

QUESTIONS FROM ELECTED MEMBERS UNDER PROCEDURE RULE 10

4-16 TO COUNCILLOR AJAIB, COMMISSIONER FOR HOUSING AND URBAN RENEWAL FROM COUNCILLOR SWINDLEHURST (RECEIVED 23.11.16)

"In light of the government's announcement yesterday that it intends to scrap its proposals for 'pay to stay' rents for higher income Council tenants, can you set out what plans you now have to amend the recent Slough proposal to introduce intermediate rent levels for all new-built Council dwellings - the justification for which was cited at Cabinet as being that it was better Slough Council took the additional rents than central government. Can you offer residents and elected members reassurance that Slough (as a Labour-controlled Council) won't continue to implement this ill-considered Tory policy of elevating rents to near-market levels on new Council homes, now that even the Tory government has decided it is undesirable to implement it to tenants nationally?"

Reply

The Government has confirmed that it will not be proceeding with the mandatory Pay to Stay Policy. Local authorities will still be able to use it on a voluntary basis if they wish. Slough will not be doing so. This is extremely good news for our tenants. This was a pernicious policy which would have affected the rents of some tenants in their existing homes as well as involved the Council in expensive and intrusive bureaucracy.

However, this was not the main reason for the introduction of the new rents policy on Council homes. As was made clear at successive meetings, Pay to Stay was a factor, but the least important piece of the rationale.

We still face a period of unprecedented uncertainty on the HRA in Slough. In addition, the funding for our new build programme is a one-off. Once the current funding is used up, the programme will stop. We therefore still have the two main reasons for the alternative policy;

1. We may need the additional income from the new build programme to sustain the viability of the HRA in the medium and long term, including maintaining the standard of **existing** homes;
2. Charging higher rents will allow us to build more homes; there is a trade-off between the rents charged and the number of homes which can be built.

These are major strategic issues arising from the HRA Business Plan which we have to address and cannot escape.

The Local Lettings Plan which was put in place while Cllr Swindlehurst was the commissioner with responsibility for Housing to allocate the new build homes has been discontinued as it is now very likely to be unlawful. As was agreed at Overview and Scrutiny Committee on 17 November we are currently reviewing how we can correct this and an update on this and on the implementation of the rents policy will be made at Overview and Scrutiny Committee on 12 January.

On the issue of policy on affordable housing more generally the Council needs to modernise its thinking and deal with the world as it is, not as we would like it to be. This needs to be reflected in the guidance to providers of new homes, including housing associations and private developers. This is why the draft Housing Strategy proposes a wider and more flexible approach which tries to deliver homes at a range of rents, from traditional social rents, up to those which represent a higher proportion of the market rent. (The Strategy says we would not normally wish to see rents at levels not available to those on Housing Benefit.) This would be the framework within which housing associations, private developers and the Council itself would work. This does not mean abandoning traditional council house rents. But it does mean recognising that different rent levels will be appropriate in different circumstances.