

Subject: New Homes for Neighbourhoods: Buckley Close
Date of Meeting: 6 December 2018
Report of: Executive Director for Neighbourhoods, Communities & Housing
Contact Officer: Name: **Caroline De Marco** Tel: **29-1063**
E-mail: Caroline.demarco@brighton-hove.gov.uk
Wards Affected: Hangleton & Knoll

FOR GENERAL RELEASE

Action Required of the Committee:

To receive the item referred from the Housing & New Homes Committee for approval:

Recommendation: That the following be referred to the Committee for consideration:

That the Housing and New Homes Committee recommend to Policy, Resources & Growth Committee to:

Appropriate the Buckley Close former garages site (Buckley Close, Hangleton, Hove BN3 8EU) for planning purposes and delegate authority to the Executive Director of Environment, Economy and Culture to appropriate for housing once the development is complete.

BRIGHTON & HOVE CITY COUNCIL

HOUSING & NEW HOMES COMMITTEE

14 NOVEMBER 2018

COUNCIL CHAMBER, HOVE TOWN HALL

Present: Councillor Meadows (Chair) Councillor Hill (Deputy Chair), Councillor Mears (Opposition Spokesperson), Councillor Gibson (Group Spokesperson), Councillors Atkinson, Bell, Moonan, Sykes, Wares, and Wealls.

DRAFT MINUTE

PART ONE**41 NEW HOMES FOR NEIGHBOURHOODS: BUCKLEY CLOSE**

41.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture regarding the project in Buckley Close which had previously been progressed as part of the Small Sites Strategy Modular Pilot. Due to the council's proposed partner Futureform Modular Limited going out of business, the pilot was not able to progress. The current report asked for approval to progress the project into the planning and construction phases to be delivered via the council's Strategic Construction Partnership. If approved the scheme would deliver 12 homes for the council to let within affordable rent levels to applicants on the Homemove register. The report was presented by the Lead Regeneration Programme Manager.

41.2 Councillor Gibson had submitted the following amendment:

To amend recommendation 2.1 (iii) as shown below in ***bold italics***

iii) The ***provisional*** scheme rent levels at ~~37.5%~~ ***27.5%*** of Living Wage ***for 1 bed flats and LHA rents for the 2 bed flats, with these rents confirmed at a future housing committee once the cost estimates are better known.*** ~~in line with the New Homes Rent Policy and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing after consultation with the Estate Regeneration Member Board to adjust the rent within the Rent Policy should scheme costs change;~~

41.3 Councillor Gibson stated that he was proposing a mixed rent option. He considered this a more attractive option that would offer four properties at rent levels of 27.5%. The two bed flats would be at a higher rate. Councillor Gibson stressed that a mixed rent model was agreed for the Rotherfield Crescent scheme. The amendment recognised that rent levels were being proposed at an early stage and that the costs could change. The modelling was based on borrowing cost assumptions. Therefore the preference was for

the rent decision to be provisional at this stage. Councillor Sykes seconded the amendment.

- 41.4 Councillor Atkinson thanked the officers for the report. In relation to the amendment, Councillor Atkinson remarked that there was already an existing policy on rent levels. He considered that the rent levels should remain at 37.5% to avoid confusion and inconsistency.
- 41.5 Councillor Bell expressed concern that a significant subsidy would be required if the rent levels moved away from 37.5%. There was also a danger that fewer homes would be built. He stressed the need to have equality across all the schemes.
- 41.6 Councillor Mears stated that this was a complex site and the level of contamination of the land was not yet known. She concurred with the comments of Councillors Bell and Atkinson and stressed that agreeing the amendment could lead to fewer homes being built. Councillor Mears was concerned that families should not be penalised for having a larger property. The Conservative Group would not support the amendment.
- 41.7 Councillor Hill had the same concerns about the amendment and considered that it would be better to follow the same policy for all schemes. Councillor Hill expressed concern that the substantive recommendation 2.1 (iii) delegated authority to the Executive Director of Neighbourhoods, Communities & Housing after consultation with the Estates Regeneration Member Board to adjust the rent within the Rent Policy should scheme costs change. Councillor Hill remarked that the Estate Regeneration Member Board was not a decision making body. She asked if a report would be submitted to Policy, Resources & Growth Committee and stressed that the Housing & New Homes Committee should be consulted.
- 41.8 The Executive Director of Neighbourhoods, Communities & Housing explained that there would not be a further report to Policy, Resources & Growth Committee. A report would come back to the Housing & New Homes Committee if scheme costs changed.
- 41.9 Councillor Mears agreed with Councillor Hill. There were only three councillors on the Estate Regeneration Members' Board and it was not a decision making meeting. Any changes to scheme costs should be brought back to the Housing & New Homes Committee for ratification.
- 41.10 Councillor Hill proposed an amendment to paragraph 2.1 (iii) which would delete the words *..and delegates authority to the Executive Director of Neighbourhoods, Communities & Housing after consultation with the Estate Regeneration Member Board to adjust the rent within the Rent Policy should scheme costs change.* The amendment was seconded by Councillor Mears.
- 41.11 Councillor Gibson expressed concern that it was suggested that Estate Regeneration Members' Board should not be consulted, leading to less democratic oversight of the decision if costs changed. He referred to Councillor Bell's comments about subsidy and stressed that his proposal would require less subsidy and was predicting a surplus over 60 years. The Committee had agreed a mixed rent option for Rotherfield Crescent which created a precedent. Councillor Gibson referred to Councillor Mears' comments that in achieving affordability the Green proposal was favouring one type of property. In the

case of Victoria Road report the Green amendment proposed having lower rents for the two bed flats. He was proposing a package of lower rents overall.

- 41.12 Councillor Moonan echoed some of the previous comments. There needed to be work carried out to ensure fairness in the way rent models were applied. On the question of affordability, if the scheme was achieved at a lower cost she hoped it would be reported back to the Committee with a suggestion that the rents would be dropped. There would still be an opportunity to do that in an open forum rather than only through a closed Estate Regeneration Members' Board.
- 41.13 The Committee voted on the Green Group amendment as set out in paragraph 41.2 above. Members voted in favour of the amendment by 2 votes and against by 8 votes. The amendment was not carried.
- 41.14 The Committee voted on Councillor Hill's amendment as set out in paragraph 41.12. Members voted in favour of the amendment by 8 votes in favour, 1 against and 1 abstention. The amendment was carried.
- 41.15 The Committee voted on the substantive recommendations as amended and these were agreed unanimously.
- 41.16 **RESOLVED:-**
- (1) That the Housing & New Homes Committee approves:
- i. The proposed scheme of twelve new council homes at Buckley Close, Hove under the New Homes for Neighbourhoods programme and notes that an HRA budget variation of £2.930m for this scheme will be proposed for approval by Policy, Resources & Growth Committee as part of the month 7 Budget Monitoring Report;
 - ii. The demolition of the existing garages at Buckley Close;
 - iii. The scheme rent levels at 37.5% of Living Wage, in line with the New Homes Rent Policy;
 - iv. Construction through the council's Strategic Construction partnership with Morgan Sindall;
- (2) That the Housing and New Homes Committee recommend to Policy, Resources & Growth Committee to:
- v. Appropriate the Buckley Close former garages site (Buckley Close, Hangleton, Hove BN3 8EU) for planning purposes and delegate authority to the Executive Director of Environment, Economy and Culture to appropriate for housing once the development is complete.