

| <b>Mayor And Cabinet</b> |   |                 |                 |
|--------------------------|---|-----------------|-----------------|
| <b>Report Title</b>      | Comments of the Housing Select Committee on the Rent Setting Consultation (Lewisham Homes and Brockley PFI Areas) |                 |                 |
| <b>Key Decision</b>      | No  | <b>Item No.</b> |                 |
| <b>Ward</b>              | All   |                 |                 |
| <b>Contributors</b>      | Housing Select Committee  |                 |                 |
| <b>Class</b>             | Part 1  | <b>Date</b>     | 18 January 2012 |

## **1. Summary**

- 1.1 This report informs the Mayor and Cabinet of the comments and views of the Housing Select Committee, arising from discussions held on the officer reports on Rent Setting Consultation for the Lewisham Homes and Brockley PFI Areas, considered at its meeting on 8 December 2011.

## **2. Recommendation**

- 2.1 The Mayor is recommended to note the views of the Housing Select Committee as set out in section three of the report and agree that the Executive Director for Customer Services be asked to respond to the referral.

## **3. Housing Select Committee Views**

- 3.1 On 8 December, the Housing Select Committee considered a report outlining proposals for increasing the rent in the Lewisham Homes and Brockley PFI Areas.
- 3.2 The Committee felt that the proposed increase of 7.04% for 2012/13 (equating to an average rise of £5.76 per week over a 52 week period, raising the full year average dwelling rent for the borough from £81.73 to £87.49per week) was too high.
- 3.3 Members noted that 40% of Lewisham Homes residents (approximately 5,600 households) were not in receipt of housing benefit and paid their rent from their salaries. It is the Committee's opinion that these households are already struggling with rising living costs and an uncertain jobs market, and the proposed rent increase would represent a further strain on, already very strained, household incomes.
- 3.4 The Committee would like the Mayor to note its concern at the proposed rent increase and the impact that this will have on hard-working low-income households; and investigate the feasibility of introducing a lower rent increase, taking into account all relevant implications.

#### **4. Financial Implications**

- 4.1 There are no financial implications arising out of this report per se; but there may be financial implications arising from carrying out the actions proposed by the Committee.

#### **5. Legal Implications**

- 5.1 The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet, who are obliged to consider the report and the proposed response from the relevant Executive Director; and report back to the Committee within two months (not including recess).

### **BACKGROUND PAPERS**

Housing Revenue Account (HRA) – Rent Setting Consultation (Lewisham Homes and Brockley PFI Areas) – Officer Reports to Housing Select Committee (08.12.11)

If you have any queries on this report, please contact Charlotte Dale, Scrutiny Manager (0208 3149534), or Kevin Flaherty, Head of Committee Business (0208 3149327).