



AGENDA ITEM: 5(I)

CABINET: 10th November 2015

Report of: Assistant Director Housing and Regeneration

Relevant Managing Director: Managing Director (Transformation)

Relevant Portfolio Holder: Councillor J. Patterson

**Contact for further information: Mr B. Livermore (Extn. 5200)
(E-mail: bob.livermore@westlancs.gov.uk)**

SUBJECT: PAY TO STAY: FAIRER RENTS IN SOCIAL HOUSING - CONSULTATION

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To determine if the Council wishes to respond to the consultation, attached at Appendix A, from Department for Communities and Local Government (DCLG) and if so, to either agree the response or the delegation arrangements.

2.0 RECOMMENDATIONS

- 2.1 That the response at Appendix B be sent by the Assistant Director Housing and Regeneration as the Council's response to the consultation paper.
 - 2.2 That Call In is not appropriate for this item as this matter is one where urgent action is required as there is insufficient time for an alternative view to be considered because of the consultation deadline.
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3.0 BACKGROUND

- 3.1 DCLG issued a consultation paper on proposed Government Policy on Pay to Stay on 9th October 2015. The consultation closes after a 6 week period on 20th November 2015.

3.2 The consultation paper, which is entitled 'Pay to Stay: Fairer rents in Social Housing,' is attached at Appendix A.

4.0 COMMENTS OF THE ASSISTANT DIRECTOR HOUSING AND REGENERATION

4.1 The consultation paper only looks at 2 areas where the Government want views on Policy formation which are:

- How the scheme can support incentives to work
- Evidence on administrative costs

4.2 This Policy could act as a disincentive for tenants to continue to work and therefore it has been suggested that a taper arrangement be put in place which would ensure that tenants would see the benefits of continuing to work and create wealth.

4.3 There is too little information provided on how the scheme would work in practice to attempt to provide 'evidence' of administration costs. I have therefore suggested that Council's be permitted to deduct actual costs of administering the scheme until evidence is available to make an informed judgment on what reasonable costs would be.

4.4 I have attempted to address the issues and my draft response is attached at Appendix B for consideration.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

5.1 It is difficult, without the assistance of some targeted research, to determine the reaction of tenant to this policy. If the response is to pay and stay or exercise the right to buy (RTB) there will be little impact on community cohesion. However, if tenants decide to move to alternative accommodation, this will possibly have a greater impact on communities. It is predicted that this policy will impact on 1 in 8 tenants which could change the social nature of some areas.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

6.1 It is too early to predict the costs associated with this policy. However, the response at Appendix B attempts to minimise the impact on the HRA Budget.

7.0 RISK ASSESSMENT

7.1 The policy of Pay to Stay is intended to apply from April 2017 and a more detailed risk assessment will be carried out when the detail of the arrangements are clearer and the reaction of those affected can be gauged.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix A – Consultation Paper.

Appendix B – Assistant Director Housing and Regeneration's proposed response – *to follow*

Appendix C – Minute of Landlord Services Committee (Cabinet Working Group) 4 November 2015 (Cabinet only)