

MAIDSTONE BOROUGH COUNCIL
CABINET MEMBER FOR REGENERATION
REPORT OF THE HEAD OF HOUSING
AND COMMUNITY SAFETY

Report prepared by Stuart White
Date Issued: 21 January 2011

1. PROPOSED INCREASE IN RENTS ON GYPSY SITES

1.1 Key Issue for Decision

1.1.1 That the Cabinet Member for Regeneration agrees the 3.1% increase in rents for the two gypsy sites at Stilebridge Lane, Marden and Water Lane, Ulcombe from April 2011.

1.2 Recommendation of the Head of Housing and Community Safety

1.2.1 That the Cabinet Member for Regeneration agrees rent increases (3.1%) for the council owned gypsy sites 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

1.3 Reasons for Recommendation

1.3.1 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 is recommended that the rents on the two sites are increased by the same amount.

1.3.2 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.

1.3.3 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.

1.3.4 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.

1.4 Alternative Action and why not Recommended

1.4.1 MBC could decide not to increase the rents. This is not recommended 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. It is also not recommended as KCC are imposing rent increases on sites surrounding Maidstone.

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

1.5 Impact on Corporate Objectives

1.5.1 Increasing rental income enables MBC and KCC to provide cost effective services and maintain an appropriate standard of services.

1.6 Risk Management

1.6.1 There is a small risk that the increased rents will not be paid by the residents whose income has not increased in line with CPI. This risk is considered extremely small as almost all the residents are in receipt of Housing Benefit. There is a greater risk that if the rent increase is not imposed the council will not be in a position to maintain the site to an acceptable standard. Income from the rents directly contributes to the maintenance budget.

1.7 Other Implications

1.7.1

1. Financial	X
2. Staffing	
3. Legal	
4. Equality Impact Needs Assessment	
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

1.7.2 The financial implications are contained within the body of the report.

1.8 Relevant Documents

1.8.1 Appendices None

1.8.2 Background Documents None

IS THIS A KEY DECISION REPORT?

Yes No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected: Marden and Ulcombe

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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