in a similar situation and utilise a shared approach to service delivery in other linked areas of our business. Significantly, a city-wide approach, through new build; the size of the HRA; Development Areas; neighbourhood plans; transport & the power needed for EVs, can potentially return greater benefit for Economic Development; Digital Services; Sustainability Services; Transport; Air Quality; Public Health and wellbeing.

Energy Strategy Consultation 2017 - tenants feedback

Group	What does energy efficiency mean to you?	What problems do you experience?	What do you think the most important issues are?	Previous works the council have done, what do you think has worked/not worked?	Projects we are trying to develop What do you think will work/not work? Why?	How would you like to be communicated with and involved in future?
Tenant Focus Group						
1 Nov 2017	Cost of heating	Issues not getting reported or solved	Looking after the vulnerable	Checking the work has been successful	The projects which are affordable might work	Information available online Homing In
	Cutting costs	Many companies cold calling to say that they can install a smart meter, this maybe an issues for the old and vulnerable (see Q&A's)	BHCC / Housing to share its savings with residents	Cavity wall insulation worked as did the double glazing Combi boiler was also good	Finance will play ultimate part in success	Through local LATS
	Sufficient energy at an affordable price and optimum efficiency	Vents in external walls letting in cold air which cavity wall insulation aims to prevent. House remains cold in places.	Reduced bills	Timing is important – winter is to be avoided for works to happen	Solar panels – however will they effect loft ventilation and insulation? (see Q&A's)	Tenant Disability Network
	Warm homes	The lighting in common way halls, corridors and stairways is not consistent or sufficient. Light bulbs are	Help and guidance for vulnerable residents	Reducing damp wasn't successful, had to use dehumidifier constantly which has an energy	Completing (doing works on) empty properties before placing new families in them	City wide groups City wide conference

		not replaced and when they are, why not all replaced with LED which is much cheaper?		impact		
	Better funding	Long delays for repairs to lights in common ways.	If residents have to move out temporarily during any works then communicate this effectively	Previous necessary works needed and successful But, residents certainly not sufficiently informed about how inconvenient living conditions would be during work being carried out. Although necessary it can make one feel extremely disrespected. Forewarned is forearmed.		Include Energy Strategy on future residents meeting agendas
	Most efficient and practical means of conserving energy on all housing stock while maintaining building condition	Damp issues in home requiring de humidifiers to be on 24 hours a day, costs money when damp issue should be fixed				More communication and involvement with older people maybe through scheme managers
	Affordability					Consultation prior to financial commitment
	Making sure you only use what you need					Ensuring that any issues reported are dealt with in a reasonable time

Q: What happens if a property is all electric (e.g. senior housing scheme)

A: There is potential to change to gas as an interim measure, which is generally more efficient (e.g. older storage heaters compared to A-rated boiler). Tenants can check what tariff they are on, however as prices keep changing, this would have to be done regularly – ideally tenants should shop around. The SHINE project includes assistance for those who need help with switching energy tariffs.

Q: Why aren't all communal lighting systems LED?

A: Alex to update on Mears programme.

Q: Why don't residents benefit from Solar Panels?

A: Panels on houses benefit residents directly, when it's sunny. Additionally all new builds tend to include panels where possible.

Q: Efficiency improvements do not help if windows are old and need repair.

A: There is a window replacement programme being carried out across the city. If windows are not secure a repair job can be raised.

Q: How do residents know if they fall into fuel poverty category?

A: This is something residents would have to look into individually, as it would be an individual assessment. Brighton & Hove Energy Services Co-Op can carry this out and the SHINE project can help.

Q: Will Band C homes still meet standards after 2030?

A: Monitoring of standards will be taking place; homes which meet band A to C, will also be included in improvements to ensure they continue to meet standards.

Q: Are homes meeting Band D and above already identified?

A: Analysis is currently being carried out; the council is looking to capture as much information as possible to provide accurate recommendations.

Q: Nearly one third of people do not have access to the internet, how would smart meters be useful to them?

A: Smart meters do not require internet access, they work on mobile phone technology at no cost to the consumer or council.

Q: How are the council officers supporting vulnerable tenants?

A: The SHINE project is engaging with tenants identified as needing additional support. Senior Housing Schemes are also supporting their tenants on a day to day basis.

Q: The Energy Strategy is going to Area Panel in January; this leaves two months for consultation, is this enough time to capture relevant feedback?

A: The strategy won't yet be complete by this point, options will not yet be agreed. Feedback from these sessions will be an important part of the final report.

Q: In light of Grenfell Tower tragedy, why is the council still considering using cladding on buildings.

A: The East Sussex Fire & Rescue Services have confirmed that the council's Housing-owned properties meet all fire safety requirements. All cladding planned must also meet this strict criteria to be considered. We will still have to use this option to achieve energy efficiency aims.

Group	What does energy efficiency mean to you?	What problems do you experience?	What do you think the most important issues are?	Previous works the council have done, what do you think has worked/not worked?	Projects we are trying to develop What do you think will work/not work? Why?	How would you like to be communicated with and involved in future?
Tenant Representatives Focus Group						
7 Nov 2017	Comfort and health	The cold and drafts affect my health	Old properties and new technology	Solar panels in conjunction with insulation	Adaptations unusable through lack of effective heating	We would like to be made aware of the cost breakdowns per property
	Lower bills, being mindful of use	Lack of communication	Value for money	Upgrade buildings even if tenants move out	Cavity wall insulation degrades over time	Information available on line dedicated web page
	Saving energy Saving Money	No one point of contact	Communication	Solar panels	Previous attempts to establish community energy failed due to lack of cooperation from council	By email; Consultation meetings; To be kept informed about how future projects will effect residents
	Keeping warm and healthy for the best price possible	Not enough electrical sockets for modern living	Climate change renewable energy	Energy projects should be targeted for the most needs, not individual areas.	Setting up energy company for cheaper tariff	By word of mouth
	Planet protection	Damp	Saving as much energy as possible e.g. with insulation and solar		Make use of funds available for heating networks	Homing In

	Insulating properties: Porches Windows (heat) Reflective panels, Should be standard	Transparency	Highlighting what energy efficiency is and how residents could do more to save energy		Insulation as standard for all	
		Heat loss through draughty windows	Educating people about energy saving		Roll out efficiency measures on EPCs	
		Heat loss through doors	Making every home as energy efficient as possible		Look for a cheaper way of producing solar panels	
		No individual thermostats in rooms or blocks to control and measure energy use	Cheaper energy tariffs offered e.g. Sussex tariff			
		Adaptations being costly i.e. electric fan heaters in bathrooms/toilets are expensive to run and people can't afford to have them running all day				

Tenant Representatives questions and answers

Q: The council is pushing 'smart meters'. Type 1 are currently being installed, these are linked to one provider and don't allow for switching to find a better deal. The next generation of meters will provide this capability but people shouldn't be encouraged to have the less flexible version.

A: This "push" is from central government policy and through energy supply companies – the council is not directly involved in their deployment. You can switch to a new supplier who may offer a deal which includes the installation of a new (type 2) meter.

Q: How do energy efficiency figures come about? Have had cavity wall insulation installed that is failing and has since been told that it can't be changed.

A: A Domestic Energy Assessor surveys the property and would measure the thickness of walls and the amount and type of insulation as part of the survey. To identify failed CWI, thermographic photography is used and CWI can be replaced. This strategy will include plans in delivery to address these problems.

Q: Has looked at an EPC for Clarendon & Ellen, which claimed that there was no insulation, but this is incorrect. What accuracy can be guaranteed if it is not inspected by a surveyor?

A: A Domestic Energy Assessor has to sometimes make a judgement based on what they can see and evidence, sometimes it is not possible to identify presence of insulation, or type and how much if it cannot be seen.

Q: Full Carbon emissions assessments are not usually included in many planned works and should be.

A: The Clean Growth Strategy mentions this issue. It is true that assessments for new build are very detailed, but retrofit works less so. It is very dependent on the type of project, e.g. if cladding a property the u values of the walls will have an assessment of the change in Carbon emissions for that element of the building.

Q: Can EPC ratings be arranged by residents for their homes?

A: These would be arranged when properties are re-let, although this might not have been done if a resident has been in the one property for a long time. The information should be in the pack new tenants receive.

ACTION: Alex to look into why these are sometimes not passed on.

Q: Can an estate-wide EPC be carried out?

A: The cost is approximately £60 per assessment, they are carried out in compliance with the law when necessary. They are not currently being offered outside of this due to cost. We have estimates on record where we do not have an EPC.

Q: How does the installation of PV panels affect structure of buildings? Had experience of a wall having to be pinned a year after installation, there is concern that older houses in the city can not support the weight.

A: It is highly unlikely that this was a result of the installation of PV panels, there would be an underlying problem with the building.

Q: What are the benefits of smart meters?

A: *(By tenant rep) They give current update of usage at any time. Can see how much appliances use and cost instantly. As a result made efficiencies like buying an instant kettle which saves approx. £4 per month.*

Q: Had electric hot water replaced; as a new tenant there were two switches and was landlord controlled. Now it's not clear who is paying.

ACTION: Alex to check with M&E Team to find out more.

Q: What is the status of the solar panel programme? There is an opportunity to link in to this strategy. How can residents benefit from solar panel savings? Are there plans for biomass, anaerobic digestion, or other energy generation?

A: The solar panel programme had a finite budget and is now complete. Residents do benefit directly from solar panels where installed. Biomass energy is difficult to deploy particularly in cities, however there may be scope for this and other energy sources within the city.

Alex: The council is looking at ways for residents to trade in energy directly, rather than via the national grid. There is currently no legislation on consumer protection with this, so it is challenging. However the council is intending to look into it if the 'Solarise' project (which is EU funded) is successful.

Q: The Hollingdean Trust was asked to pay additional insurance after the solar PV installation, is this something the council would also insist on?

ACTION: Alex to check and find out more.

Q: How is it decided which properties have solar panels installed?

A: This was allocated through areas on the Indices of Multiple Deprivation, with homes in wards highest on the scale prioritised.

Alex: The council funded the budget through the 'feed in tariff' – government subsidy that covered the cost of the systems. Hopefully the 'Solarise' project will be successful and more installations will be planned.

Q: Are heat networks planned?

A: An energy study was carried out by Planning in 2012, it identified 14 areas in Brighton & Hove where heat networks could be effective. These are inherently complicated, costly and long term. The council is currently working on additional policy to support their deployment and is carrying out feasibility studies on some areas so that they might be delivered in future.

Q: What is the Sussex Tariff?

A: This is a 'white label' energy supply due to be available in December 2017. This is where a smaller company is set-up, usually to provide lower cost energy, that is backed by a fully licenced and regulated energy supply company. The Sussex Tariff will be available to Brighton & Hove residents and should provide a competitive and low price option for people to switch to.

Q: New boilers installations have been carried out at Laburnum Grove and gas boiler upgrades, are there comparative figures to show efficiency?

ACTION: Alex to look into this, M&E will have boiler specifications.

Q: There seems to be a lot of redundant equipment across the city and costs aren't transparent.

A: It's for this reason that the strategy is focusing on assessing the energy efficiency of buildings and their services and ultimately upgrading them. Smart meters will provide transparency for flats particularly around electric consumption, also heat network metering and billing will provide data and information for communal heating systems. The data and information will help provide the evidence for change and be more efficient. Heat meters for communal systems are planned, but probably not for a year or two; the council is working on making individual metering of flats effective.

Q: Is gas still the cheapest option?

A: On the whole yes, by a small margin. It depends on many factors.

Q: Some instances of installations with thermostats in the living room mean that other parts of the property are too hot. Why aren't there thermostats on each radiator?

A: All heating now installed will offer this as standard and most radiators should already have thermostatic radiator valves (control).

Subject:	Your Energy Sussex – Energy Tariffs		
Date of Meeting:	17 January 2018		
Report of:	Executive Director Neighbourhoods, Communities and Housing		
Contact Officer:	Name:	Miles Davidson	Tel: 01273 293150
	Email:	Miles.davidson@brighton-hove.gov.uk	
Ward(s) affected:	All		

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

- 1.1 This report provides an update on the Your Energy Sussex (YES) partnership, led by West Sussex County Council (WSCC) plan to establish a local energy tariff scheme to deliver a set of low cost, high value energy tariffs to residents and businesses across the Sussex area. YES is a local authority partnership open to 15 Sussex local authorities working with residents, businesses and other partners to promote energy saving and renewable energy. The council is an Affiliate member of the partnership.
- 1.2 A 2017 survey and report from Ofgem showed that 75% of people had not switched energy supplier in the previous 12 months and that households on average standard variable tariffs could save up to £300 per year if they switched energy deals.

2. RECOMMENDATIONS:

That the Housing and New Homes Committee:-

- 2.1 notes the completion of procurement activity and appointment of Robin Hood Energy (RHE) as the successful bidder.
- 2.2 supports the promotion of the scheme to residents in the city through existing communication networks open to us.
- 2.3 notes the opportunity to develop a voids service for both Housing Revenue Account (HRA) properties and leased properties used for temporary accommodation.
- 2.4 notes the opportunity to participate in the Your Energy Sussex Fuel Poverty Fund, that will use income generated from the scheme to fund fuel poverty and energy efficiency projects across the partnership (draft principles at appendix 1.)

3. CONTEXT/ BACKGROUND INFORMATION

3.1 Nationally, there is clear evidence that a substantial number of consumers are not engaged in the energy market and lack knowledge of how to. A 7,000-strong retail consumer survey run by the Competition and Markets Authority ([Energy Market Investigation report 2016](#)) showed that:

- 36% of respondents either did not think it was possible or did not know if it was possible to change one or more of the following: tariff; payment method; and supplier;
- 34% of respondents said they had never considered switching supplier;
- 56% of respondents said they had never switched supplier, did not know it was possible or did not know if they had done so; and
- 72% said they had never switched tariff with an existing supplier, did not know it was possible, or did not know if they had done so.

The Competition and Markets Authority report indicates that the following broad groups are less likely to engage with the energy market:

- Low incomes – i.e. below £18,000;
- Low levels of academic qualifications;
- Live in rented homes;
- Over 65.

Evidence also suggests a higher degree of energy market disengagement among pre-payment customers, particularly when compared to direct debit customers. One of the reasons for this is because many pre-payment customers match one or more of the broad demographic characteristics outlined above.

3.2 **White Label arrangement – on balance the best available option**

A number of alternative local energy options were considered by Your Energy Sussex, including a partnership with a community-led scheme, collective switching or setting up a fully-licensed energy supply company. A White Label arrangement, whereby an existing, fully licenced energy company provides regulatory compliance and use of all back office functions and systems at no cost to the councils involved, presented the best option for Sussex as a whole.

Benefits include:

- A quicker and significantly cheaper route to market than other options;
- Clear evidence of council-led White Label energy schemes working well in Peterborough, Liverpool, Cheshire East and Leeds;
- Using council endorsement and branding to overcome consumers' lack of trust in energy companies;
- Partner councils will be able to influence the tariffs offered by the energy provider;
- A council-backed partnership will be able to negotiate power purchase agreements with the energy supplier and potentially sell the renewable energy they generate – as well as providing a market for community energy groups;

- Residents will be able to switch supplier at whatever time of year, unlike in collective switching schemes;
- 3.3 The Your Energy Sussex Energy Tariffs, will offer a range of competitive, council-backed electricity and gas tariffs to residents with a focus on good customer service, fairness and transparency. They will be provided by Robin Hood Energy, the not-for-profit energy company set up by Nottingham City Council, under a 'White Label' arrangement. They will be branded as Your Energy Sussex tariffs. Robin Hood Energy has similar, successful, arrangements with a number of other local authorities.
- 3.4 From the outset Your Energy Sussex will offer the following tariffs to Sussex residents:
- Standard variable tariff (SVT) – prices can go up or down on a SVT, tends to be the default tariff for energy suppliers and are unlikely to offer the best price tariffs. Customers 'default' to the SVT at the end of fixed tariff periods unless they actively chose another tariff option.
 - Fixed tariff – you pay a fixed rate for a period of time (usually 12-18 months), tend to be lower rates than SVT, however many suppliers will have exit fees if you wish to change tariff or supplier in the fixed period.
 - Prepayment tariff – this allows you to pay as you go, by topping up a prepayment meter on-line or with a key or card, tariffs are consistently more expensive.

The partnership will work with Robin Hood Energy during the course of the contract to develop a green (renewable electricity) tariff and a tariff for businesses. The contract is between West Sussex County Council and Robin Hood Energy and is for 5 years.

- 3.5 Comparisons with the 'Big 6' energy suppliers in November 2017 showed that the Robin Hood Energy tariffs that will be used by Your Energy Sussex were cheaper across all three tariffs. In addition the contract between West Sussex county council and Robin Hood Energy has specific Key Performance Indicators that will guide tariff prices.
- 3.6 Robin Hood Energy does not currently offer the Warm Homes Discount which is a £140 reduction to certain groups of customer, for example, on pension credit. Like many smaller energy suppliers they have not reached the threshold of customer numbers required to offer Warm Homes Discount. This will be made clear in the partnership's marketing materials and the partnership will identify other ways of supporting low-income and vulnerable groups in Sussex by using any surplus income (see appendix 1).
- 3.7 **Competitive, fair and transparent – with good customer service**

Your Energy Sussex and its delivery partner Robin Hood Energy, which is run by Nottingham City Council, are not-for-profit and focused on residents' needs and providing benefits to customers and the wider community, including:

- **The tariffs** – the aim is for the electricity and gas tariffs to remain consistently competitive, ensuring that residents are always paying a fair price for their energy.
- **Easy switching** – residents will be able to switch quickly and easily through an online portal or Freephone number. The minimum industry switching time is 21 days and it is expected that all switches will be completed within 28 days;
- **No exit fees** – residents signing up for a 12-month fixed energy tariff will have nothing to pay if they change their mind;
- **Customer service** – clear customer service standards are written into the contract and will be monitored by the tariff governance board, which includes representatives from partner local authorities;
- **Clear and helpful communication** – tariff information will be clearly explained on all customer communication. Customers will also be reminded by letter that their fixed-term deal is coming to an end and, unlike many energy companies, Robin Hood Energy will make a follow-up call - an approach that is proven to ensure that 75% of customers remain on a value-for-money fixed tariff;
- **Investment in the local community** – some of the surplus income generated by Your Energy Sussex will be invested back into schemes that benefit residents at risk of fuel poverty. All partners supporting the tariffs will have the opportunity to decide how and where this income is spent (see appendix).
- **Support for social housing tenants** – the partnership is working with social housing providers to switch void properties to the Your Energy Sussex tariff and support tenants on pre-payment meters to move to a more cost-effective solution.

3.8 The Your Energy Sussex brand is being used for the scheme and this will appear on residents' bills and communications alongside the name and logo of the relevant partner authorities. Robin Hood Energy will provide all of the back office functions and systems to meet the requirements of metering and complying with industry codes. The partner authorities involved will assume the bulk of the marketing and promotional responsibility using existing resident-facing communication channels.

3.9 Fuel Poverty Fund

Any surplus revenue generated by the tariff will be used to create a 'Fuel Poverty Fund'. This will focus on reducing fuel poverty in local authority areas where the tariffs have been supported and promoted. It is not expected that the project will generate sufficient revenue to create a meaningful Fuel Poverty Fund for Year 1. More details on the fund can be found in Appendix 1.

3.10 Next Steps

The Your Energy Sussex offer went live in December 2017, wider promotion and marketing efforts, including specifically targeted campaigns will take place throughout 2018.

3.11 Other potential benefits

HRA Voids Tariff Switching Service

The scheme could also offer a void switching service. The service will deal with all aspects relating to the resetting of meters, debt management and supplier transfer when a landlords property becomes void. Accounts will be switched to the competitively priced Sussex Tariff during the void period so that new tenants may benefit from the competitive rates. They will have the option to switch to an alternative supplier at no cost.

Local generation and Power Purchase Agreements

The Sussex Tariff has the potential to provide a market for locally generated energy and offer competitively priced power purchase agreements to the YES local authorities and other partners providing a greater return on investment for existing and future projects. It could stimulate local job creation and keep profits within the local area supporting the local economy.

Smart meters and Smart grid technology

It also provides an opportunity, by working with the energy supply partner, to roll out a programme of Smart metering, specifically targeting pre-payment customers initially, and providing a platform for smarter grid infrastructure in the future. If a void service proceeds all pre-payment meters in void properties that are switched will have a smart pre-payment meter installed.

4. ANALYSIS & CONSIDERATION OF ANY OPTIONS

- 4.1 Several other options were considered within the YES partnership, including WSCC becoming a licensed supplier, license-lite option, a community led initiative and a collective switching scheme. The council has also researched collective switching schemes; however they do not deliver many of the benefits outlined above.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 No consultation or engagement has been carried out at this stage; however this will form a key strand of the project as it develops.

6. CONCLUSION

- 6.1 The scheme provides an opportunity for the council to provide backing to an energy switching scheme that has the potential to benefit many of the city's residents who do not regularly switch energy suppliers. Even where residents choose to switch to an alternative supplier to the Your Energy Sussex tariff scheme, due to the promotion and engagement created through our scheme they will still be benefitting from the savings possible from regular switching. The potential to develop a void scheme could give us the opportunity to start all new tenancies on a competitive tariff with an energy company that provides excellent customer service and goes above and beyond many of its competitors to ensure that those tenants stay on the best tariff for them.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 No direct financial contribution is required. Commitment will be of staff time and existing promotional methods and resources.

Finance Officer Consulted: Name Michael Bentley Date: 05/12/17

Legal Implications:

- 7.2 As the council committee with overall responsibility for the Council's housing functions, including standards of housing in the area, it is appropriate for the Housing and New Homes Committee to receive this report outlining measures to introduce a low cost, high value energy tariff for residents. As the report is mainly for noting, there are no significant legal implications to draw to members' attention. The legal implications of the proposal for a void service for the Housing Revenue Account and leased temporary accommodation will be assessed if or when such a scheme comes to fruition.

Lawyer Consulted: Name Liz Woodley Date: 05/01/18

Equalities Implications:

- 7.3 Equalities impacts have been considered through the service design and will be monitored through the ongoing contract management relationship with the energy supplier.

Sustainability Implications:

- 7.4 The proposed scheme has the potential to support the development of renewable energy schemes in the area which have the potential to reduce carbon emissions for the city.

Any Other Significant Implications:

- 7.5 Public Health Implications:

Strategically addressing cold homes and fuel poverty in vulnerable groups will contribute to the prevention of ill health and excess winter deaths, reduce health and social inequalities, and improve wellbeing and quality of life. Supporting and encouraging residents to pay less for their energy can contribute to tackling cold homes.

- 7.6 Corporate / Citywide Implications:

This opportunity has the potential to help us achieve the city priorities of; improving health & wellbeing and environmental sustainability.

SUPPORTING DOCUMENTATION

Appendices:

1. Fuel Poverty Fund

Appendix A: YES Fuel Poverty Fund Principles

Background

Your Energy Sussex will be offering competitive, high-customer service tariffs to all residents of Sussex through a White Labelling arrangement with Robin Hood Energy.

The tariff will generate income which will be ring-fenced for energy projects within Sussex. This revenue will be received by the Contracting Authority (West Sussex County Council). This document sets out the principles for the use of this revenue for all partners.

Revenue Projections

YES will receive a payment per meter per month in arrears. The total revenue is therefore dependent on customer numbers. As an upper estimate, a 3% market share across of the **whole** of Sussex (approx 40 000 meters) would give approximately £300 000 yearly.

Revenue Usage principles

All revenue will be ring-fenced by WSCC for use by all partners of the tariff. It will **not** be a requirement to be either an affiliate or a strategic YES partner.

Where unspecified, all figures used will be the latest version available on 1 January of that year unless otherwise stated (i.e. 2018 revenue calculations shall be based on figures as at 1 January 2018).

The revenue will be apportioned as below, in order of preference:

1. Cost Recovery

West Sussex County Council will recover their yearly costs relating to contract management and consultancy services required for the ongoing delivery of the project. This shall be reflective of the salary plus on-costs of 1xFTE project manager, plus any consultancy services used in the previous year.

The remaining revenue shall form the 'YES Fuel Poverty Fund'.

YES Fuel Poverty Fund

A Supporting Partner Group shall be formed from signatories to the accompanying letter (attached). Each partner will have one vote on the management of the YES Fuel Poverty Fund.

Supporting Partners will decide on any 'Group Projects' that are to be delivered using the fund. In general, it should be expected that Group Projects will aim to reduce fuel poverty across significant parts of Sussex, however in certain

circumstances Supporting Partners may find it appropriate to focus on certain geographic areas (e.g. off-gas).

Examples of expenditure decided at a group level include:

- marketing activities
- tariff reductions
- a 'Sussex Warm Homes' discount (or other subsidy)
- support for energy efficiency/renewable energy measures (e.g. HHCRO top-up funding)
- additional staff
- support/commissioning of community groups/faith organisations etc to act on the partnership's behalf etc.

Any money left over after Group Projects will be made available to other organisations through Open Funding rounds.

2. Open Funding

Twice yearly (or at the discretion of Supporting Partners) Supporting Partners will announce an Open Funding round. This will be administered on behalf of the group by West Sussex County Council.

All public, third and community sector organisations will be able to bid for Open Funding, limited to a maximum of £20 000 or 50% of the total fund per organisation, whichever is greater.

A bid template will be completed by each bidder and evaluated by Supporting Partners. Scoring criteria shall be set prior to each application round, but it is expected that in order to reward areas with higher uptake of the tariff there will be some points awarded on this basis.

It is expected that each project should be **additional** to what would have already occurred should the grant not have been awarded. No repayment will be required unless otherwise stipulated by the group upon award. Projects should expect to provide updates and be prepared to track the benefits realised.

3. Residual Funds

The Residual Funds leftover after the above steps have been accounted for shall be rolled over into the following year's Fund.

Project Funding

Projects to be funded will demonstrably support energy and fuel poverty ambitions in Sussex.

It is expected that funded projects will achieve one or more of the outcomes identified in the Sussex Tariff tender documentation in at least one local authority area within Sussex. For clarity, these outcomes are:

- reduction in the number of householders in or at risk of fuel poverty;
- increase in households able to heat their house adequately
- help in meeting local carbon reduction and renewable energy targets;
- increased investment in local generation;
- the latest Smart metering technology for customers in advance of the national roll out by 2020;
- access to energy consumption and demographic data in order to identify and support further projects;
- increased effectiveness of targeting fuel poor households

Governance

A Chair shall be appointed by majority vote at the start of every calendar year. This should not be the YES project manager except in exceptional circumstances.

The release of YES Fuel Poverty Fund monies will be managed by the YES project manager, however as a shared fund it is expected that individual projects should be developed, championed and coordinated by willing Supporting Partners and not necessarily WSCC.

Every Supporting Partner shall have one vote and proxies will not be accepted without prior notification to the YES project manager. For the purposes of councils with joint officer structures, these shall be considered as one vote (i.e. Adur & Worthing councils are entitled to one vote between them).

In any tied vote or dispute, the Chair of this board will make the final decision.

Frequency of Review

It is expected that the Supporting Partners will meet quarterly to review progress and decide on any YES Fuel Poverty Fund projects. Every other meeting will include a financial update, with payments being processed afterwards. Project outcomes and benefits will be reported to and monitored by the project group on a yearly basis.

Supporting Partners may agree an amendment to these Fund Principles should at least four partners and a minimum of 75% of attendees at any meeting propose doing so.

Subject:	Housing First		
Date of Meeting:	Housing & New Homes Committee 17 January 2018		
Report of:	Rob Persey, Executive Director Adult Services		
Contact Officer:	Name:	Sue Forrest	Tel: 29-2960
	Email:	Sue.forrest@brighton-hove.gov.uk	
Ward(s) affected:	All		

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

- 1.1 This report is in response to a request at the 14th June 2017 H&NHC meeting that there be a report back to the Committee in a year's time outlining the effectiveness and progress with the Housing First approach to housing rough sleepers.
- 1.2 That a further report be undertaken to identify the potential savings across the Council and other public service providers that are achievable from using additional properties for Housing First.
- 1.3 That such a report is completed by January 2018, in order that any savings identified can inform the budget process of 2018/19.

2. RECOMMENDATIONS:

- 2.1 That the Housing & New Homes Committee note the contents of the report which is provided for information only.

3. CONTEXT/ BACKGROUND INFORMATION**The Housing First Model**

- 3.1 Many homeless individuals have multiple and complex problems relating to drug and/or alcohol dependency, poor physical and mental health, contact with the criminal justice system, and histories of institutional care and traumatic life events.
- 3.2 Support and accommodation is usually offered through a mainstream stepping stone approach by supported accommodation services, however there is a group of people in need in the city for whom this model of accommodation does not work. They tend to have a long history of repeat homelessness (often many years), multiple and complex needs and known to numerous services. This is the cohort of people that have been accommodated through the housing first service.

- 3.3 The Housing First model is recognised as an exemplar of good practice¹ and recent DCLG bids² and large scale responses³ to increasing homelessness nationally have focused on Housing First as an important and innovative model that should be adopted across the country.
- 3.4 The Housing First service is commissioned and funded by Health & Adult Social Care and delivered by St Mungos. The contract is for 10 individuals including 2 young people who were previously looked after aged 18-25 being funded and referred by Children’s Services. The contract has the flexibility to be extended to support additional individuals should further accommodation and funding become available.
- 3.5 This model provides a highly personalised approach to working with individuals with multiple and complex needs recognising the cross department, cross agency impact of these clients.
- 3.6 This model of accommodation and support fits with the aims of the Rough Sleeping Strategy:
- To reduce rough sleeping
 - To reduce revolving door homelessness
- 3.7 Currently the clients of the Housing First service are placed in a variety of accommodation types;

Type of Housing	Number of clients
Temporary Accommodation	2
Private Rented Sector Accommodation (accessed via the Private Rented Sector Access Officer in Housing Options)	1
Social Housing (gained as Homeseekers prior to Housing First going live)	2
Emergency Accommodation	1
Supported Housing (1 high support (shortly disengaging from Housing First) , 1 low support specifically for the Housing First model)	2
Care Home	1 (client is in the process of disengagement from the service)
Training Flat	1
Total	10
Pending	2

¹ <https://www.bigissue.com/news/sajid-javid-i-want-roll-housing-first-britain/>

² <https://www.gov.uk/government/news/40-million-homelessness-prevention-programme-announced>

³ <http://www.ghn.org.uk/shien/wp-content/uploads/sites/5/2017/05/Housing-First-Report-1.pdf>, <https://www.insidehousing.co.uk/news/news/greater-manchester-to-launch-18m-housing-first-programme-53307>, <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/housing-models-and-access/housing-first-feasibility-study-for-liverpool-city-region-2017/>

- 3.8 This profile will change shortly with both clients in TA moving on shortly. The positive move on will be in to social housing under the Care Leavers Protocol as one of the young people concerned has evidenced significant positive change since being supported by Housing First.
- 3.9 There is no intention to use Temporary Accommodation going forward. Better outcomes are evident in the other models used, including low need supported housing and social housing where teams are supportive and aligned with the model.
- 3.10 One client in supported is choosing to disengage with Housing First, he feels the support he was offered has allowed him to make better use of supported accommodation than in the past and he is now able to positively engage with a high support model (he had previously had multiple evictions from hostel services). Another client in supported accommodation is in a low support service via Brighton YMCA specifically delivered to Housing First. This has proved to be a successful model for the client and they are well engaged, managing interpersonal relationships well, including ending a domestically violent relationship, engaging with Victim Support and the police to support criminal charges.

3.11 Aggregate Figures for Evictions/Abandonments Experienced by the Current Cohort

Evictions/Abandonments in the year prior to going into Housing First	Evictions in year 1 in Housing First	Evictions & Abandonment in year 2 in Housing First
14	2	2

3.12 Failures/Breakdowns

Three clients have been evicted whilst accommodated by Housing First and 1 has abandoned their accommodation.

3.13 Clients

The initial cohort was identified as the most entrenched at risk rough sleepers in the City in November 2013. Several clients had significant presenting needs including physical health and suspected mental capacity issues. Several clients expressed a desire for housing but no interest in the model or in engaging with support.

This has led to a change of entrance criteria; new clients need to have capacity to enter into a tenancy, and express a willingness to engage with the model. This does not mean that clients cannot be ambivalent about support, or hard to engage, but they do need to be willing to consider accepting support and recognise that they will be assertively engaged with.

3.14 Landlords

What has worked is when Landlords or Housing providers share the value base of Housing First, recognising housing/a home as a right and the basis for positive engagement, and be willing to joint work with St. Mungo's in a client centred positive risk management style, and adopting a strengths and asset based approach to working with clients.

3.15 **Positive Life Outcomes for clients as a result of engagement with Housing First**

- A baby has been prevented from entering the Care System as a Looked After Child – Mum was able to evidence effective parenting in contrast to her previous pregnancy where she lost her child to the care system
- The longest period of sustaining accommodation in a client's adult life achieved
- Reduction and abstinence from substance and alcohol misuse
- Ongoing engagement with education, voluntary work and training
- Client previously known to MARAC has disengaged from a violent relationship
- Reconnection with family and increased wellbeing recorded
- Huge reduction of engagement with the Anti-Social Behaviour services and Criminal Justice services
- Engagement with Health and Social Care resulting in;
 - Successful cancer treatment
 - Improved mobility due to engagement with health services for two clients
 - Capacity and Cognitive Assessments resulting in a diagnosis of dementia and placement in a suitable placement to best meet needs
 - Improved dental health
 - Improved physical health
 - Significant decline in attendances at A&E

National Research

3.16 There is no doubt that effective interventions to prevent homelessness are the most cost effective and minimises the human cost. Additional financial costs relating to repeat or long term homelessness will be borne by services such as homeless services, the criminal justice system and the NHS. The costs of homelessness⁴ and rough sleeping vary according to individual journeys and circumstances, but a male, rough sleeping for a year with deteriorating mental health and substance misuse issues then accessing supported accommodation for 12 weeks would cost £20,128, and this would rise to £100,000 over 5 years.

3.17 In 2003 and 2008, the New Economics Foundation estimated that a single homeless person, if they were homeless for one year, would cost the UK public purse between £24,500 and £26,000 more than other citizens⁵.

Local Research

3.18 In June 2017, the commissioning team started exploring research options to assess potential system savings. This work has now commenced.

⁴ At what cost? An estimation of the financial costs of single homelessness in the UK
Nicholas Pleace, Centre for Housing Policy, University of York July 2015

⁵ Cited in Department for Communities and Local Government (2012) Evidence review on the costs of homelessness. London: DCLG.

- 3.19 The University of Salford Sustainable Housing & Urban Studies Unit has been commissioned by St. Mungo's in partnership with Brighton & Hove City council and Westminster LBC to undertake a longitudinal study of the Housing First services provided by St Mungo's in both areas. The research will have two specific components, an impact assessment of the St Mungo's Brighton Housing First service, and a longitudinal study of the St Mungo's Housing First services in Brighton and Westminster.
- 3.20 The first stage of the study will focus on use of health, social care and criminal justice services by the participants in the Brighton and Hove service and how their use of these services altered as a result of their engagement with Housing First. The second focus will be a longitudinal study of the clients engaged across services, their journeys and the impact on them and others of their engagement with Housing First. This will include the comparative impact of the two services which differ in inclusion and approach.
- 3.21 The final report will be available in November 2018.
- 3.22 The council is also part of a research project commissioned by the DCLG to look at the impact of the housing first approach on mental health and substance misuse costs which is part the successful Social Impact Bond grant funding for entrenched rough sleepers.

4. CONCLUSION

- 4.1.1 The local Housing First service is a small commissioned service, funded by H&ASC which meets the needs of a number of revolving door clients with complex needs.
- 4.1.2 In 2018 the service will increase to 12 clients within existing resource.
- 4.1.3 This service links with Priority 5 Goal 10 of the Rough Sleepers Strategy and embodies the wider ethos and commitment of the document.

5 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The Housing First contract is included as part of the Housing Related Support budgets within Health & Adult Social Care. The 2017/18 net budget totals £5.169m and the Housing First contract value is £0.128m per annum.

As outlined in the report, there are potential savings that could be made across the council subject to the outcome of the report by the University of Salford in November 2018.

Finance Officer Consulted: Sophie Warburton

Date: 14/12/2017

Legal Implications:

- 5.2 As the Committee with overall responsibility for the council's housing functions, including homelessness, it is appropriate for the Housing and New Homes

Committee to receive this report. There are no significant legal implications to draw to members' attention arising from the report which is for noting.

Lawyer Consulted: Liz Woodley

Date: 8/1/18

5.3 Equalities Implications:

An EIA for the single homeless pathway remodelling has been carried out and this recognises that some groups of people have been excluded or have great difficulty accessing and maintaining accommodation in homeless services due their complex needs and that we require a flexible range of services to offer more personalised support, especially for people with complex needs.

Sustainability Implications:

- 5.4 Housing First is a sustainable way to move people from rough sleeping into accommodation and to support people to maintain their contact with services which are best meeting their needs.

Appendix 1

Crime & Disorder Implications:

- 1.1 Housing First can have a significant positive role in reducing the crime and disorder perpetrated by the individuals within its service and this has been evidenced by the Brighton & Hove pilot.

The service provider works closely with police, probation service and community safety colleagues to ensure services users are supported to reduce their involvement in crime and anti-social behaviour.

Public Health Implications:

- 1.2 The Housing First model has been effective at ensuring that clients access the services appropriate to their health and wellbeing needs, and is contributing to the reduction of health inequalities in relation to homeless people.

Corporate / Citywide Implications:

- 1.3 This service model reduces rough sleeping, which is a corporate priority.

Subject:	Emergency Planning and Resilience – Preventing and Responding to Emergencies		
Date of Meeting:	17 January 2018		
Report of:	Executive Director of Neighbourhoods, Communities and Housing		
Contact Officer:	Name:	Annie Sparks	Tel: 01273 292436
	Email:	annie.sparks@brighton-hove.gcsx.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 On 9th October 2017 a report on Emergency Planning and Resilience – Preventing and Responding to Emergencies was presented to the Neighbourhoods Inclusion and Equalities Committee.
- 1.2 The purpose of the report was to provide Members with an overview of the role and responsibilities of the local authority in relation to emergency planning and resilience and to report how the Council responds to incidents across the City and how it manages risk and maintains resilience.
- 1.3 The report also sought to address the issues brought forward by Members in the Notice of Motion referred from Full Council in relation to ‘Grenfell Tower’. The notice of motion had received cross party support. The Committee Report presented to Members on the 9th October 2017 addressed all the issues raised in the Notice of Motion.
- 1.4 The Committee agreed that because of the relevance to housing tenants that the committee report in Appendix 1 of this report also be presented to the Housing and New Homes Committee.

2. RECOMMENDATIONS:

- 2.1 That committee notes the committee report on Emergency Planning and Resilience – Preventing and Responding to Emergencies presented to Neighbourhoods Inclusion and Equalities Committee on 9th October 2017. This is in Appendix 1 of this report

Supporting Documents:

Appendix 1 : Neighbourhoods Inclusion & Equalities Committee 9th October 2017
Emergency Planning and Resilience – Preventing and Responding to
Emergencies Committee Report and Minutes .

BRIGHTON & HOVE CITY COUNCIL

NEIGHBOURHOODS, INCLUSION, COMMUNITIES & EQUALITIES COMMITTEE

4.00pm 9 OCTOBER 2017

THE BRIDGE COMMUNITY CENTRE, LUCRAFT ROAD, BN2 4PN

MINUTES

Present: Councillors Daniel (Chair), Councillor Moonan (Deputy Chair), A Norman (Opposition Spokesperson), West (Group Spokesperson), Bewick, Cattell, Knight, K Norman, Peltzer Dunn and Simson

Invitees: : Joanna Martindale (Hangleton & Knoll Project); Anusree Biswas Sassidharan (BME Brighton & Hove Police Engagement Group) and Chief Superintendent Lisa Bell (Sussex Police).

20 EMERGENCY PLANNING AND RESILIENCE - PREVENTING AND RESPONDING TO EMERGENCIES

- 20.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities and Housing detailing the emergency planning and resilience measures used by the council in preventing and responding to emergencies. The report had also sought to address the issues brought forward by Members in the Notice of Motion referred from Full Council and set out at item 19 above.
- 20.2 The Civil Contingencies Act 2004, supporting regulations, and statutory guidance, had established a clear set of roles and responsibilities for those involved in emergency preparation and response at a local level. This had included clearly defined duties and responsibilities for local authorities. The purpose of the report was to provide Members with an overview of the role and responsibilities of the local authority in relation to emergency planning and resilience and to report how the Council responded to incidents across the City and how it managed risk and maintained resilience.
- 20.3 It was noted that where possible, emergency planning should be able to prevent emergencies occurring, and when they did occur, good planning should reduce, control or mitigate the effects of the emergency. Emergency planning was an evolving, systematic and ongoing process responding to changes in circumstances, but also from 'lessons learnt' good practice became established. The legislation requires local authorities to have plans in place to not only prevent emergencies but plans to reduce, control or mitigate the effects of an emergency.

- 20.4 In answer to questions it was explained that the recommendations set out in the report had been devised by the Cross Party Working Group. Work was on-going and would form the subject of a further report to Committee in around six months time.
- 20.5 The Chair, Councillor Daniel, commended the report and the work that stood behind it stating that it was both sobering and reassuring. Councillors West and Simson concurred and were of the view however, that it was important to continue to review this work going forward in order to build on experience gained and feedback in order to ensure that systems were in place which were able to respond rapidly and effectively to developing situations. It was important to be robust but not complacent.
- 20.6 Councillor Simson stated that a lot of the work carried out related to housing tenants, it was important for that work to be communicated through the Housing and New Homes Committee. The Executive Director , Neighbourhoods, Communities and Housing explained that this would be done as part of the process and that all relevant committees would receive information which was relevant to their areas of responsibility. Given the overarching responsibilities of this Committee it was appropriate that this report had come to this committee.
- 20.7 The Executive Director of Finance, explained that all of the measures in place would be audited with all of the necessary financial check-weights and counter balances were in place. The Environmental Health Manager, Annie Sparks, confirmed that measures were in place to ensure that the Comms Team would be fully briefed to ensure that the media were fully involved and proactively worked to convey information relating to the location of rest centres etc., if an event was to occur.
- 20.8 Councillor Moonan stated that the level of information provided in the report was useful, a measured and reasonable approach had been adopted which was encouraging as it reassured Members that a range of scenarios had been covered in so far as it had been practically able to do so.
- 20.9 Councillor Bewick also welcomed the report and the fact that further reports would be coming forward to future meetings of the Committee and was glad to note that there was Cross-Party agreement to the approach that had been adopted.
- 20.10 In answer to questions, the Executive Director explained that a staged approach was in place which would ensure that appropriate to the scale and nature of the emergency all Council staff could be utilised.
- 20.11 Councillor Cattell was pleased to note that the measures in place could be applied to a range of different emergency situations including flooding which had been experienced at a number of vulnerable locations around the city over the years. Councillor A Norman concurred in that view and was pleased to note that robust arrangements were in place in the event of severe weather conditions.

- 20.12 Councillor West sought confirmation that the monitoring process would continue following the current task and finish element of the work and it was confirmed that would be so. It was noted that continuing Member level support would be welcomed
- 20.13 The Chair, Councillor Daniel noted that important role which could be played by digital first and that this should be picked up carrying arrangements forward.
- 20.14 **RESOLVED** – (1) That committee notes the review of the council’s emergency planning services as set out in the report and the Internal Audit finding of ‘Substantial Assurance’ in June 2017 in relation to the Council’s emergency planning and business continuity controls;
- (2)The Committee instructs the Chief Executive to write to the Secretary of State for Communities and Local Government:
- i) asking the Secretary to provide information on the timescale for a review of part B of the Building Regulations (2010) that relate to Fire Safety;
 - ii) to request that, in the event that the outcome of the Grenfell Tower inquiry recommends new actions or measures, that the Government will endeavour to work with local Councils in order that any necessary additional funding can be identified;
 - iii) and, in light of the complaints of the Grenfell Tower tenants that their safety concerns were not appropriately acknowledged, to call on the Government to review the guidance and regulation of housing providers concerning tenant participation and scrutiny,
- (3) The Committee recommend a cross party working group is convened to oversee the changes and readiness of the council for emergencies;
- (4) That the Committee instructs officers to bring an annual report to the NICE committee updating on changes and readiness of the council for emergencies;
- (5) That committee instructs officers to bring a further report in 6 months with an update on arrangements being developed with communities and the community and voluntary sector as set out in section 5 of the report; and
- (6) That Committee notes the proposal to run workshop sessions for elected members to understand how we can best support their role in an emergency.

NEIGHBOURHOODS, INCLUSION & EQUALITIES COMMITTEE	Agenda Item 20 Brighton & Hove City Council
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Subject:	Emergency Planning and Resilience - Preventing and Responding to Emergencies		
Date of Meeting:	9th October 2017		
Report of:	Executive Director (Neighbourhoods, Communities and Housing)		
Contact Officer:	Name:	Annie Sparks	Tel: 29-2436
	Email:	annie.sparks@brighton-hove.gcsx.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The Civil Contingencies Act 2004, supporting regulations, and statutory guidance, all establish a clear set of roles and responsibilities for those involved in emergency preparation and response at a local level. This includes clearly defined duties and responsibilities for local authorities
- 1.2 The purpose of the report is to provide Members with an overview of the role and responsibilities of the local authority in relation to emergency planning and resilience and to report how the Council responds to incidents across the City and how it manages risk and maintains resilience.
- 1.3 Emergency planning should aim where possible to prevent emergencies occurring, and when they do occur, good planning should reduce, control or mitigate the effects of the emergency. Emergency planning is an evolving, systematic and ongoing process responding to changes in circumstances, but also from 'lessons learnt' good practice becomes established.
- 1.4 The legislation requires local authorities to have plans in place to not only prevent emergencies but plans to reduce, control or mitigate the effects of an emergency.

2 RECOMMENDATIONS:

- 2.1 That committee notes the review of the council's emergency planning services as set out in the report and the Internal Audit finding of 'Substantial Assurance' in June 2017 in relation to the Council's emergency planning and business continuity controls ;

- 2.2 The committee instructs the Chief Executive to write to the Secretary of State for Communities and Local Government:
- i) asking the Secretary to provide information on the timescale for a review of part B of the Building Regulations (2010) that relate to Fire Safety;
 - ii) to request that, in the event that the outcome of the Grenfell Tower inquiry recommends new actions or measures, that the Government will endeavour to work with local Councils in order that any necessary additional funding can be identified;
 - iii) and, in light of the complaints of the Grenfell Tower tenants that their safety concerns were not appropriately acknowledged, to call on the Government to review the guidance and regulation of housing providers concerning tenant participation and scrutiny,
- 2.3 The committee recommend a cross party working group is convened to oversee the changes and readiness of the council for emergencies;
- 2.4 That committee instructs officers to bring an annual report to the NICE committee updating on changes and readiness of the council for emergencies;
- 2.5 That committee instructs officers to bring a further report in 6 months with an update on arrangements being developed with communities and the community and voluntary sector as set out in section 5 of the report;
- 2.6 That Committee notes the proposal to run workshop sessions for elected members to understand how we can best support their role in an emergency.

3 CONTEXT/ BACKGROUND INFORMATION

Statutory duties and responsibilities

- 3.1 The Civil Contingencies Act 2004 ('the Act') specifically defines an 'emergency' as an event or situation that threatens serious damage to human welfare in a place in the UK, or the environment of a place in the UK, or war or terrorism which threatens serious damage to the security of the UK.
- 3.2 The Civil Contingencies Act 2004, regulations and guidance all deliver a single framework for civil protection in the UK. The Act is separated into 2 substantive parts: local arrangements for civil protection (Part 1); and emergency powers (Part 2).
- 3.3 The Act divides local responders into 2 categories, imposing a different set of duties on each. Those in Category 1 are organisations at the core of the response to most emergencies (the emergency services, local authorities, NHS bodies).
- 3.4 As Category 1 responders the local authority are subject to the full set of civil protection duties as listed below:-
- i. assess the risk of emergencies occurring and use this to inform contingency planning
 - ii. put in place emergency plans
 - iii. put in place business continuity management arrangements

- iv. put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency
 - v. share information with other local responders to enhance co-ordination
 - vi. co-operate with other local responders to enhance co-ordination and efficiency
 - vii. provide advice and assistance to businesses and voluntary organisations about business continuity management (local authorities only)
- 3.5 Category 2 organisations (the Health and Safety Executive, transport and utility companies) are 'co-operating bodies'. They are less likely to be involved in the heart of emergency planning work, but will be heavily involved in incidents that affect their own sector. Category 2 responders have a lesser set of duties - co-operating and sharing relevant information with other Category 1 and 2 responders.
- 3.6 Category 1 and 2 organisations come together to form 'local resilience forums' (based on police areas) which will help co-ordination and co-operation between responders at the local level. Brighton and Hove City Council, along with other Sussex authorities, external partners, Department of Communities and Local Government Resilience and Emergencies Division, and voluntary sector organisations are all members of the Sussex Resilience Forum and this meets regularly to deliver services at a local level but also respond to national emergencies and issues, and thereby ensure compliance with all mandatory elements of the Civil Contingencies Act 2004. This includes a programme of multi agency training and exercising, including the testing of emergency plans. The forum has a Delivery Group which is tasked to help deliver the forum's business plan, including the development and approval of emergency plans, and also monitor action plans from debriefs of specific incidents. **Appendix 1** details the structure and terms of reference for the Sussex Resilience Forum.
- 3.7 Across Sussex there is a Memorandum of Understanding (MOU) to provide a framework by which local authorities in Sussex may call upon each other for support during an emergency. It follows the guidance issued by Cabinet Office in December 2008 in the document entitled "Mutual Aid - Short Guide for Local Authorities". This MOU has just been reviewed by all parties and is an agreement between Category 1 and 2 responders and other organisations to provide assistance with additional resource during an emergency, which may overwhelm the resources of an individual organisation.
- 3.8 The Act requires local authorities and other Category 1 responders to maintain plans for preventing emergencies; reducing, controlling or mitigating the effects of emergencies; and taking other action in the event of emergencies. These should have regard for the arrangements to warn, inform and advise the public at the time of an emergency, and also extends to the provision and management of rest centres that will be required during such an emergency when our communities and the public are displaced.
- 3.9 The legislation requires plans to contain a procedure for determining whether an emergency has occurred; provision for training key staff; and provision for

exercising the plan to ensure it is effective. Procedures should also be put in place to ensure that the plan is reviewed periodically and kept up to date.

- 3.10 The main focus for emergency planning is to consider how to minimise the effects of an emergency, starting with the impact of the event (ie their alerting procedures) and looking at remedial actions that can be taken to reduce effects. Recovery plans should also be developed to reduce the effects of the emergency and ensure long term recovery.
- 3.11 An incident command model of Gold (Strategic) Silver (Tactical) and Bronze (Operational) is used by category 1 and 2 responders for the command and control of emergencies, incidents and planned operations. This provides a framework for delivering a strategic, tactical and operational response. The Council's Executive Leadership Team (ELT) operate a 24 hour standby GOLD rota and are prepared and ready to respond and be part of a Strategic multi agency GOLD team relating any incident emergency or planned event. In the Council we have staff who are trained and prepared to respond to an incident and be SILVER and BRONZE responders. The latest GOLD SILVER and BRONZE framework we had in place was during Pride 2017. The Executive Director Neighbourhoods, Communities and Housing was GOLD command, colleagues from Events, Regulatory Service and Highways were based in Lewes Police Headquarters as a SILVER response and colleagues across a range of services were in the City responding as BRONZE.
- 3.12 Members of ELT regularly take part in Emergency planning exercises, where a test scenario is played out and their responses are tested. The last exercise was held in March 2017 when the Executive Leadership Team was part of a day long GOLD test exercise working with colleagues across Sussex on a scenario that not only tested their role, response and preparedness but also the emergency plans that we have in place.

Preparedness and Modernisation

- 3.13 The Emergency Planning and Resilience Service is a part of Regulatory Services in the Neighbourhoods, Communities and Housing Directorate. It is a cross cutting service that works with the majority of council services, but also works with our partners, communities and third sector organisations. Throughout the year the service operates a 24 hour standby service preventing and responding to incidents. The staff undertake regular training and exercises to maintain their skills including specific emergency planning training, and management and testing of business continuity is part of the team's work.
- 3.14 On the 6th July 2016 the Council's Executive Leadership Team authorised a corporate modernisation programme for the emergency and resilience service. This corporate redesign and change process identified the need to introduce better risk management and more effective and efficient ways of working.
- 3.15 The majority of the modernisation work has now been completed and has included:
- how we review the recording and management of incidents,
 - how incident debriefs are managed,
 - how associated findings are implemented

- a review of the provision and management of Rest Centres
 - a review of how our emergency and business continuity plans are assessed and tested.
- 3.16 The status and frequency that emergency plans are tested is now reported to the Executive Leadership Board quarterly with the Council's risk register, and thereby ensures that risk and resilience in relation to plan management and testing is routinely scrutinised.
- 3.17 In June 2017 an internal audit of emergency planning and business continuity was carried out and identified 'Substantial Assurance' over the controls operating within the area.
- 3.18 The provisions and management of rest centres has been part of the modernisation process. The Council has always had a pool of council staff volunteers who can be called upon in an emergency and this includes a pool of rest centres that can be accessed across the City. This currently includes a standby rota of Adult Social Care managers who are able to open and manage a rest centre should it be required.
- 3.19 To improve resilience the modernisation programme has introduced a new contracted rest centre manager role that will be part of a structured year round rota made up of 8 trained rest centre managers. This is in addition to a new 'emergency responder role'. These posts will be held by trained council staff and be a contracted role in addition to their substantive posts. These posts are currently being recruited to and should be in place by December 2017
- 3.20 In addition to the 24 hour standby service provided by the Emergency Planning and Resilience Team our Housing service also operate an out of hours rota of experienced officers who are also on standby 24 hours a day and who can advise and assist people in these circumstances. The access to this for services is via Carelink or Mears (for council tenants/properties) which operate 24 hours call centres. Officers assess the person's needs and circumstances and discuss their options for alternative housing. If the person affected is a homeowner or private sector tenant we would advise them to contact their (or their landlord's) buildings or contents insurers who normally make provision for alternative accommodation in such circumstances. If they are not covered by insurance or if they are a council tenant then the officer would talk through whether they could stay with friends or family and if there is no other option the Council would provide them with emergency accommodation. The council has a statutory duty to provide emergency accommodation to anyone who would otherwise be homeless as a result of an emergency such as a fire or flood. The cost of this would be recouped from insurance if at all possible.

Council Housing

- 3.21 For council housing, the Council as landlord has additional duties to residents. The Emergency Planning and Resilience duty out of hours officer will be the first point of contact for any emergency and in turn will contact colleagues in Housing where a response and support is needed. Out of hours Housing Staff are contracted to access any of our sites within an hour of a call and Mears contractors and AP

security are also available to attend any significant incidents on our behalf to deal with any structural, security and maintenance issues that happen as a result of an incident.

- 3.22 The duty out of hours Housing Staff would lead on defining what support and resource is needed to support residents and manage the impact of the incident. Staff have access to a large number of community rooms as do Tenant and Resident Associations and we often find that residents open up these rooms themselves for neighbours who might be displaced as a result of an emergency in advance of a formal rest centre or where an incident is not so significant that a rest centre would be required. It is often a joint effort between council officers, contractors, residents, and voluntary sector agencies to support people who are displaced as a result of an incident.
- 3.23 During major incidents housing staff will attend a rest centre and provide advice and assistance on site. Housing staff and housing contractors are also sometimes called in to mitigate against the need for a large decant. For example in one case the water supply and lifts failed in a council tower block for a few days. Housing staff and contractors made regular deliveries of drinking water to people in the block for several days to avoid the need to decant most people from the block.
- 3.24 The same situation also occurred in a privately owned tower block and housing staff also assisted but the cost of staff was reclaimed from the building owner's insurance. Other examples have included providing security guards to patrol where the door entry of a seniors housing scheme fails or providing food and other essential items to people with mobility problems in tower blocks where the lifts are out of action for a period of time.
- 3.25 There are a number of significant incidents every year that housing become involved in. Some examples of the larger scale complex incidents are as follows:
- 3.26 In July 2009 there was a major fire at YMCA Old Steine which was then a supported housing service for 60 men with complex needs. All 60 became homeless. The fire occurred late afternoon and by the time the council were alerted most staff had left work for the day. Staff remaining in the office stayed on and worked through to the early hours to ensure all of the residents had their needs met and were rehoused. The council set up a rest centre and transported the homeless residents to the location.
- 3.27 No one was injured as a result of the fire but some were very distressed and had serious mental health issues. Many of the residents were on medication so we arranged for a GP and nursing staff to attend and provide prescriptions as required. The 24 hour pharmacy was alerted and staff were transported by the Red Cross to collect prescriptions. The Red Cross also provided packs with emergency items such as toiletries and a change of clothing. Because of the complex nature of the residents, rest centre staff, social workers, housing staff and YMCA staff who were key workers worked together at the rest centre.
- 3.28 The police and ambulance service also attended to provide additional support as needed. It was a very challenging evening as we were required to find 30 units of temporary accommodation and in some cases those displaced had very complex

- needs. However we did manage to accommodate every person and every person left with the medication and essential items required to meet their basic needs. No one had to spend the night at the rest centre.
- 3.29 Following the night of the incident colleagues from housing were the points of contact for each resident while alternative longer term accommodation was found and also ensure they were linked in to appropriate support services.
- 3.30 There was learning from this incident that more staff were needed on the ground who were experienced in working with this client group due to the complexity of their needs. This has been addressed through an arrangement with Brighton Housing Trust and the Street Services Team who are now on call to assist with the staffing of a rest centre required for this client group in the future, and operate it from First Base.
- 3.31 In December 2009 there was a gas leak which affected some council properties in Ingram Crescent. 60 Households had to be decanted. A rest centre was set up in a nearby community room which was staff by rest centre staff and housing staff. No one had to stay the night at a rest centre and the majority of people who could not stay with friends or family were accommodated in a large town centre hotel.
- 3.32 The following day most people could return home but the 21 households who could not and needed emergency accommodation were all relocated to the hotel. Housing staff set up a base in one of the conference rooms of the hotel where residents could come and see housing colleagues during the day 7 days a week until they were able to return home. Housing staff provided them with allowances for meals.
- 3.33 Housing had a regular morning meeting with the displaced residents where they updated them and also met with them individually to check that they had essential items and whether or not there were any emerging needs as a result of the time away from home which we sought to address (e.g running out of medication, clean clothes).
- 3.34 Housing colleagues also gave the affected residents information about how they could make insurance claims for any losses as a result of the situation. The council also pursued for full cost recovery from South Gas Network Insurance.
- 3.35 Housing Staff work closely with Emergency Planning and Resilience Team and other services to ensure their staff are up to date and able to respond to incidents. Learning from any incidents that occur and reviewing and updating our procedures is a key part of this work. Housing staff recently held an Emergency Planning Exercise day with other teams and agencies where a scenario of a major incident was tested. This was to develop and test staff ability to deal with an incident and to ensure that they are fully aware of the options and resources available to them.
- 3.36 **Provision of rest centres**
- 3.37 The provision of rest centres across the City is constantly under review and this includes council owned premises, including sheltered accommodation and libraries, community buildings, and hotels. Hove Town Hall was an identified rest

centre and during the refurbishment it's use was suspended but it is now back in use. All rest centres have been assessed and are part of register which includes details of capacity, facilities, contact and access details. Across the City we currently have 34 rest centres with capacity ranging from 40 to 3000. In addition we have a number of hotels who have also offered facilities should we need them.

3.38 Proposals for support of Elected Members

3.39 The role of elected members in supporting their constituents during an emergency is recognised as an important element of the Council's response to a major incident. In order to understand how officers can best support elected members in their role in an emergency, workshop sessions have been planned to take place for insert date and the feedback from these sessions will then be incorporated into the Council's emergency and resilience plans.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 None.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 When preparing and planning for emergencies the legislation and guidance specifically references the potential role of voluntary organisations which could assist in responding to an emergency.

5.2 Our communities and the voluntary sector are able to provide a wide range of skills and services in responding to an emergency. These include: practical support (such as first aid, transportation, or provisions for responders); psycho-social support (such as counselling and helplines); equipment (radios, medical equipment); and information services (such as public training and communications).

5.3 Recent events in Manchester and London demonstrated the value of our communities when responding to an incident. However, it is not just the immediate response to an incident. Recovery may take months or even years to complete, as it seeks to support affected communities in the reconstruction of the physical infrastructure and restoration of emotional, social and physical well-being. The process of rebuilding, restoring and rehabilitating the community following an emergency or disaster, continues until the disruption has been rectified, demands on services have been returned to normal levels, and the needs of those affected have been met. This is not just down to local authorities and other category 1 responders. Again recent events in Manchester and London demonstrated the value, resource, expertise and local knowledge and intelligence that our communities have.

5.4 The Council's Executive Director for Communities, Neighbourhoods and Housing recently met with community representatives from across the City to explore the role that our communities play preventing, and responding to emergencies and incidents. This is the first of a programme of meetings that will be integrated into the emergency planning work that is delivered by the council and it's partners, and will ensure that delivery of emergency planning portfolios does not just focus on

the role of category 1 and 2 responders but ensures that communities are also part of this work and define their role when preventing and responding to emergencies and incidents. Working with Community Works the council is seeking a bottom up approach that enables communities to do what they do best in emergencies and makes best use of the resources and energy of our city's communities. Comment from Community Works :-

"Community Works is pleased to be part of the Emergency Planning and Resilience work. The need for support to be provided to communities experiencing emergency situations and crises requires knowledge of the community and their needs. The Community and Voluntary Sector has close links with the communities it serves and can respond to various needs within those communities in the immediate aftermath of an event and help the community to increase their resilience when rebuilding after an event. The sector will support all responders in working with communities to identify what support is needed and work with communities to ensure support is received where it is needed."

6. CONCLUSION

- 6.1 How local authorities prevent and respond to emergencies and incidents is clearly defined in legislation and statutory guidance. Emergency planning is an evolving, systematic and ongoing process responding to changes in circumstances, but also from 'lessons learnt' good practice becomes established.
- 6.2 The modernisation of the Emergency Planning and Resilience Service has ensured that measures and procedures are in place to manage risk and ensure resilience. This includes the provision and testing of emergency and business continuity plans, and the provision and management of rest centres.
- 6.3 The recent internal audit of business continuity and emergency planning identified 'substantial assurance'.
- 6.4 Recent events in Manchester and London have demonstrated the support, resource and value that our communities and Voluntary Sector organisations can play responding to an incident and also during the recovery phase. The potential benefits are significant and the engagement of our communities and the Community and Voluntary Sector is vital to achieve effective response to an emergency, and ensure an effective recovery. How we work and collaborate with our communities to prevent and respond to emergencies is embedded in the aims and objectives of the council's Neighbourhoods and Communities Portfolio. This portfolio is focused on the successful and genuine collaboration of residents and partners and is designed to be flexible and responsive to residents' needs and changing circumstances. All this is needed when preventing and responding to emergencies and incidents.

7. FINANCIAL & OTHER IMPLICATIONS:

7.1 Financial Implications:

There are no direct financial implications arising from this report. The 2017/18 net budget for the Emergency Planning and Resilience Service in the Neighbourhoods Communities and Housing Directorate is £0.122m. In an emergency, staff and other resources across the council are deployed as and when needed and these costs are met from within current budget resources, After an emergency, insurance claims or government grant claims are made to reimburse the council where possible.

Finance Officer Consulted: Monica Brooks Date 31/08/17

7.2 Legal Implications:

The legal obligations of the Council in relation to Emergency Planning are set out in the body of the report. There are no further legal implications to note.

Lawyers Consulted: Elizabeth Culbert Date 4th September 2017

7.3 Equalities Implications:

This work supports the recommendations of the Fairness Commission through its recognition of the pivotal role of the Community & Voluntary Sector and the excellent contribution of ordinary people in the city. The work with our communities focuses on co-production and collaboration.

Improving the accessibility of council owned buildings will help address equalities issues for residents and staff with disabilities. Working more closely with community groups will help ensure that the diversity of local neighbourhoods is more fairly represented.

7.4 Sustainability Implications:

7.5 Any Other Significant Implications:

SUPPORTING DOCUMENTATION

Appendix 1 Sussex Resilience Forum : Terms of Reference and Structure Introduction to the Sussex Resilience Forum

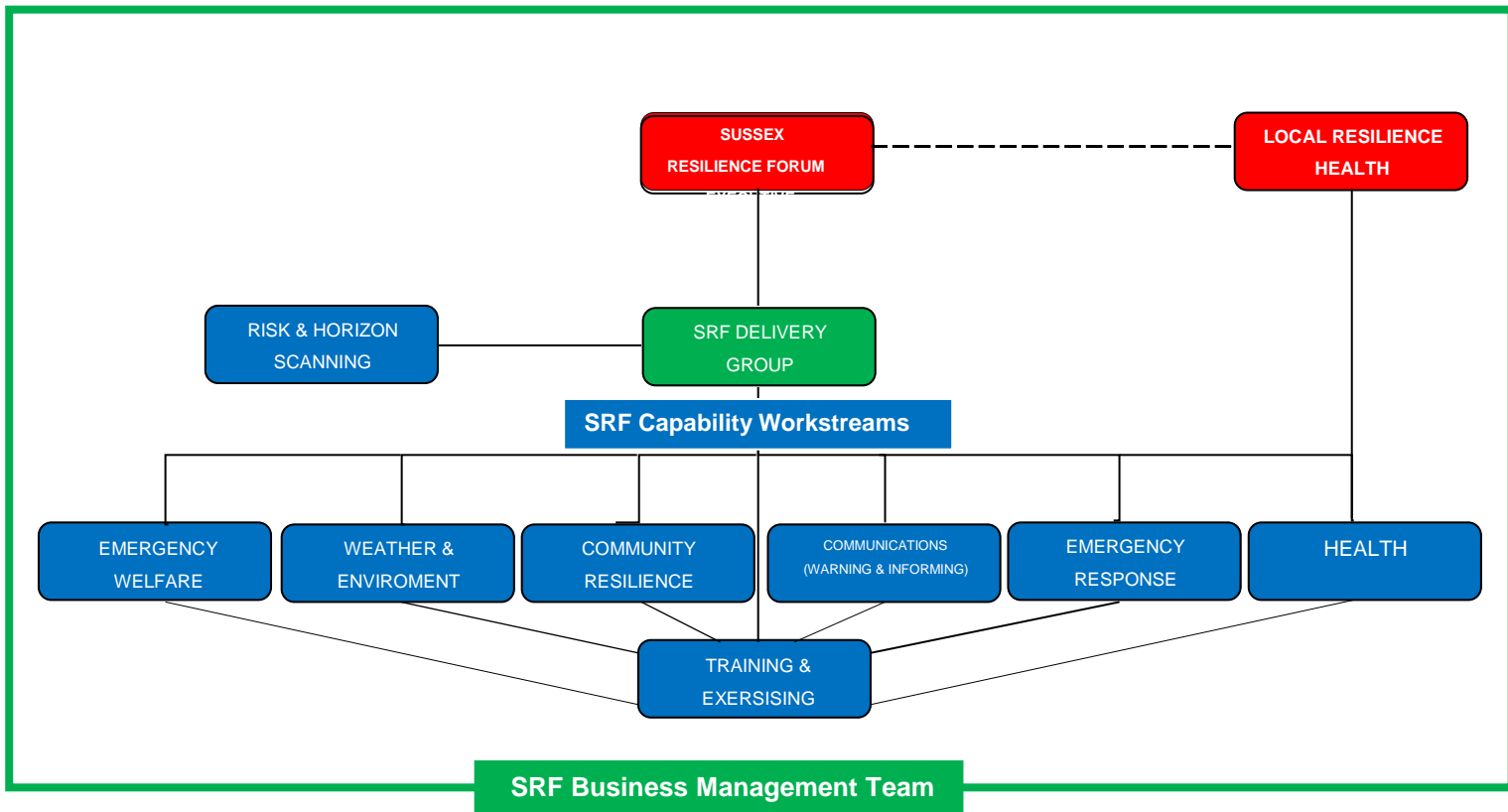
The Sussex Resilience Forum is a non-statutory forum and consists of members from the Emergency Services, National Health Service / Public Health England, Local Authorities, Environment Agency and Military and other government representatives, with comprehensive support from the Voluntary Sector coming together with the principle aim of 'Making Sussex a Safer Place'

The role of the SRF is to establish through a collective forum, responsibility and a collaborative approach to, plan, prepare, and communicate in a multi-agency environment in line with the Civil Contingencies Act 2004 and associated regulations to address all aspects of policy in relation to:

- risk;
- planning for emergencies;
- planning for business continuity management;
- publishing information about risk assessments and plans;
- arrangements to warn and inform the public; and
- other aspects of civil protection duty, including the promotion of business continuity management by local authorities; and
- support the preparation of multi-agency plans and other documents, including protocols and agreements and the co-ordination of multi-agency exercises and other training events, so that we actively learn and drive continuous improvement

A key objective of the forum is to ensure compliance with all 'mandatory' elements of the Act as noted, whilst still aspiring to achieve the rest, and the forum adopts an integrated risk approach to ensure appropriate prioritisation of work, details of which are available in its business plan which is updated on an annual basis, and available from Resilience Direct.

Structure & Terms of Reference



Capability Work stream will be tasked through an annual joint work plan with areas of responsibility as set out below;

Emergency Welfare	Evacuation & Shelter, Identifying Vulnerable People, Emergency Assistance, Gridlock, Fuel, Recovery (incl. Pollution / Emergency Waste Management (site clearance)
Weather & Environment	Adverse Weather Framework, Multi-agency Flood Plans, Animal Diseases, Reservoirs.
Community Resilience Partnership	Community Resilience (Incl. Business Continuity Promotion) & Voluntary Sector
Communications (Warning & Informing)	Warning & Informing, Social Networks, Website.
Emergency Response	SERR including TAG's, TCC's SCC and SCG. JESIP, Hazmat/CBRNE, Mass Fatalities, Maritime, Military Aid, Category 2, Telecoms Sub Group
Health	Pandemic (emerging diseases), Mass Casualties, STAC, LHRP Planning
Training & Exercising	Planning and delivering the SRF training prospectus, identifying training requirements, exercise planning.

SRF Executive - Terms of Reference

The Sussex Resilience Forum Executive provides the mechanism for an executive overview of compliance with the requirements of the Civil Contingencies Act and Regulations by Category 1 and 2 responders with a focus on making Sussex a safer place, ensuring that the arrangements are in place, including resources and funding, to deliver the annual work plan and to address under performance

The SRF Executive is chaired by a Senior Sussex Police Officer and allows for like organisation representation, and membership, consisting of both individual Category 1 organisations and representatives nominated from their peer group

The Chair will be reviewed on an annual basis.

The current agreed membership is as follows:

Chair, plus:

- Local Authorities -5 members (East Sussex County Council, West Sussex County Council, Brighton and Hove City Council, Districts and Boroughs West , Districts and Boroughs East)
- Response Services-6 members (East Sussex Fire & Rescue Service, West Sussex Fire & Rescue Service, South East Coast Ambulance Service, Sussex Police, Marine and Coastguard Agency, and Environment Agency)
- Health-3 members (PHE, LHRP x 2)

Total: 15 members

Other colleagues are represented: Voluntary Sector, Joint Regional Liaison Officer, and Department of Communities and Local Government Resilience and Emergencies Division.

The SRF Executive will be responsible for setting the strategic direction for the SRF and capabilities planning and agree the high level work plans considering current risk and threat information and future challenges.

The SRF Executive will have two meetings per year represented by the Executive membership but may call a special meeting outside of this by exception where it is felt necessary by the Delivery Group or by any member of the executive

The SRF Executive will monitor the performance of the SRF Delivery Group and related work streams including the delivery of the annual business plan and the financial and business arrangements of the SRF.

Additionally, each member of the Executive has an individual responsibility to co-ordinate the contribution of their organisation to the delivery of the objectives of the SRF and their own organisation's compliance with the CCA, related Regulations and guidance as issued by Central Government. Where an Executive member is representing a collective group, they should ensure that they liaise with other executive leads of the respective organisations to ensure the same functions as if they were a member.

Additionally the SRF Executive will:

- Champion the promotion of the SRF role and links to wider strategic initiatives (e.g. crime & disorder partnership)
- Ensure representation at the LRF National Chairs Conferences
- Monitor membership to the executive role and that members or their nominated deputy has the ability and authority to make decisions in respect of their organisation's resources and assets without the need to refer back and also have the authority to seek the aid of others in support of their role.

Maintain an oversight role in respects to the development and sign off.

Subject:	Housing Revenue Account Budget and Capital Investment Programme 2018/19 and Medium Term Financial Strategy		
Date of Meeting:	17 January 2018 – Housing & New Homes Committee 8 February 2018 – Policy, Resources & Growth Committee 22 February 2018 - Council		
Report of:	Executive Director for Finance & Resources Executive Director for Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Monica Brooks Martin Reid	Tel: 01273 292279 01273 293321
	Email:	Monica.brooks@brighton-hove.gov.uk Martin.Reid@brighton-hove.gov.uk	
Ward(s) affected:	All		

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

- 1.1 This report presents the proposed Housing Revenue Account (HRA) revenue and capital budget for 2018/19 as required by the Local Government and Housing Act 1989. Members are required to consider the revenue budget proposals including savings and service pressures as well as changes to rents, fees and charges and also the capital programme. This report also sets out the Medium Term Financial Strategy and 30 year financial forecast.
- 1.2 The HRA contains the income and expenditure relating to the council's social landlord duties of approximately 11,590 properties and 2,870 leasehold properties. The income and expenditure relating to these properties, including rent rebates, is accounted for separately from the council's other services and activities which form part of the council's General Fund.

2 RECOMMENDATIONS:

- 2.1 That the Housing & New Homes Committee:
- (a) recommends that Policy, Resources & Growth Committee approves and recommends to full Council the updated HRA revenue budget for 2018/19 as shown in Appendix 2;
 - (b) recommends that Policy, Resources & Growth Committee approves and recommends to full Council the capital programme expenditure and

financing budget of £36.344m for 2018/19 and notes the 3 year programme as set out in Appendix 4;

- (c) approves a rent reduction of 1% in line with government legislation as detailed in paragraph 3.13;
- (d) approves service charges and fees as detailed in Appendix 3;
- (e) notes the HRA forecast outturn for 2017/18 in Appendix 1 of a £0.425m underspend;
- (f) notes the Medium Term Financial Strategy and 30 year financial projections shown in Appendix 5;
- (g) notes the Integrated Service and Financial Plan (savings proposals) in Appendix 6

2.2 That the Policy, Resources & Growth Committee:

- (a) recommends that full Council approves the updated HRA revenue budget for 2018/19 as shown in Appendix 2;
- (b) recommends that that full Council approves the capital programme expenditure and financing budget of £36.344m for 2018/19 and notes the 3 year programme as set out in Appendix 4;
- (c) notes the HRA forecast outturn for 2017/18 in Appendix 1 of £0.425m underspend;
- (d) notes the Medium Term Financial Strategy and 30 year financial projections shown in Appendix 5;
- (e) notes the Integrated Service and Financial Plan (savings proposals) in Appendix 6

2.3 That the full Council:

- (a) approves the updated HRA revenue budget for 2018/19 as shown in Appendix 2;
- (b) approves the capital programme expenditure and financing budget of £36.344m for 2018/19 and notes the 3 year programme as set out in Appendix 4;

3 HRA BUDGET STRATEGY

3.1 The HRA Budget aims to balance the priorities of both the council and council housing residents within the context of the Housing Strategy 2015, and the Corporate Plan 2015-2019 which set out the overall direction for the council over the 4 year period. The council's purpose and ambition as a local authority

for the city is to provide strong civic leadership alongside value for money, quality public services that aim to protect the vulnerable and reduce inequality. The Housing Strategy priorities included in developing the HRA Revenue Budget and Capital Programme are:

Priority 1: Improving Housing Supply

- Provide more council housing, through the New Homes for Neighbourhoods programme, and use Right To Buy (RTB) receipts to fund new housing;
- Support the Housing and Budget Strategies through ongoing council housing stock reviews to deliver conversions of existing under-used or unused buildings or spaces into Temporary Accommodation;
- Commission new adapted homes and ensure best use of existing adapted / accessible housing in order to promote independent living demonstrated to deliver significant cost benefits;
- Support households wanting to downsize to increase supply of available family housing;
- Purchase of homes by the HRA, both through the right of first refusal on ex council properties and on the open market (subject to business cases) to meet identified needs;
- Early intervention for families struggling with accommodation including money advice and tenancy support.

Priority 2: Improving Housing Quality

- Continue to promote the highest possible building, space and environmental standards in all new council homes being built to high sustainability levels;
- Continue to improve council housing sustainability standards and maintain 100% achievement of the council's housing stock meeting the Decent Homes Standard and invest in other priorities that promote the health and wellbeing of our residents
- To continue to meet our landlord obligations with regards to health and safety, including continuing to review and enhance fire safety measures for residents;
- Continue to review the energy efficiency performance of our housing stock, our approaches for future improvement and support for initiatives to reduce fuel poverty.

Priority 3: Improving Housing Support

- Ensure that as services are reviewed, they are accessible and safe for all;
- Improve front facing customer services at Council Housing Offices;
- Continued investment in specialist tenancy management and support services to support vulnerable council housing residents and work with Community Safety to resolve housing issues and harassment in a timely manner;
- Ensure that adaptations are done at the right time to support people to stay in their homes when they want to;
- Support people to 'downsize' when they choose and provide a range of options for them, including accessible tools to support decision making;

- Better links between seniors housing schemes and surrounding communities;
- Ensure new housing development includes community spaces, where resources allow.

HRA Asset Management Strategy

- 3.2 The HRA Asset Management Strategy acts as a link between Housing Strategy priorities and investment programmes. In 2016 the HRA Asset Management Strategy was agreed following extensive consultation and work with residents.
- 3.3 The key priority objectives of the strategy are to:
- Invest in homes and neighbourhoods to provide safe, good quality housing and support services;
 - Support new housing supply;
 - Ensure financial viability within the Tenancy Strategy.
- 3.4 The proposed Capital Investment Programme supports all 3 of these objectives. For example, one of the key aims of the provisional investment programme is to continue to achieve full compliance with the Brighton & Hove Standard. This standard, developed with residents, helps to ensure that homes are safe, fit for use, have reasonably modern facilities, and supports occupiers to keep warm.
- 3.5 In September 2017, an Asset Management Strategy Review was reported to Housing & New Homes Committee specifically in relation to health and safety. The report developed upon the Asset Management Strategy by seeking to embed further improved policies to provide a framework to ensure continued improvement in compliance and safety in homes and better access to information for residents. This report also gives an update on the proposals to retro fit sprinklers (subject to consultation with residents) in high rise blocks in the City as an enhanced fire safety measure. Committee agreed to approve the Asset Management Strategy Review in principle, subject to consideration of the detailed Capital Programme in January 2018, which is shown at Appendix 4.

HRA REVENUE BUDGET PROPOSALS 2018/19

- 3.6 The HRA is a ring-fenced account which covers the management and maintenance of council owned housing stock. This must be in balance, meaning that the authority must show in its financial planning that HRA income meets expenditure and that the HRA is consequently viable.
- 3.7 Although the HRA is not subject to the same funding constraints as the General Fund it still follows the principles of value for money and equally seeks to improve efficiency and achieve cost economies wherever possible. Benchmarking of both service quality and cost with comparator organisations is used extensively to identify opportunities for better efficiency and service delivery.
- 3.8 The HRA budget for 2018/19 is shown in Appendix 2 with the main budget variations, proposed savings, service pressures and other changes. Savings of

£0.655m have been identified and include a number of efficiencies such as further savings from the procurement of the gas servicing contract, a reduction in responsive repairs expenditure and a reduction in employee costs as detailed in Appendix 2 (note 2) and Appendix 6.

3.9 The budget also provides funding of £0.847m for the following service pressures (detailed in Appendix 2, note 3):

- increased resources to strengthen the contract management function (client side) in relation to the repairs and maintenance contract. This includes 1 Full Time Equivalent (FTE) Contract Manager and 1 FTE Leaseholder Support post;
- an increase in resources to form a project team in respect of the preparation for the re-procurement of the repairs and improvement contract,
- increased resources (3 FTE posts) in support of continued compliance with and enhancement of health & safety measures in our housing stock including a proposed programme of retro-fitting sprinklers to high rise blocks;
- further resources (3 FTE posts) for the re-housing team due to the extra workloads partly as a result of new build properties becoming available;
- resources for the Income Management Team to undertake focused preventative work relating to the introduction of Universal Credit. The level of resources for this is anticipated to be 3 FTE posts over a period of 3 to 5 years, but this will be reviewed once the new benefits system is embedded;
- a contribution to Children's Centre Services to ensure sustainability of this valuable service to council tenants;
- The net effect of a reduction in rental income as a result of government guidance to reduce rents by 1% offset by new lets at target rents.

3.10 The net revenue budget results in a surplus of £25.555m which is shown as 'Direct Revenue Funding' (within expenditure) at Appendix 2, which will be used to support the capital programme.

3.11 Rents are calculated in accordance with government guidelines. Rent restructuring rules still apply and Target Rents for each property are calculated based on the relative property values, bedroom size and local earnings. Target Rents will apply to the granting of all new tenancies.

3.12 For a number of years government guidance in relation to annual rent increases was that increases should be limited to Retail Prices Index (RPI) + ½% + £2 per week in order to provide some protection to tenants whose actual rents were increasing to reach the calculated Target Rent. From April 2015 government guidance revised annual increases to Consumer Price Index (CPI) + 1%. This change removed the flexibility of social landlords to increase social rents each year by an additional £2 where rents are below target, resulting in lower annual rental increases over the long term.

3.13 In addition, from April 2016, the Welfare Reform and Work Act 2016 requires rents to be reduced by 1% per annum for 4 years, commencing from 2016/17.

For 2018/19 this represents an average reduction of £0.84 per week, reducing the average weekly rent to £83.60 per week.

- 3.14 However, tenants will see rent increases again from 2020 as on 4 October 2017 the Department for Communities & Local Government (DCLG) announced that “increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020”.
- 3.15 Rents are not calculated to take into account any service charges and only include charges associated with the occupation of a dwelling, such as maintenance of the building and general housing management services. Service charges are therefore calculated to reflect additional services which may not be provided to every tenant or which may be connected with communal facilities rather than to a particular occupation of a house or flat. Different tenants may receive different types of services reflecting their housing circumstances. All current service charges are reviewed annually to ensure full cost recovery and also to identify any service efficiencies which can be offset against inflationary increases, to keep increases to a minimum. The proposed fees and service charges for 2018/19 are set out in Appendix 3.
- 3.16 The projected level of HRA reserves at 31 March 2017 is also shown in Appendix 2 note 5.

HRA CAPITAL PROGRAMME 2018/19

- 3.17 The Housing Capital Programme seeks to provide substantial investment in the council’s housing stock and improve the quality of homes. The implementation of the proposed programme will take account of all relevant best practice guidelines and has been informed by the priorities agreed in the HRA Asset Management Strategy and the Asset Strategy Review report to Housing & New Homes Committee 20 September 2017. The proposed programme for 2018/19 and the funding arrangements totalling £36.344m are shown in Appendix 4. This programme does not include any re-profiling identified from the 2017/18 targeted budget monitoring.
- 3.18 The Capital Programme is a key part of implementing the main aims of the long-term asset management approach, which aims to maximise investment in homes and support reductions in responsive repairs need whilst providing safe, good quality housing and support services, and also supporting new housing supply and financial viability for the HRA. Other assets, such as car parks and garages, receive investment to ensure both health and safety compliance and best use of these assets. The programme for 2018/19 includes £1.050m investment in a new housing management IT system as recommended to Policy, Resources & Growth Committee by Housing & New Homes Committee in June 2017.
- 3.19 The council is committed to having robust arrangements in place to help ensure the health and safety of all of those using and visiting the council’s assets to a reasonable level. This is a key responsibility, and as such, through the capital programme proposals it is ensured that the investment required is maintained and made available ahead of other investment decisions. This includes good practice procedures and resources to support the management of asbestos, fire risk, legionella, gas and electrical equipment, amongst others. We continue

to work proactively with partners, including East Sussex Fire & Rescue Service, to ensure we review our Asset Management Strategy and capital programme to reflect and embed emerging advice and best practice to enable continued improvement in overall health and safety in our homes. As a result of our most recent Asset Management Strategy Review (reported to committee in September 2017) the Capital programme includes proposals for increased HRA funding for enhanced works to reduce fire risk. This budget will also help support the proposed projects to install sprinklers in high rise blocks (subject to consultation with residents), as set out in previous committee reports.

- 3.20 The Capital Programme targets investments that will ensure that the HRA maintains, and improves, where possible, the quality of housing. The programme will support the delivery of the following commitments:
- To maintain 100% achievement of properties meeting the government's Decent Homes Standard and the local Brighton & Hove Standard over the medium term.
 - To ensure that all homes are as suitable as practicable for the needs of their occupants, in line with council policy. For example, there is a substantial investment commitment to providing adaptations and to reducing overcrowding in the programme.
 - To ensure homes are energy efficient and that we continue to improve the energy performance of our housing stock, including through modern heating systems to reduce carbon emissions and resident's fuel costs.
 - Following resident feedback and analysis of responsive repairs, continued funding for both replacement door entry systems and entrance doors to blocks of flats has taken place. The programmes help ensure secure and reliable entry for residents.
 - To continue working closely with residents to help increase levels of resident satisfaction with the quality of their home and to support the ongoing reduction in the level of responsive repair need.
- 3.21 Additionally, based on feedback from residents on their priorities, the programme continues the commitment to invest in external and common way repairs and decorations across the city and the modernisation of passenger lifts serving blocks of flats, subject to resident consultation and analysis of information to establish if replacement works are necessary. This programme has been very effective in helping many residents to be able to rely on their lifts to be safe and reliable. All lift project proposals are continually evaluated on a case-by-case basis to ensure value for money continues to be delivered through this programme, and that replacement works are reasonably required.
- 3.22 The proposed capital programme for 2018/19 includes a budget of £0.178m for the Estates Development Budget (EDB). The current budget strategy uses EDB capital reserves to support this further over 2 years, augmenting this budget to a total of £0.348m for 2018/19 and £0.354m for 2019/20. A reserves table is shown in Appendix 2, note 5.
- 3.23 Helping residents to live in well-insulated, efficiently heated, healthy homes remains a key long-term commitment, which is supported through the capital programme. Past progress on achieving this has been consistently good, with national Standard Assessment Procedure (SAP) energy rating performance monitoring being used to benchmark these. Key investments that contribute to

these include installing high efficiency boilers, heating controls, efficient doors, windows, insulation and renewable or community energy schemes, where appropriate.

- 3.24 As outlined above, the Housing Asset Management Strategy acts as a link between the Housing Strategy and Investment Programmes including a priority of supporting new housing supply. We will continue to focus on the key Housing Strategy priorities to increase the numbers and make best use of affordable homes, including the following HRA Budget related measures:
- Housing Allocation Policy framework ensuring best use of existing council and Registered Provider resources through nomination of affordable housing to priority households.
 - The 'New Homes for Neighbourhoods' estate regeneration programme to deliver new affordable homes in the city
 - Improving supply through best use of existing HRA assets including the conversions / hidden homes programme.
 - Housing Market Intervention, direct delivery and other housing delivery options through a wholly owned housing company.
 - Ongoing work related to Greater Brighton proposals to accelerate delivery of new homes, including seeking freedoms and flexibilities around the HRA borrowing cap and use of RTB receipts.
 - The recently approved HRA Home Purchase Policy.

HRA MEDIUM TERM & 30 YEAR FINANCIAL FORECASTS

- 3.25 The introduction of self-financing in 2012 provided additional resources from the retention of all rental income and, through greater control locally, enabled longer term planning to improve the management and maintenance of council homes.
- 3.26 The medium term and 30 year financial forecasts are provided in Appendix 5 along with the business planning assumptions used for income and expenditure.
- 3.27 Essentially, although the financial plan shows that the HRA has healthy financial indicators to borrow to source funding for regeneration and development, it is restricted by the current self-financing cap (or limit) on the amount of HRA borrowing permissible for capital investment by each local authority. This limit is currently set at £156.8m for Brighton & Hove. The current 30 year forecast assumes £5m for new build schemes in 2018/19, and £6m per annum in the 10 years thereafter. However, this means that the outstanding debt breaches the cap in 2020/21 by £0.076m and again in 2022/23 where the borrowing level is breached by £0.846m. Revenue reserves have been maintained in the business plan at £6.3m so there would be sufficient resources to fund the gap if required.
- 3.28 On a positive note, in the recent government budget announcements, Chancellor Philip Hammond promised to lift the HRA borrowing cap in areas of high housing demand. At this stage, it is unclear if this will include the city of Brighton & Hove. Clarification from the DCLG is expected in the new year.
- 3.29 In addition to the debt cap, the reduction in rental income of 1% per annum up to and including rents for 2019/20 will also restrict resources available.

Therefore alternative options and delivery mechanisms for new build and regeneration funding outside the HRA are being developed in the form of a wholly owned company and the Joint Venture with Hyde Housing Association as agreed by Policy, Resources & Growth Committee alongside a review of priorities included in the financial plan.

3.30 However, as mentioned above, the DCLG has recently announced an increase to social housing rents limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. Assuming other factors remain stable, this will help to sustain the HRA in the medium term. The 30 year business plan shown at Appendix 5 assumes rent increases of CPI plus 1% for 3 years from 2020 and then CPI. This is to allow for the risk of adjustment to this policy as a result of any changes to government and the economic indicators for the UK.

3.31 As a result of the review carried out by government, a decision was reached to not proceed with the Pay-to-Stay policy included in the Housing and Planning Act 2016. However, there are still some uncertainties due to other government legislation which may have a significant impact on the long term health of the financial plan, such as:

- The Housing & Planning Act 2016 included a requirement for local authorities with social housing to pay a levy to the government which is directly linked to the high value voids within the HRA. This levy would then be redistributed to Housing Associations. There is still a lot of uncertainty around this and so the possible impact has not been factored into the budget or 30 year business plan.
- The Welfare Reform and Work Act 2016 continues to be implemented with the reduction of the benefit cap to £20,000 per annum during 2016/17, the single room rates extended to people under 35, the roll out of Universal Credit in 2017 and the reduction in tax credits implemented from October 2017. All these reforms are expected to affect many tenants' ability to pay their rent, but it is difficult at this stage to accurately predict to what extent this will impact on HRA resources. The budget proposes an extra 3 FTE staff during 2018/19 to undertake proactive work with tenants likely to be affected by explaining how the new benefit will operate and assisting them with setting up bank accounts and accessing support for getting online.
- Any additional investment requirements arising from any legislative or regulatory changes following post Grenfell Tower tragedy reviews.

3.32 The 30 year financial plan will continue to be updated in 2018 to reflect the 2018/19 budget proposals. This will enable a review of future opportunities for additional investment in existing housing stock and building new homes, and also how the housing debt could be structured to accommodate these plans or possibilities.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The budget process allows all parties to engage in the scrutiny of budget proposals and put forward viable alternative budget proposals to Budget Council on 22 February 2018. Budget Council has the opportunity to debate both the proposals recommended by Policy, Resources & Growth Committee at the same time as any viable alternative proposals.

- 4.2 The Welfare Reform and Work Act 2016 details a statutory requirement to set the rents at 1% less than the previous year for 2018/19. There are financial restrictions placed upon local authorities who do not follow this statutory requirement. The government annually sets a limit rent, set to include the 1% reduction, which is used to determine how much housing benefit subsidy is received from the Department for Work and Pensions. Rises above the limit rent would reduce the amount of subsidy receivable by the council.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Involvement of our residents in service delivery and priorities is a key focus for Housing. Ongoing consultation with tenants and leaseholders takes place throughout the year in a number of forums and settings.
- 5.2 All Area Panel representatives and chairs have been sent a letter explaining the budget proposals. This summarised the various components including the details of the proposed savings and how the savings would be reinvested back into the service. It also included information on the 1% rent reduction and advice on contact details if further information or clarification was sought.
- 5.3 Residents and leaseholders helped develop and shape the Asset Management Strategy through a series of discussion events and the strategy was taken to Area Panels. As such, tenant views form a key part of the strategic direction of future services and investment.
- 5.4 All leaseholders have been, or will be, consulted about individual contracts carried out as part of the programme in full compliance with the Commonhold and Leasehold Reform Act 2002.
- 5.5 The HRA budget task and finish group, made up of the Chair and opposition spokespersons of the Housing & New Homes Committee, residents from Service Improvement Groups and officers, met last year to work up future budget consultation arrangements. The group decided that, to inform the 2019/2020 budget, a range of residents views would be gathered on areas including energy efficiency, social isolation, support for vulnerable tenants, maintaining older stock, increasing social housing provision, and the appearance of estates.

6 CONCLUSION

- 6.1 The Local Government and Housing Act 1989 requires each local authority to formulate proposals relating to income from rent and charges, expenditure on repairs, maintenance, supervision and management, capital expenditure and any other prescribed matters in respect of the HRA. In formulating these proposals using best estimates and assumptions, the Authority must set a balanced account. This budget report provides a capital programme, breakeven revenue budget and recommends rent proposals in line with current government guidance.
- 6.2 This report also provides the latest medium and long term forecasts for the HRA. However there are a number of uncertainties due to impending government legislation, which mean that the current forecasts should be treated with caution.

7 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The financial implications are contained within the main body of the report.

Finance Officer Consulted: Monica Brooks

Date: 08/12/17

- 7.2 Legal Implications:

In its role as a landlord, the Council has statutory and contractual obligations to maintain the structure of, and installations in, its housing stock. It also has a number of duties in relation to health and safety, such as the provision of adequate fire safety precautions and the proper treatment of asbestos. The measures outlined in the report will assist the council in fulfilling those obligations.

The Housing Revenue Account (HRA) is regulated by the Local Government and Housing Act 1989. The report sets out the Act's requirements for that account. The HRA is primarily a landlord account, containing income and expenditure arising from the council's housing functions. Most of the expenditure proposed by the report is clearly related to the council's housing functions, and is therefore properly accounted for in the HRA. Department of Environment Circular 8/95 gives advice about the operation of that account, in relation to other items which are not so clearly linked to the housing function. In relation to amenities which benefit the wider community, such as play and other recreational areas, community centres and play schemes, the Circular advises that in each case it is for the local authority to form its own judgment on whether provision should be charged to the HRA or General Fund. Last year, budget council determined that the HRA should contribute £250,000 to Youth Services. This year the council is asked to approve expenditure of £170,000 as a contribution to Children's Centres. Whilst this expenditure is not directly linked to the council's housing functions, it probably falls within the discretion afforded by the Circular, given the locations and focus of the service.

Lawyer Consulted: Liz Woodley

Date:05/01/2018

Equalities Implications:

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

Sustainability Implications:

- 7.4 The HRA budget will fund a range of measures that will benefit and sustain the local environment. This capital programme supports the affordable warmth and fuel poverty strategy brought forward from Public Health. Housing is a key contributor to the Carbon Emissions reduction commitment and will help to

reduce the number of residents affected by fuel poverty and rising energy costs.

- 7.5 Project briefs are issued on all capital projects and require due consideration of sustainability issues, including energy conservation and procurement of materials from managed and sustainable sources.

Any other Significant Implications:

- 7.6 Financial risks have been assessed throughout the development of the council's HRA annual budget and 30 year financial model. A number of key sensitivities and scenarios are modelled to ensure that the service understands the business impact of decision making and include areas such as:
- Impacts of the government's Housing & Planning Act and Welfare Reform legislation;
 - Potential impact of any post Grenfell tragedy review of building regulations and / or standards;
 - Inflationary risk where expenditure inflation is greater than income, particularly with the current reduction in rental income over the four years;
 - Managing interest rate fluctuations and the debt portfolio;
 - Long term capital and maintenance responsibilities compared with available resources;
 - Balancing regeneration and redevelopment needs with tenants' priorities.

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1: HRA Revenue Forecast Outturn 2017/18 (Month 7)
2. Appendix 2: HRA Budget 2018/19
3. Appendix 3: Fees and Service Charges 2018/19
4. Appendix 4: Capital Programme and Funding 2018/19 – 2020/21
5. Appendix 5: HRA Medium Term Financial Strategy & 30 Year Financial Forecast
6. Appendix 6: Integrated Service & Financial Plan (Detailed Savings Proposals)

Documents in Members' Rooms

None

Background Documents

None

Appendix 1 - Forecast Outturn 2017/18 at month 7

2018/19 HRA Revenue & Capital Budget

	2017/18 Forecast Outturn £'000
SUBJECTIVE ANALYSIS	
Expenditure	
Employees	8,478
Premises - Repairs	9,212
Premises - Other	2,569
Transport	124
Contribution to Bad Debt Provision	221
Supplies & Services	2,301
Third Party Payments	130
Support Services	2,560
Direct Revenue Funding	26,306
Capital Financing Costs	5,955
Total Expenditure	57,856
Income	
Rents Dwellings	(50,349)
Rents Car Parking / Garages	(913)
Commercial Rents	(530)
Service Charges	(6,224)
Other Recharges & Income	(265)
Total Income	(58,281)
DEFICIT / (SURPLUS)	(425)
OBJECTIVE ANALYSIS	
Capital Financing	32,262
Head of Housing & Strategy	4,292
Head of Regeneration	269
Income, Inclusion & Improvement	(46,791)
Property & Investment	7,615
Tenancy Services	1,928
DEFICIT / (SURPLUS)	(425)

Appendix 1 - Forecast Outturn 2017/18 at month 7

HRA Forecast Outturn as at Month 7 Key Variances	£'000
Employee costs - The forecast underspend is due to staffing vacancies, mainly within the income management and customer services teams. Recruitment is on-going and posts are expected to be filled before the end of the financial year.	(200)
Financing Costs - Estimated administration costs relating to Right to Buy sales.	(50)
Later than planned implementation of Universal Credit means that the contribution to the bad debt provision is forecast to underspend.	(175)
Repairs - Estimated spend is lower than the original budget allocated however the forecast costs for both responsive repairs and empty property works have increased at month 7 (TBM).	260
Lower than budgeted spending on Mechanical & Engineering (M&E) service contracts.	(140)
Repairs - Underspend pending agreement of options around the timing of the procurement programme.	(120)
TBM Month 7 Variance	(425)

Appendix 2 – HRA Revenue Budget 2018/19

	2017/18	Budget Changes				2018/19
	Adjusted budget	Inflation	Savings	Service Pressures	Other Changes	Original Budget
See Note		1	2	3	4	
	£'000	£'000	£'000	£'000	£'000	£'000
SUBJECTIVE ANALYSIS						
Expenditure						
Employees (Data Table A)	8,679	201	(105)	364	150	9,289
Premises - Repairs	9,827	150	(550)	0	0	9,427
Premises - Other	2,580	23	0	0	0	2,603
Transport	133	1	0	0	(4)	130
Contribution to Bad Debt Provision	442	0	0	0	0	442
Supplies & Services	2,390	18	0	0	(28)	2,380
Third Party Payments	134	3	0	0	0	137
Support Services (Data Table B)	2,591	0	0	170	(1)	2,760
Direct Revenue Funding	25,579	0	0	0	(24)	25,555
Capital Financing Costs	6,005	0	0	0	571	6,576
Total Expenditure	58,360	396	(655)	534	664	59,299
Income						
Rents Dwellings	(50,349)	0	0	313	(148)	(50,184)
Rents Car Parking / Garages	(913)	0	0	0	(4)	(917)
Commercial Rents	(530)	0	0	0	0	(530)
Service Charges	(6,250)	0	0	0	(1,196)	(7,446)
Other Recharges & Income	(318)	(3)	0	0	99	(222)
Total Income	(58,360)	(3)	0	313	(1,249)	(59,299)
DEFICIT / (SURPLUS)	0	393	(655)	847	(585)	0
OBJECTIVE ANALYSIS						
Capital Financing	31,585	0	0	0	547	32,132
Head of Housing & Strategy	4,335	14	0	170	93	4,612
Head of Regeneration	281	5	0	0	(1)	285
Income, Inclusion & Improvement	(46,404)	49	(32)	610	(179)	(45,956)
Property & Investment	8,322	186	(582)	180	(1,051)	7,055
Tenancy Services	1,881	139	(41)	(113)	6	1,872
DEFICIT / (SURPLUS)	0	393	(655)	847	(585)	0

Appendix 2 – HRA Revenue Budget 2018/19 Cont'd

Note 1: Inflation

Standard inflation of 2% has been applied to Direct Employees with 1% for Premises, Transport and Supplies & Services. Adjustments are made to specific areas based on known inflation above or below the standard applied. Most income budgets are zero-based (that is they are recalculated each year rather than changing incrementally) and therefore budgets are estimated based on known increases in costs or inflation.

Note 2: Savings

Savings	£'000
Staff turnover (i.e. savings arising from the recruitment period for appointing to vacancies arising from staff turnover based on current operational experience)	(105)
Reduction in gas servicing contract costs	(150)
Reduction in Repairs & Maintenance costs for 2018/19	(400)
Total Savings	(655)

Note 3: Service Pressures

Service Pressures	£'000
Strengthening the BHCC client side for contract management together with new Health & Safety posts (Note, £0.080m is also funded through the capital programme)	80
Short term additional resources for the re-procurement of the new repairs contract (2 years)	100
Increase in Rehousing team establishment to manage increased lets from new homes and mutual exchanges	100
Increased staffing resources for Universal Credit focussed preventative work (3-5 years)	84
HRA contribution to Children's Centre Services to ensure sustainability	170
Impact of the statutory 1% rent reduction net of new lets at 'target rents'	313
Total Service Pressures	847

Appendix 2 – HRA Revenue Budget 2018/19 cont'd

Note 4: Other Changes

Other Changes	£'000
Increase in existing employees costs for annual increments, staff establishment amendments and pension changes	150
Decrease in Direct Revenue Funding for the capital investment programme including hidden homes and home purchase	(24)
Increase in Capital Financing costs (mainly arising from the New Homes for Neighbourhoods programme)	571
Net change in rental income from new homes net of sales	(148)
Estimated increase in service charge and major works income from leaseholders (note, 2018/19 contains a particularly large number of works coming to conclusion)	(1,077)
Increase in service charge income across all charges (to match costs/service pressures)	(119)
Increase in Support Service charges and other recharges	54
Other minor changes	8
Total Other Changes	(585)

Note 5: Projected Reserves

Description	Balance at 1 April 2017 £'000	Projected Balance at 31 March 2018 £'000	Projected Balance at 31 March 2019 £'000	Use
Revenue Reserves - Working Balance	3,000	3,000	3,000	Minimum working balance requirement
Useable revenue reserves	5,159	4,504	3,354	Available for use
Estate Development Budget (EDB) reserves	599	339	169	Earmarked allocation for EDB over 2 years
Restructure Redundancy Reserve	388	388	388	Earmarked reserve
HRA - Renewable Energy Projects	269	219	169	Capital programme funding
HRA - Auto Meter Reads Reserve	45	45	45	Available to fund costs of AMR's
Total	9,460	8,495	7,125	

Appendix 2 – HRA Revenue Budget 2018/19 cont'd

Data Table A - Employee Full Time Equivalent (FTE) Reconciliation

The table below shows the actual movements in FTE's in 2017/18 and includes FTE numbers for proposed service pressures.

	FTE
Original FTE 2017/18 pre adjustment	272.2
Correction to baseline FTE	3.2
Original FTE 2017/18 (revised)	275.4
Changes in year 17/18	
Property & Investment	1.0
Adjusted budget 2018/19 FTEs	276.4
Changes for 2018/19	
Property & Investment	5.0
Sheltered Housing	(0.3)
Additional staffing to support Universal Credit	3.0
Tenancy Services – Re-housing Team	3.0
Proposed 2018/19 FTEs	287.1

Appendix 2 – HRA Revenue Budget 2018/19 cont'd

Data Table B - Support Service and Other Charges Analysis

The table below provides a breakdown of the support service charges for 2018/19 as shown in Appendix 2 and compares this to 2017/18.

Charging Service	Budget 2017/18 £'000	Budget 2018/19 £'000 (draft)
Support functions:		
Communications	30	25
Finance (incl. Corporate Procurement, Internal Audit and Business Operations)	365	379
Tenancy Fraud	61	62
Human Resources	216	165
ICT	646	650
Property	130	124
Legal	280	291
Democratic	234	234
Director	16	17
Other charges:		
Disabled Adaptations	113	115
Youth Service	250	250
Children's Centre Services	-	170
Discretionary Community Grants	148	145
Apprenticeship levy	31	31
Homing in and Area Panels	28	29
Energy Efficiency Support	25	26
Noise pollution	-	16
Other charges	19	31
Total	2,592	2,760

Appendix 3 - Tenant Service Charges

All fees and service charges are reviewed annually to ensure full cost recovery (where appropriate) and also to identify any service efficiencies that can be offset against inflationary increases to keep increases to a minimum. Proposed fees and service charges for 2018/19 are detailed below.

Service Charges/Fees Eligible for Housing Benefit

Service Charge/Fee	Properties Charged (No.)	Approx. not eligible for Housing Benefit (No.)	2017-18 Average Weekly Charge £	2018-19 Average Weekly Charge £	Average Increase/Decrease £	Average Increase/Decrease %	Comments
Communal Cleaning	5,251	1,820	£2.80	£2.87	£0.07	2.5%	The increase is mainly due to pay and price inflation.
Door Entry Servicing and Maintenance	4,274	1,365	£0.48	£0.48	£0.00	0.0%	No change is proposed for 2018/19.
Electricity - Communal Ways	5,273	1,736	£0.75	£0.72	-£0.03	-4.0%	The change is mainly the result of lower electricity prices.
Grounds Maintenance	5,556	1,660	£0.68	£0.70	£0.02	2.9%	The increase is the annual inflation increase on the contract with City Parks.
Lift Servicing and Maintenance	2,402	597	£0.79	£0.91	£0.12	15.2%	The current charge does not cover the costs of providing lifts (servicing and repairs) so it is proposed the charge is increased to recover costs.
Seniors Housing - Common Ways	851	122	£9.46	£8.64	-£0.82	-8.7%	This is mainly the result of lower energy costs.
Seniors Housing - Intensive Management	837	111	£20.12	£21.04	£0.92	4.6%	The increase is mainly due to increased staff costs.
Seniors Housing – Laundry	805	106	£1.65	£1.65	£0.00	0.0%	No change is proposed for 2018/19.

Service Charge/Fee	Properties Charged (No.)	Approx. not eligible for Housing Benefit (No.)	2017-18 Average Weekly Charge £	2018-19 Average Weekly Charge £	Average Increase/Decrease £	Average Increase/Decrease %	Comments
TV Aerials	5,590	1,703	£0.76	£0.78	£0.02	2.6%	The increase is simply the annual increase in the maintenance contract.
Video Entry Servicing and Maintenance	27	3	£0.96	£0.96	£0.00	0.0%	No change is proposed for 2018/19
Service Charges and fees Not Eligible for Housing Benefit							
Communal Heating - Electricity	79	N/A	£10.32	£9.72	-£0.60	-5.8%	The charge is based on the estimated consumption for 2018/19 and the current charges for electricity.
Communal Heating - Gas	1,085	N/A	£6.02	£5.58	-£0.44	-7.3%	The charge is based on the estimated consumption for 2018/19 and the current charges for gas.
Garages and Car Parking	2,762	N/A	£8.85	£9.03	£0.18	2.0%	The increase is the forecast inflation increase of +2%.
Mobility Scooter and Cycle Storage	35	N/A	£2.50	£2.50	£0.00	0.0%	No increase for 2018/19. Low volume so low budget impact.
Seniors Housing - Guest Rooms	N/A	N/A	£15.00	£15.50	£0.50	3.3%	This is the proposed increase for 2018/19 in line with inflationary pressures.
Water Charges	138	N/A	£3.95	£4.00	£0.05	1.3%	The increase is mainly the forecast inflation increase of +2%.

Appendix 4 - HRA Capital Programme and Funding 2018/19 - 2020/21

EXPENDITURE	Original Budget 2017/18	Proposed Budget 2018/19	Provisional Budget 2019/20	Provisional Budget 2020/21	Description
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
Improving Housing Quality					
Door Entry Systems & CCTV	939	687	643	733	A long-term programme to replace door entry systems across the city, where needed, as many are nearing the end of their serviceable life, with spare parts difficult to source. This programme is constantly reviewed, alongside the communal main entrance door programme to ensure value for money
Water Tanks, Ventilation, Lighting & Lightning Protection & Fire Alarms	730	806	640	741	Projects help to ensure safety and welfare for residents through a replacement and improvement programme.
Lifts	1,077	784	1,403	1,094	The lift replacement and upgrade programme is a long-term commitment to BHCC residents. The majority of lifts have now been replaced since its inception and the programme is under ongoing review to ensure it continues to provide good value for money.
Fire Safety & Asbestos Management	696	1,972	2,053	2,030	Effectively managing the risks of both fire and asbestos materials is an ongoing need. This also assumes a 5-year sprinkler programme.
Minor Capital Works	402	401	321	381	Investment in smaller capital repairs across the HRA stock as well as investing in car parks and garages.
Roofing	1,245	1,602	1,412	1,269	Helps to extend the life of assets, improves insulation and reduces responsive repairs. For 2018/19 some £0.300m of this budget is allocated to major re-roofing projects.

EXPENDITURE	Original Budget 2017/18	Proposed Budget 2018/19	Provisional Budget 2019/20	Provisional Budget 2020/21	Description
Condensation & Damp Works	498	431	385	444	Welfare of BHCC residents is assisted by tackling the causes of mould growth.
Major Structural works	3,590	4,488	4,964	5,119	To maintain the structural and general external integrity of properties. The budget for 2018/19 includes for major works at high rise flats, including Albion Hill and Tyson Place/St Johns Mount.
Major Empty Property works	124	123	128	127	Extensive refurbishment of empty homes prior to re-letting.
Cyclical Decorations	3,314	2,856	1,797	2,031	External and common way repairs and decorations across the city help reduce ongoing costs and keep properties well maintained.
Future capital projects	74	112	112	112	Specialist and other surveys to support future programmes.
Brighton & Hove Standard Works					
Dwelling Doors	373	407	308	317	Replacing doors to properties with secure and efficient design helps residents feel safer. This programme includes the provision of fire-rated doors to dwellings where required.
Kitchens & Bathrooms	1,930	1,911	1,604	1,713	This budget helps to ensure homes comply with the Brighton & Hove Standard.
Rewiring - Domestic/ Communal	1,831	1,787	1,373	1,713	Safe and reliable electrical installations and efficient lighting are supported from this.
Windows	1,370	1,602	1,283	1,396	Window replacement programmes improve energy efficiency, warmth and reduce ongoing repair costs.
Sustainability & Carbon Reduction					
Domestic/Communal Heating Improvements	2,087	2,158	2,988	2,989	Efficient and modern replacement heating systems reduce carbon emissions and

EXPENDITURE	Original Budget 2017/18	Proposed Budget 2018/19	Provisional Budget 2019/20	Provisional Budget 2020/21	Description
					resident's fuel costs.
Insulation improvements	63	62	64	63	Improving insulation levels in the roof and other parts of buildings reduces mould growth and heating costs.
Home Energy Efficiency & Renewables	51	51	51	51	Many homes now benefit from solar panels and this programme will help take opportunities to spread this further.
Tackling Inequality					
Estate Development Budget (EDB)	181	348	354	183	Residents are able to prioritise smaller projects through this continuing and well supported budget. Assumes full utilisation of EDB earmarked reserves over 2 years
Fencing	62	62	64	63	
Disabled Aids & Adaptations	1,150	1,150	1,150	1,150	By supporting required adaptations to homes, residents can continue to enjoy their homes for longer.
Conversions & Extensions	560	632	386	495	Tackling overcrowding across the city to ensure good quality housing.
Conversions of existing bed-sits	460	0	0	0	Improving dwellings' layout in several seniors housing schemes to meet modern standards. This programme has now been completed as there are no further properties considered appropriate/cost effective to hold void for conversion.
Converting spaces in existing buildings	609	549	331	330	A programme to deliver new homes by converting existing redundant spaces. The programme has delivered 5 new homes to date.
Purchase properties	-	1,000	2,000	2,000	Report to H&NH Committee for a small programme to purchase former council properties/other similar properties. The £1m budget for 2018/19, will be

EXPENDITURE	Original Budget 2017/18	Proposed Budget 2018/19	Provisional Budget 2019/20	Provisional Budget 2020/21	Description
					supplemented with any reprofile (budgets carried forward) from the 2017/18 budget of £2m.
Housing ICT Budget	80	1,050	80	80	New Housing Management system.
Stonehurst Court conversion	1,045	0	0	0	Reported at H&NH Committee Jan 2017.
Oxford Street conversion	1,120	0	0	0	Reported at H&NH Committee Jan 2017. Budget reprofiled to 2018/19.
Total Investment in existing Housing Stock	25,661	27,031	25,894	26,624	
Building New Council Homes					
Kite Place	5,000	0	0	0	Scheme completed 2017/18.
Selsfield Drive	2,617	3,258	0	0	Due for completion June 2018.
Hobby Place	6,076	0	0	0	Scheme due for completion 2017/18.
Further New Build – New Schemes (*)		5,000	6,000	6,000	Any new schemes will be reported through H&NH Committee and PR&G - to be funded by borrowing and RTB receipts.
Further New Build – Design competition	500	1,000	0	0	£1.5m already approved and reprofiled to the capital programme for 2018/19.
Feasibility	0	55	0	0	
Total Building New Council Homes	14,193	9,313	6,000	6,000	
Total Programme *	39,854	36,344	31,894	32,624	
Programme Funded by:					
Revenue Contribution to Capital	25,579	25,555	24,043	26,151	Funding from revenue surpluses.
FUNDING:					
Borrowing	7,073	6,130	5,083	3,874	Borrowing required mainly for new build development.
HRA reserves	1,300	1,050			Useable revenue and capital reserves.
EDB earmarked reserve		170	169		
Capital Receipts	5,597	3,259	2,499	2,499	Retained RTB receipts for New Build.

EXPENDITURE	Original Budget 2017/18	Proposed Budget 2018/19	Provisional Budget 2019/20	Provisional Budget 2020/21	Description
ESFRS contribution	125				Funding due from East Sussex Fire and Rescue Service, 50% contribution towards sprinklers budget.
Energy Grants/Feed-in Tariffs (FITs)	180	180	100	100	Funding received to support sustainability and carbon projects.
Total Funding *	39,854	36,344	31,894	32,624	

* The Capital Programme includes potential Further New Build Schemes estimated at £5m in 2018/19. These schemes have not been drawn up in detail and would all be subject to Housing & New Homes Committee approval (including determination of rent levels) and approval of Policy, Resources & Growth Committee before proceeding. Each scheme will become a separate Capital Programme item and the Capital Programme for 2018/19 will therefore change in accordance with the final approved scheme values. This will also affect the funding and financing of each scheme.

Right to Buy (RTB) Receipts Monitoring

In June 2012, the council signed an agreement to retain RTB Receipts, which can be used to fund up to 30% of a new build development. The agreement requires these amounts to be spent within 3 years of receipt, otherwise the council will be required to repay them to the Government with interest at a rate of 4% above the base rate on a day to day basis compounded with three monthly rests.

The following table sets out current and planned usage, showing that all receipts are assumed to be spent: -

Financial Year	RTB Receipts £'000	New Build Expenditure Required £'000	New Homes for Neighbourhoods (NHFN) Forecast Expenditure £'000	(Under) / Over achieved £'000
Pre 2015/16	-	-	1,788	1,788
2015/16	609	2,030	6,684	4,654
2016/17	4,575	15,250	19,332	4,082
2017/18	7,136	23,787	31,250	7,463
2018/19	12,567	41,890	45,544	3,654
2019/20	17,178	57,260	57,259	0
2020/21 up to Q2	19,638	65,460	65,461	0

Appendix 5 - HRA MEDIUM TERM FINANCIAL STRATEGY AND 30 YEAR FINANCIAL FORECAST

Medium Term Financial Strategy

The Medium Term Financial revenue position provides a cumulative surplus of £75.749m that can be used to support the delivery of the Capital Programme during this period. The projected surplus for the HRA reduces in 2019/20 due to the assumed 1% reduction in rents. However, for 2020/21, rental income increases, which is consistent with the recent government announcement that rents can increase by CPI plus 1% from 2020/21. This increases the level of surpluses for the HRA.

HRA Medium Term Financial Strategy

	2018/19	2019/20	2020/21
	£'000	£'000	£'000
Expenditure			
Management & Service Costs	16,702	17,024	17,310
Repairs and Maintenance	9,389	9,615	10,129
Other Costs	1,076	1,094	1,120
Borrowing costs	6,577	6,886	6,988
Total Expenditure	33,744	34,619	35,547
Income			
Rental Income	(50,184)	(49,804)	(51,372)
Service Charges (Tenants)	(3,400)	(3,481)	(3,539)
Other Income	(5,715)	(5,377)	(6,787)
Total Income	(59,299)	(58,662)	(61,698)
Transfer (To) / From reserves	-		
Surplus/Revenue Contribution to Capital	(25,555)	(24,043)	(26,151)

30 YEAR FINANCIAL FORECAST

The introduction of self-financing provided local authorities with the opportunity to develop longer term planning to improve the management and maintenance of council homes. The government's self-financing valuation agreed at April 2012 was based on using the rent restructuring formula with increases set at RPI + ½% + £2 per week and was set at a level to provide a balanced business plan over the next 30 years.

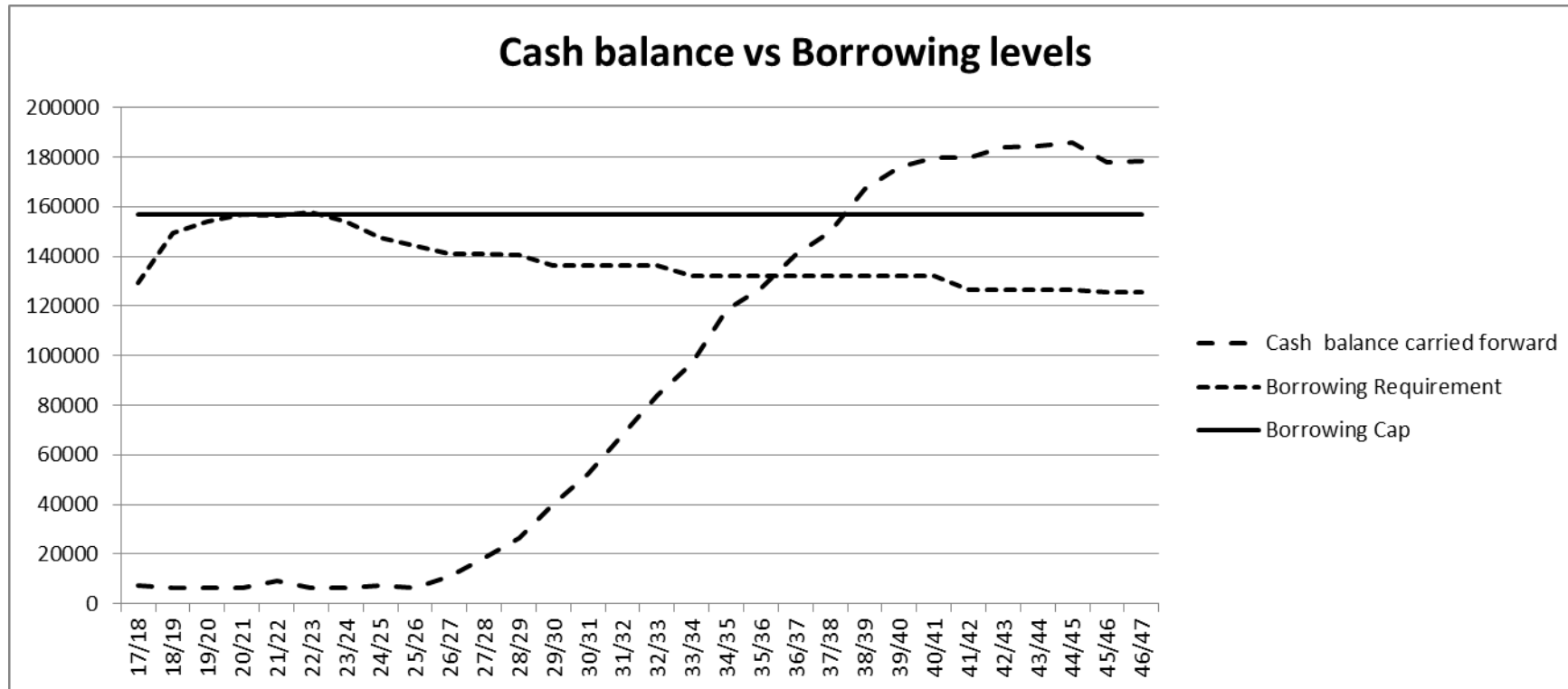
Since then the government has imposed two changes to the rent calculation which have both resulted in significant reductions in future rental income. From April 2015, government guidance revised annual increases to Consumer Price Index (CPI) + 1%. This change removed the flexibility of social landlords to increase social rents each year by an additional £2 where rents were below target, resulting in lower annual rental increases over the long term. Then from April 2016, the Welfare Reform and Work Act 2016 introduced that rents should be reduced by 1% per annum for four years commencing in 2016/17.

However, in October 2017 the government announced that "increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020". The current financial plan projections shown below continue to provide a balanced business plan and show surpluses of £178.662m over 30 years, which allows for regeneration and new investment within the HRA. This surplus has increased since last year's plan due to the assumptions made for new rental streams from more new build properties. The current plan projections should also be viewed with caution due to the uncertainties around certain government legislation not yet modelled in the plan. As a result of the review carried out by government, a decision was reached to not proceed with the Pay to Stay policy included in the Housing and Planning Act 2016. However, there are still some uncertainties due to other government legislation which may have a significant impact on the long term health of the financial plan, such as:

- Housing & Planning Act 2016 – This act includes a requirement to pay a levy to central government based on the number of void high value homes the HRA has. There is a lot of uncertainty surrounding this policy and it now seems unlikely this will be implemented in this parliament. Therefore this has not been built into the 30 year plan.
- Welfare Reform – The roll out of Universal Credit, reduction in tax credits, single room rates for under 35's in social housing and reduction in benefit cap to £20,000 per annum will all impact on tenant's ability to pay their rent. The assumptions used for bad debts and voids may need increasing resulting in a loss of projected income.
- Uncertainty of future rent policy. Even though there has been an announcement to allow increases in rents of CPI plus 1 % for five years after 2020, any changes in government could overturn this.

30 Year Financial Forecast

	Years 1-5	Years 6-10	Years 11-20	Years 21-30	Total
	£'000	£'000	£'000	£'000	
Expenditure					
Management & Service Costs	84,808	92,379	207,287	239,172	623,646
Repairs and Maintenance	48,363	55,855	136,073	173,715	414,006
Other Costs	5,319	5,540	12,172	13,924	36,955
Borrowing costs	33,454	56,910	60,018	55,150	205,532
Total Expenditure	171,944	210,684	415,550	481,961	1,280,139
Income					
Rental Income	254,669	287,312	671,349	792,641	2,005,971
Service Charges (Tenants)	17,323	18,900	42,772	50,323	129,318
Other Income	28,166	27,611	56,619	73,787	186,183
Total Income	300,158	333,823	770,740	916,751	2,321,472
Net Revenue Income	128,214	123,139	355,190	434,790	1,041,333
Capital Expenditure					
Capital investment programme	132,157	115,346	218,671	402,607	868,781
New Build projects	49,058	30,000	12,000	-	91,058
Total Expenditure	181,215	145,346	230,671	402,607	959,839
Funded By:					
Other Capital Income	17,979	11,500	5,000	5,000	39,479
Borrowing	36,681	12,849	-	-	49,530
Direct Revenue Funding	128,214	123,139	355,190	434,790	1,041,333
Total Funding	182,874	147,488	360,190	439,790	1,130,342
Opening HRA reserves	8,159	9,818	11,960	141,479	8,159
(To) / From Reserves	1,659	2,142	129,519	37,183	170,503
Cash surplus at year 30	9,818	11,960	141,479	178,662	178,662



30 YEAR Forecast – Assumptions

The 30 year financial forecast has been developed based on the following assumptions

- A general inflation of CPI assumed as an average of 2% for years 3 to 30.
- Revenue repairs and maintenance costs are assumed to increase by 2.5% per year throughout the plan.

- The forecast currently includes approved schemes and an assumption that an additional 272 new homes will be built in the next 10 years. This amounts to an estimate of £5m for new build schemes in 2018/19, and £60m in the 10 years thereafter. There is no allowance for any future regeneration schemes.
- Rents are assumed to decrease by 1% per annum for 2018/19 and 2019/20 and then increase at CPI +1% for three years after. Longer term rent increases of CPI have been assumed. This has increased the overall forecast surplus over the 30 years to £178.662m.

The 30 year financial plan will continue to be updated to reflect the impact of the changes resulting from government legislation and the 2018/19 budget proposals. This will enable a review of future opportunities for additional investment in existing housing stock and building new homes both within the HRA and through alternative delivery models.

Appendix 6 – Integrated Service & Financial Plan (detailed savings proposals)

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017/18	Net budget 2017/18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017/18	Savings 2018/19	Savings 2019/20
		£'000	£'000					£'000	£'000	£'000
Housing Revenue Account										
HRA employees Costs	Included in budget and FTE figures below			See below	To improve budgeting in order to plan expenditure effectively and avoid large variances at the year end.	To include an element of staff turnover allowance in some of the staffing budgets in Housing Management in order to allow for the historic high turnover of staff in some areas which has led to underspends.	If turnover is less than expected, then savings may not be fully realised although this is unlikely. This saving proposal should not have any effect on the landlord service as staffing numbers will be unchanged.		105	
HRA Employees costs									105	
Capital Financing	Capital Financing	31,948	31,916	-	Capital financing costs are calculated based on existing borrowing and any new borrowing anticipated during the financial year.	Capital financing charges will be reported to Housing & New Homes Committee (Jan 2017) and Policy, Resources & Growth Committee (Feb 2017).	N/A			
AD Housing Management, Service Wide Savings from Reviews, Support Service Charges	Central services Housing HRA (includes central support services and homemove service).	3,861	3,861	14.5	To ensure that the use of HRA resources is maximised against strategic priorities.	No savings planned in this area which largely relates to support services. These are calculated centrally by finance so any reductions will be built into the HRA budget. All support service costs to the HRA are reviewed to ensure value for money for	Delivery Risk: Efficiency savings may not be achieved due to the increase on service demand from the Housing Reduction Act (from April 2018) and the implementation of Universal Credit.	106		45

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017/18	Net budget 2017/18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017/18	Savings 2018/19	Savings 2019/20
		£'000	£'000					£'000	£'000	£'000
						the landlord service. 2019/20: reduction by 1.6 FTE in the Homemove team, as a result of the new allocation policy bedding in.	Impact on Outcomes: Negligible impact if service redesigns are effective.			
Estates Regeneration	Head of City Development & Regeneration	264	264	4.5	Key political priority to deliver new council homes and this team is responsible for the delivery of the new homes for neighbourhoods programme.	No savings proposed as service redesign achieved in 2016/17 and this is a high priority area to build new homes for vulnerable people.	Impact on Outcomes: Improved outcomes from new homes in the city.			
Income Inclusion Improvement, Rents & Service Charges	Income Involvement Improvement	4,207	(49,449)	70.7	To ensure that the use of HRA resources is maximised against strategic priorities.	No savings planned for 2018/19 as £348k savings were delivered across Tenancy Services and Income Involvement and Improvement from service redesigns and reduction in posts in 2016/17. These new services are still bedding in but will deliver further efficiencies in future years. Work will commence to make savings for 2019/20. This is a continual programme of service reviews with the aim	N/A	181	-	125

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017/18	Net budget 2017/18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017/18	Savings 2018/19	Savings 2019/20
		£'000	£'000					£'000	£'000	£'000
						of achieving cost savings across the Income. inclusion and improvement budgets. Each review will follow 'lean thinking' principles. Savings for 2017/18 from supplies and services of £0.080m. Introduction of service charge for door entry systems estimated at £0.101m to ensure cost recovery for this service.				
Property & Investment Management including Repairs & Servicing Contracts	Property & Investment	12,183	11,557	44.0	To improve housing quality by continuing to improve sustainability standards, maintain decent homes and health, safety and wellbeing. To do this through the effective management and procurement of repairs, maintenance, improvement works and service contracts.	For 2018/19 further savings on gas service contract following procurement of this contract (£0.150m). A further review of savings that can be made from responsive repairs and other procurement opportunities (£0.400m).	Delivery Risk: Low risk - already achieved as reported in budget monitoring (TBM). Based on continued proactive investment in improving stock. This will be kept under review. Impact on Outcomes: Improved outcomes from efficiency and effectiveness.	820	550	
Tenancy Services	Tenancy Services	6,706	1,851	141.7	To ensure that the use of HRA resources is maximised against	No savings planned for 2018/19 as £348k savings were	N/A	75		125

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017/18	Net budget 2017/18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017/18	Savings 2018/19	Savings 2019/20
		£'000	£'000					£'000	£'000	£'000
					strategic priorities.	delivered across Tenancy Services and Income Involvement and Improvement from service redesigns and reduction in posts in 2016/17. These new services are still bedding in but will deliver further efficiencies in future years. Work will commence to make savings for 2019/20. This is a continual programme of service reviews with the aim of achieving cost savings across the Income, Inclusion and Improvement budgets. Each review will follow 'lean thinking' principles. For 2017/18 Reduction in supplies and services including utilities (£0.030m), under-utilised Decorations scheme (£0.020m) and reviews of small contracts and services (£0.025m).				
HRA Total		59,169	-	275.4			1,182	655	295	