

Report to Housing Scrutiny Panel

Date of meeting: 22 January 2014

Portfolio: Housing – Cllr D. Stallan

Subject: Council Rent Increase 2014/15

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Recommendations:

That an oral briefing on the Housing Portfolio Holder's recommendation to the Finance and Performance Management Cabinet Committee, on the proposed Council rent increased for 2014/15, be received from the Housing Portfolio Holder and Director of Housing.

Introduction:

1. The proposed average Council rent increase will be considered, in the first instance, by the Finance and Performance Management Cabinet Committee at its meeting on 20th January 2014, in consultation with the Finance and Performance Management Scrutiny Panel (at the same meeting), which will make a recommendation to the Cabinet - who in turn will recommend a rent increase to the full Council.
2. It has become customary for the Housing Portfolio Holder and Director of Housing to brief the Scrutiny Panel at its January meeting on the Housing Portfolio Holder's proposed rent increase for the following year. Accordingly, at this meeting, they will provide an oral briefing to members of the Housing Scrutiny Panel on the proposed rent increase for 2014/15, and its rationale.
3. A major implication for the Council rent increase this year, and the longer term viability of the Council's HRA Financial Plan, is the Department for Communities and Local Government (DCLG)'s proposals for the future of social rents, which were set out in a DCLG Consultation Paper in October 2013, inviting responses by 24th December 2013.
4. Further information on this consultation exercise, and the implications for the Council, are set in the separate report to the Scrutiny Panel on the Housing Improvements and Enhancements Fund, later in the agenda.
5. As a result of the DCLG's proposals, and at the request of the Housing Portfolio Holder, the Council's HRA Business Planning Consultants, CIH Consultancy, have been asked to model the effects of four different options for the 2014/15 rent increase. A Briefing Paper from CIH Consultancy on the four identified options is attached as an Appendix, which has informed the Housing Portfolio Holder's view, and is therefore provided to the Scrutiny Panel as background information.