



Leicester
City Council

**MINUTE
EXTRACT**

Minutes of the Meeting of the
HOUSING SCRUTINY COMMITTEE

Held: THURSDAY, 19 JUNE 2003 at 5.30pm

P R E S E N T :

Councillor Draycott - Chair
Councillor Smith – Liberal Democrat Spokesperson
Councillor Allen - Conservative Spokesperson

Councillor Almey
Councillor Getliffe

Councillor Karim
Councillor Shelton

Also in Attendance

Christine Cronogue - Leicester Federation of Tenants' Associations
Invitee – Mrs. Robinson – Leicester Housing Association Liaison Group

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1. DECLARATIONS OF INTEREST

Members were asked to declare any interests which they might have in the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

Councillor Draycott declared a personal and prejudicial interest in Minute 9 – 'Rent Restructuring - Impact on Leicester', because she was related to a tenant of a Council house property.

Councillors Getliffe and Smith, and Christine Cronogue, declared personal and prejudicial interests in Minute 9 - 'Rent Restructuring – Impact on Leicester' because they were tenants of Council house properties.

Members were advised that the prejudicial interests did not apply under the provisions of the Model Code of Conduct Paragraph 10(d), and therefore, these Councillors and Mrs Cronogue remained in the meeting, and took part in the discussion of the items.

9. RENT RESTRUCTURING - IMPACT ON LEICESTER

The Corporate Director of Housing submitted a report which provided

information on the impact and operation of the Government's rent restructuring regime to be used as a basis for rent setting in all social housing (including Council housing).

The report explained that social rents had developed as a result of historic factors, and the operation of the housing subsidy system. The Government had considered that rent restructuring should use a single formula for setting the rent of all social housing, and would remove unjustifiable differences between the rents charged by Local Authorities and Registered Social Landlords.

The central proposal was to introduce a common basis on which all rents in the social sector would be set, based 70% on relative county manual earnings and a bedroom 'weight', and 30% on relative property values. This rent was called the 'formula' rent, and would lead to the introduction of a changed pattern of social rents.

RESOLVED :

- 1) that the information about how rent restructuring would impact on rents in Leicester be noted ;
- 2) that Cabinet be advised that the Housing Scrutiny Committee wished to see the 5% flexibility allowed under the Scheme to offset the increases to rents on bedsit accommodation and one-bedroom flats ;
- 3) that Cabinet be advised that the Committee supported funding for the shortfall created by the action contained in (2), by increasing the rents on three and four bedroom houses ;
- 4) that an all party letter be sent to the Secretary of State, expressing concern as to how the Scheme was working, and particularly, how it was impacting on the rents of the most difficult to let properties in the City ; and
- 5) that a further letter be sent to the Secretary of State asking that Leicester be allowed to retain the additional income resulting from rent restructuring, rather than paying the Government in the form of negative subsidy