

Executive Summary of Business for the Council

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| Title | Sussex Affordable Housing Policy |
| Status | Open |
| UEG sponsor | Professor Kelly Coate, Pro Vice-Chancellor Education & Students |
| Authors | Professor Kelly Coate, Pro Vice-Chancellor Education & Students, including members of the sub-group of the Accommodation Rental Charges and Funding Packages Task and Finish Group |
| Type | Report |
| Date | March 2022 |
| Summary of paper | <p>This paper sets out the Sussex Affordable Housing policy which has been discussed and designed with student representatives to ensure that any adverse impacts from accommodation rental charge increases are minimised for students from lower income backgrounds.</p> <p>The focus of the policy is to provide some financial support to first year undergraduate students who apply to live in guaranteed university accommodation and meet the eligibility criteria of the scheme. The policy is accompanied by a proposed implementation plan for 2023-24.</p> <p>Student Experience Committee (SEC) discussed the policy at its meeting on 9 March 2022. It welcomed the planned implementation pilot and evaluation; SEC expressed interest in receiving the outcomes of the evaluation. SEC discussed the use of the word 'affordable' but it was assured that this language aligned with the other institutions with a similar policy.</p> |
| Suggested reading | Update on the Accommodation Rental Charges and Funding Package Task and Finish Group paper for SEC 10 November 2021 |
| Resource implications | The resource to fund the proposed Affordable Housing Policy will come from the Housing Budget. |

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| Value for Money | In setting rents, the University works on the principle that student accommodation provided by the University will be run on a long-term financially sustainable basis which allows for maintenance throughout the life of buildings and, where possible, provides a contribution to the refurbishment of older residences. |
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| | The University also ensures that accommodation provided represents good value for money and that it maintains a variety of rent levels within the accommodation portfolio with flexibility to meet changes in student preferences. However, where possible the University does not subsidise rents or associated costs from central University funds or tuition fee income. |
| Equalities impact | An Affordable Housing Policy will benefit students from lower income backgrounds. |
| Consultation | USSU; Housing; Widening Participation; Finance; Admissions |
| Effective date of introduction | Trial proposed in September 2023 |
| Recommendations | Council is asked to APPROVE the update on the draft Affordable Housing Policy |

Context: Accommodation at Sussex

- 1.1 The University of Sussex provides accommodation for circa 5,000 students on our Falmer campus and across Brighton and Hove. During academic year 2021/22, the following residences were available.

On Campus

| Accommodation | Room Types | Number of Rooms | UG/PG |
|----------------------|-----------------------------|-----------------|-------|
| Brighthelm | Single | 300 | UG/PG |
| East Slope Townhouse | Single | 590 | UG/PG |
| East Slope Ensuite | Single | 1,527 | UG/PG |
| Lewes Court Phase 1 | Single/Studios/Family Flats | 255 | UG |
| Lewes Court Phase 2 | Single/Studios | 249 | UG |
| Northfield | Single/Studios/Family Flats | 1,105 | UG/PG |
| Norwich House | Single/Flatlets | 119 | UG/PG |
| Stanmer Court | Single/Shared/Studios | 479 | UG/PG |
| Swanborough | Single | 250 | UG |

Off Campus

| Accommodation | Room Types | Number of Rooms | UG/PG |
|------------------|---------------------|-----------------|-------|
| Kings Road | Single | 124 | UG/PG |
| University Owned | Single/Family Flats | 77 | UG/PG |

- 1.2 The University is signed up to the UUK Code of Practice which aims to help those managing student accommodation to identify the key elements of good management practice and encourage the raising of standards in student accommodation.
- 1.3 It is also important to note that included in the rent for these rooms is the cost of utilities, access to University WiFi, insurance, and other housing services, including cleaning, 24-hour portering and welfare support and security.

2. Aims of this Policy

- 2.1 The Sussex Affordable Housing Policy has been discussed and designed with student representatives to ensure we maximise the number of rooms that are priced at affordable rates, so that students from more challenging financial backgrounds can access our accommodation. The focus of the policy is to provide some financial support to first year undergraduate students who apply to live in guaranteed university accommodation and meet the eligibility criteria of the scheme.

3. Definitions

- 3.1 Affordable Housing in this policy refers solely to university owned accommodation. The policy does not apply to students renting from the private sector.
- 3.2 Each year, the threshold for accommodation covered by this Policy deemed as affordable to lower-income students at Sussex will be based on an accepted national measure of lower income, costs of living, and the levels of bursaries and maximum maintenance loans.
- 3.2 Guaranteed accommodation refers to the criteria that Undergraduate students must meet to be guaranteed an offer of University managed accommodation in September of each academic year as set out on the [Accommodation webpages](#).

4. Principles

- 4.1 This Policy will be reviewed annually, and will be overseen by a Steering Group which ensures the process is a collaboration between the University and the Students Union.
- 4.2 The processes that support this Policy will be transparent and collaborative.
- 4.3 Student choice is important within this scheme. Therefore, affordable housing will be available across a range of different types of accommodation at Sussex, rather than being confined to certain types of housing.
- 4.4 The Affordable Housing Policy will only apply to first year undergraduates who meet the Housing Guarantee for university accommodation with a parental income under the agreed threshold.
- 4.5 The implementation and impact of the Policy will be annually evaluated, reviewed and, if possible, the scheme will be expanded if it can be done so within the parameters set out in this Policy. The evaluations and reviews will be conducted by the Steering Group which includes Student Union officers.
- 4.6 The total cost of subsidising rooms under the policy to the agreed 'affordable' rate will be capped at 2-3% of the total rental revenue the University forecasts to receive from University owned and controlled accommodation.

5. Rent Setting Process

- 5.1 University rents are agreed and set on an annual basis. Rents are published a year ahead of the start of an academic year so that new applicants are able to make informed decisions prior to applying for University of Sussex housing.
- 5.2 The rent setting process is led by the Housing team with support from Finance. Stakeholders, including the Student Union and the University Executive Group (UEG), are consulted ahead of final rents being agreed and approved by University Council in June each year.

In setting rents a number of factors are considered, including;

- Operational and capital repayment costs of our accommodation
- Local comparable accommodation prices in Brighton & Hove
- Published inflation indices
- The total rent package including utilities and tenancy lengths
- Comparator universities rents
- Feedback, via the Students' Union and other student-related groups

5.3 In setting rents, the University works on the principle that student accommodation provided by the University will be run on a long-term financially sustainable basis which allows for maintenance throughout the life of buildings and, where possible, provides a contribution to the refurbishment of older residences.

5.4 The University also ensures that accommodation provided represents good value for money and that it maintains a variety of rent levels within the accommodation portfolio with flexibility to meet changes in student preferences. However, where possible the University does not subsidise rents or associated costs from central University funds or tuition fee income.

5.5 The Affordable Housing Policy will operate in conjunction with the rent setting process.

Proposed Implementation Plan for 2023/24

Undergraduate students who qualify for the University's Housing Guarantee from household incomes of below £25k will be able to apply for an 'affordable room' as part of the new policy. These rooms will be charged at £125pw or lower. The rooms offered will be spread across University accommodation.

Process

Students will apply through the housing portal in the normal way but will indicate that they wish to apply for an 'affordable room'. They will then be directed to a page which will outline the terms of the policy and eligibility criteria.

The University will allocate a number of rooms to meet expected demand across its housing portfolio as 'affordable'. The eligible student will then be allocated one of these rooms at random (as is the case for all student accommodation allocation). They will not be asked to provide a preference.

The University will issue a rent credit to the student to ensure the room is priced at no more than £125pw. The University will use the data from the Sussex Bursary to verify eligibility and apply the credits.

Funding

The pilot will be funded from the existing housing budget, most likely through reducing the long-term maintenance (LTM) fund. The Task and Finish Group, and the sub-group who drafted the policy, did not feel that APP funding was appropriate for this scheme. Paying from maintenance funds is possible because of the West Slope development: West Slope will take away the risk/ cost of LTM for a large portion of residences and has also removed the oldest accommodation on campus. Although we still have significant LTM to pay for, this will allow us to spread the cost over a longer period of time, which without West Slope we would not have been able to do.

The sub-group considered a range of options for implementing this scheme, and has recommended to UEG that a trial scheme in September 2023 is implemented which will be based on the following:

- The University will subsidise rooms to affordable level for ALL eligible undergraduate students with household income <£25k, and in addition ensures a number of rooms are still available at <£125pw that are open to other students. This increases the total number of rooms priced at <£125pw from **367 to 800+** (c625 allocated for the policy and further c185+ already priced <£125pw
 - Cost: £550,000 (this is roughly 3% of the University rental revenue budget)

Benefits

- This approach ensures lower priced rooms are still available to students that do not qualify for an 'affordable room' on parental incomes over £25k
- The full range of accommodation types and prices remain available to all students

- A wider range of rooms (including en-suite accommodation) will be allocated as 'affordable' spreading the rooms more evenly across campus.
- This approach can be administered by the University using existing resources (e.g. it does not require an 'assessment' process to be established and implemented, as we do not currently keep track of students on parental incomes over £25k)
- Students do not have to go through another means test/application process
- Students will know early that they have an 'affordable room' rather than having to wait for another income assessment.
- Students receiving the Sussex Bursary can use this towards other living costs rather than subsidising rent

Demand

For context, the latest housing application data showed 499 students (c9%) selected accommodation priced at <£125pw as their first-choice preference. Option B offers significantly more lower priced rooms rather than just matching the demand data.

Trial for September 2023

The ease of administration under this proposal means either option can be implemented as a trial for the 2023/24 academic year, and can be embedded within the rent setting process and alongside the accessible housing guarantee we offer to students who need accessible accommodation. The Affordable Housing Policy Steering Committee can agree the metrics to assess the success of the policy. The flexibility written in to the terms of the overarching policy will allow us to adapt this approach in the future.

In agreeing to this pilot, the USSU Officer members of the Task and Finish Group asked that it is noted they have some concerns that the proposed scheme will adequately cover students' financial needs who fall into the parental income bracket of £25k-£42k. We will seek evidence during the pilot phase to help us ensure that the proposal to set aside lower cost rooms for this group of students in the general pool of accommodation has been adequate. They would also like us to keep under review the decision to fund this scheme from the LTM budget, which we have committed to do.