

## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET MEMBER FOR REGENERATION (POST)**

Decision Made: 21 January 2011

#### **Proposed Increase in Rents on Gypsy Sites**

##### **Issue for Decision**

To consider an increase by 3.1% in the rents for the two gypsy sites at Stilebridge Lane, Marden and Water Lane, Ulcombe from April 2011.

##### **Decision Made**

That the rent for the council owned gypsy sites be increased by 3.1% as set out below to commence from April 2011.

	Current Rent	New Rent
Stilebridge Lane Marden	£45.65 per week per pitch	£47.07 per week per pitch
Water Lane Ulcombe	£53.09 per week per pitch	£54.74 per week per pitch

##### **Reasons for Decision**

Kent County Council (KCC) now manages two gypsy sites on behalf of Maidstone Borough Council (MBC). KCC is proposing a rent increase of 3.1% on other sites it owns and/or manages throughout the County. This increase is in line with the percentage increase awarded to welfare benefit payments as explained below. It was therefore thought appropriate that the rents on the two sites be increased by the same amount.

In determining its increases, KCC are using the September Consumer Price Index (CPI) as its reference point. This index is used on the basis that most of the residents claim housing benefit and this is increased in line with CPI. The rate of rise in September 2010's CPI was 3.1%, which is the latest figure available.

On the basis that the KCC Gypsy and Traveller Advisory Board have agreed the increase in line with CPI it would be consistent for the same increases to be levied on the MBC owned sites that are managed by KCC.

KCC has researched the government's proposals relating to the application of the Mobile Homes Act 1983 to the sites. The Mobile Homes Act 1983 provides residents of mobile home sites some security of tenure. It has

not applied to some council run gypsy sites because of the way they are managed. The government has recently consulted on how the Mobile Homes Act 1983 can be extended to apply to all council owned and run gypsy sites regardless of who manages them. KCC is of the view that the Act may already apply to some of their sites. In view of this, KCC's proposed rent increases assume that the Mobile Homes Act already applies. The Mobile Homes Act 1983 regarding rents requires that rent increases must take account of the Retail Price Index (RPI) or the CPI. As Housing Benefit is increased in line with CPI this is thought to be the most appropriate indicator for determining rent increases.

### **Alternatives considered and why rejected**

MBC could decide not to increase the rents. This is not thought appropriate as costs to operate the site will increase. KCC may be looking for an increase in their management fee from April 2011 and an increase in rent will enable the sites to be largely self sustaining; also KCC are imposing rent increases on sites surrounding Maidstone.

MBC could decide to increase the rents by more than 3.1%. This is not thought appropriate as a larger increase would be difficult to justify given the reasons outlined above.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: xxxxxxxxxx.
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