The standard rent for students living on campus in 1975-76 is £7.00 a week. But there is a discount of 86p a week (£2.60 a term) for those who pay their rent in the first two weeks of term, and anyone who pays the whole year's rent in advance will receive a rebate of £11.60.

The figure of £7.00 a week represents an increase of 22 per cent over rent levels in the spring and summer terms last session (£5.76 a week) - less than is needed to balance the University's accommodation account but exactly in line with the percentage increase in student maintenance grants for 1975-76 (maximum grant up to £140 from £105 in 1974-75).

Local Housing Situation

Providing accommodation for a student population which has expanded rapidly in the last few years is a major headache for most universities. There are no easy answers, no binding insights which will solve all the difficulties at a stroke. This is particularly true of Sussex which has grown from none to 4,000 students in 14 years and in a town like Brighton where pressure on cheaper rented accommodation from local people is already high.

The University has always been concerned to view the situation in terms of the availability of accommodation in Brighton as well as on campus and in terms of the effects which its demands have on the Brighton housing market. It has always recognised that it has a responsibility to the community at large.

In the first six years of its life, the University grew very rapidly to 3,000 students. This growth was made possible by the use of off-season holiday accommodation (Guest Houses) coupled with the purpose-built Park Houses on the campus.

But since then there have been significant changes in the type of accommodation demanded by students and in the kinds available to them, as the table on page 4 shows. The number of Guest House places available gradually declined, and the contract Guest House scheme was completely phased out at the end of the 1974-75 academic year.

Nor has the Brighton housing situation remained constant. The supply of privately-owned residential accommodation in the town available to students and other low-income groups has shrunk. Planning controls have prevented the University from operating easily in the local market, and it has been able to acquire only a very limited number of properties in Brighton, Hove and Lewes.

In these circumstances it has been necessary for the University to increase the stock of accommodation on campus - and its commitment to providing more residential places has been reinforced by the social and academic arguments in favour of a thriving community life on the site.

Moreover, while the University cannot directly affect rents in the private sector, it can contribute in this way to increasing the total supply of accommodation in the Brighton area, thereby easing the town's housing problems and helping to keep rent levels down.

Since 1967-68 the number of residential places on campus has risen dramatically. In this period, the Park Village Sages I and II, Kent House and the East Slope Sages I and II have been built. In addition, some properties in Brighton, Hove and Lewes have been bought and converted for student use.

Loan Finance System

But the enduring problem has been money. Of all the University-owned accommodation, only the four original
Park Houses (Lancaster, York, Essex and Norwich) were built without raising loans.

With such a very small stock of debt-free buildings (less than 25 per cent of the total supply), the possibilities of using the surplus from them to subsidise new schemes were exhausted long ago.

Indeed, the University's room for manoeuvre on accommodation is extremely limited. To realise why this is so and to see why rents have had to be increased to their present level, it is necessary to understand the constraints within which the University has to operate.

If a university does not have sufficient ready cash, it has the choice of two alternatives when it wants to build or buy student accommodation:

Either (i) it can appeal to the general public for the funds it needs; or (ii) it can obtain part of the cost from the Government through the University Grants Committee (U.G.C.) and find the remaining money itself.

If it takes the second option, it can raise the balance either, again, by an appeal to the general public or by borrowing in the money market.

When the first four Park Houses were built, Sussex financed them partly from U.G.C. grants and partly from the Appeal Fund. But since then the University has had to rely on the so-called loan finance system which the U.G.C. initiated in 1967.

Under this system -- which the University has used to finance accommodation for 1460 students -- the U.G.C. provides a capital grant for a proportion (at present up to 50%) of the approved capital cost of a building. The remainder is provided by loans raised by the University on the commercial market, just like a conventional building society mortgage for house purchase.

The repayments and interest charges on these loans, together with the running and maintenance costs of all student residential buildings, must come from the accommodation account -- whose source of income is student rents.

The Notes of Guidance provided by the U.G.C. leave no room for doubt about the status of the accommodation account: "The Committee expects that taking one year with another, income and expenditure on halls of residence (whether "traditional" or in the form of study bedroom blocks or student houses) and refectories should balance".

The U.G.C. reviews the position at the end of each quinquennium. Moreover, since the University derives most of its income from the Government, its accounts are subject to regular scrutiny by the Comptroller and Auditor General on behalf of Parliament.

Like all other universities, Sussex is obliged to obey the rules laid down by the U.G.C. and balance its accommodation account. The consequence is clear: campus rents must be set at a level which will allow the interest and repayments charges on loans to be paid.

With inflation, each successive residential building has cost more than the last and has called for a bigger loan; interest rates have crept steadily upwards; maintenance and other running costs have also increased rapidly. If the University wishes to accommodate a large proportion of its students on campus -- as it does -- and at the same time to observe the obligations imposed by the U.G.C., rents must be set at an economic level.

It is worth noting that while loan charges represent a substantial part of the total cost which has to be recouped through rents (46% in 1974-75), the main reason for the 1975-76 rent increase has been the inflation of other costs, particularly fuel costs and wages. The cost of fuel, light and water alone for 1975-76 was estimated in the spring of this year at nearly £120,000 or something like £1.50 of the rent of £7 per week.

This is a large sum by any standards, particularly when it is borne in mind that the University is able to take advantage of tariffs which reduce costs well below domestic levels. Owing to price rises it is likely that the actual cost will be even higher, leading to further large rises in rents in future years, unless substantial economies can be made during the year in consultation with the representatives of residents.

Project Team

For Sussex a vital priority has always been, and remains, its policy of not allowing the rise in rents to outstrip increases in student maintenance grants.

That is why the Council project team recommended that the standard campus rent in 1975-76 should rise by the same percentage as the student grant to £7.90 a week and not to the economic figure of £7.60.

The project team accepted that pegging the increase would, in the short term, produce a deficit on the accommodation account and recommended that this should be counterbalanced by savings on fuel and service costs, by more intensive vacation use of the accommodation (for conferences, etc.) or by a reduction in provision accounts (sinking funds).

The project team recognised also the increasing difficulties associated with the loan finance scheme and its effects on student rents. It recommended that no further loan-financed student residential accommodation should be built on campus on the terms currently available and suggested instead that new initiatives should be explored to find alternative methods of financing student residences.

Action Programme

The University, in consultation with the Students' Union and U.S.T.A., is firmly committed to seeking ways around the accommodation deadlock.

In discussions during 1974-75 University officers and student representatives agreed on a joint action programme on accommodation to include:

(a) Meetings with the Department of Education and Science (DES), the Department of the Environment (DOE), the U.G.C. and the local authorities to discuss amendment of the loan finance system and possible alternatives to it and to investigate key issues affecting student accommodation and the local housing situation, including the needs of low income families.

(b) Forward planning work on building more student accommodation, examining trends in the private market, the balance between on- and off-campus residences, the provision of adequate social facilities associated with housing developments and ways of financing future development.

(c) The establishment of a special fund from non-U.G.C. monies to create additional social amenities for those living on campus.
(d) A detailed examination of the accommodation account both to contain costs and to develop an agreed method of setting future rent levels.

(e) A survey to provide better information on rent levels in the locality.

(f) A programme of advice to students on the availability of and terms for local non-University accommodation, including information on legal procedures and the Rent Act.

(g) The establishment of a hardship fund for students in financial difficulties because of accommodation problems.

As a first practical step, University officers have had talks with representatives of the DoE, Brighton Borough Council and a charitable trust about setting up a housing association to build accommodation on campus. A housing association would be able to attract local authority loans and Government grants on far more favourable terms than are available under the present loan finance system.

Discussions are inevitably complicated, with stringent legal rules and conditions to be observed, but the University Council has backed the idea in principle and it is hoped that progress will be made.

Past Negotiations
It has always been Sussex policy to involve students fully in all discussions and decisions on accommodation. The University has attempted to determine rent levels for the following academic year in consultation with student representatives early each summer.

In 1973-74 rents were frozen at their 1972-73 level despite an increase in student maintenance grants and cost inflation.

For 1974-75 there were long and detailed talks throughout the summer of 1974. From the outset the basic facts about the accommodation account were agreed by all concerned, including the calculation that the increase needed to produce an economic rent was £1.32 a week.

U.S.T.A. was unwilling to accept the increase but agreed to the establishment of a project team, in June 1974, to look into the whole question.

As a result of discussions in the project team -- which included students -- both before and after the end of the summer term:

(a) the University lowered the rent increase from the proposed £1.32 a week to £1.25 a week, by capitalising interest charges incurred through the building of East Hope Stage 1 over 25 years:

(b) in view of the interest which would be earned on the funds in the accommodation account if rents were paid promptly, a discount of 25% a week for prompt payment was introduced by the University.

But it was not possible to reach agreement with the student representatives despite protracted talks, because of a mandate imposed by the Union before the increase in student grants was announced. In the end, the University had no option but to go ahead with an increase of £1.25 a week without agreement.

New Proposal
Negotiations between University and student representatives went on through much of the 1974-75 academic year, culminating in the project team's recommendation (described above) that rents in 1975-76 should go up to £7.00 a week, with the prompt payment discount continuing. Again, however, it was not possible to obtain Students' Union agreement for the rise despite detailed and comprehensive discussions.

A new initiative was introduced into the talks with a student proposal to link rent levels to inflation. The scheme envisaged using additional loans to reduce rents in the early years; as inflation continued, higher rents in later years would pay off these loans.

The principle of this scheme was agreed to be sound but two major obstacles were apparent. First, the inability of students through their representative machinery to bind future generations of students to pay the higher rents and, second, the difficulty of raising additional loans on property that has no market valuation.

In the 1974-75 talks, it was agreed that financial assistance should be given to first year undergraduates living in Guest Houses where rents were higher than those on campus, and that the contract Guest House scheme should be terminated at the end of the academic year.

Elsewhere
Information collected nationally showed that rents at Sussex in 1974-5 were at the lower end of the scale for provincial universities. Of a group of 29 universities, 20 were charging more than Sussex, four about the same and five were charging less.

Figures issued by the National Union of Students (N.U.S.) indicated that Sussex rents -- and catering charges -- were significantly lower than the average for provincial universities.

The cost of local off-campus accommodation is less easy to assess, but, according to accommodation office information, the equivalent of a campus study-bedroom in Brighton -- and very few are available in the town -- is significantly more expensive than the University's own accommodation.

One thing is clear: the only long-term remedy at the University's disposal is to acquire more accommodation of its own. This can only happen if the accommodation account is allowed to operate with properly determined rents, while better ways are found of financing further buildings.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>On-Campus</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University Owned</td>
<td>325 (10)</td>
<td>632 (17)</td>
<td>659 (19)</td>
<td>825 (24)</td>
<td>984 (29)</td>
<td>1110 (29)</td>
<td>1400 (34)</td>
<td>1680 (40)</td>
</tr>
<tr>
<td>Guest Houses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>85 (2)</td>
<td>101 (3)</td>
<td>87 (2)</td>
<td>150 (4)</td>
<td>200 (5)</td>
</tr>
<tr>
<td>Lodgings &amp; Flats</td>
<td>615 (18)</td>
<td>539 (15)</td>
<td>298 (8)</td>
<td>242 (7)</td>
<td>183 (5)</td>
<td>207 (5)</td>
<td>235 (6)</td>
<td>*50 (1)</td>
</tr>
<tr>
<td>Home</td>
<td>2328 (68)</td>
<td>2163 (60)</td>
<td>2418 (68)</td>
<td>2144 (62)</td>
<td>1986 (58)</td>
<td>1871 (48)</td>
<td>1865 (45)</td>
<td>1995 (48)</td>
</tr>
<tr>
<td>Not Known</td>
<td>146 (4)</td>
<td>296 (8)</td>
<td>184 (5)</td>
<td>180 (5)</td>
<td>181 (5)</td>
<td>251 (7)</td>
<td>200 (5)</td>
<td>235 (6)</td>
</tr>
</tbody>
</table>

| Total          | 3414    | 3630    | 3559    | 3476    | 3435    | 3861    | 4110    | 4160    |

* Provisional Figures
+ Non-Contract