

DEPUTATIONS FROM MEMBERS OF THE PUBLIC

A period of not more than fifteen minutes shall be allowed at each ordinary meeting of the Committee for the hearing of deputations from members of the public. Each deputation may be heard for a maximum of five minutes following which one Member of the Council, nominated by the Mayor, may speak in response. It shall then be moved by the Mayor and voted on without discussion that the deputation be thanked for attending and its subject matter noted.

Notification of one Deputation has been received. The spokesperson is entitled to speak for 5 minutes.

(1) Deputation from the Living Rent Campaign**Spokesperson Adrian Hart**

Supported by:

Diane Montgomery
Ian Needham
John Hadman
Carrie Hynds
Sheila Rimmer

Ward affected: All

(1) Deputation to the Housing & New Homes Committee from the Living Rent Campaign on HRA Living Rent and Social Rent

“We are here today to urge the housing and new homes committee to support the notice of motion to provide a ring fenced reserve that enables the council to provide some new council homes at more truly affordable social and living rents for households on the lowest incomes.

The Living Rent Campaign argues for rents to be set in relation to household incomes not the market. We want to see rent setting practice that enables the council to provide a range of rents, in particular, rents that are affordable for the lowest income households who suffer most economic stress in the current housing market and for whom the council is the only hope of affordability.

Looking at actual household incomes, previous reports indicate that a third of households in the city have incomes of less than £20,000. According to Shelter, rent should swallow up no more than 35% of household income to be affordable. Therefore it follows that an affordable rent for the lowest income households (the bottom third- who are the very households that most need low rent housing), should be less than £7,000 a year or less than £135 a week.

According to the councils own "Assessment of affordable housing need" report (2012) there are 15,000 households who can only afford to pay social rents. We estimate that a "living rent" (or 27.5% Living wage rent) which is calculated to be 60% more than social rents is affordable for most of the lowest 40% of household incomes (once energy cost savings on new council homes are allowed for) Under current financial modelling social or living rents do not achieve a surplus and so rents affordable for the bottom third of household incomes in the city are unlikely to be agreed by committee

Each year at least 50 socially rented council houses are sold under the right to buy. To date the council has replaced these with new homes whose rents have been more than double social rents and are not affordable for low income households. Over 5 years the council also transferred 499 socially rented council homes to Seaside Homes and the rents have doubled to Local Housing Allowance rates. So it can be estimated that at least 750 social rent properties have been lost to the city over the last 6 years. The council needs to replace this huge loss of truly affordable social rents.

There are no other housing providers (other than co-ops who are currently small scale) offering rents at less than Living wage rents. So far the council has only agreed 1 new council home at truly affordable rents (A living rent or 27.5% Living wage rent) This is wholly inadequate. The truth is that with the current financial modelling assumptions on new council homes, it is extremely difficult to achieve living rents and impossible to achieve social rents without a notional subsidy from the HRA, which an HRA ring fenced reserve could provide.

We therefore urge that the committee supports the Notice of Motion to create an HRA reserve which will open up the prospect of future rents on some new council homes that are truly affordable for the 40% of households on the lowest incomes in the city."