

Chief Officer: Director of Community and Housing

Date: 25 February 2020

Agenda item:

Wards: Wimbledon Park

Subject: Travellers' site – Annual review of weekly licence fee

Lead officer: Hannah Doody, Director of Community and Housing

Lead member: Councillor Martin Whelton, Cabinet Member for Regeneration, Housing and Transport

Forward Plan reference number:

Contact officer: Steve Webb, steve.webb@merton.gov.uk 020 8545 4709

Recommendations:

- A. That the weekly licence fee for the rental of a pitch on the council's travellers' site be increased by 2.7% (CPI+1.0%) from £94.34 to £96.89 from Monday 6 April 2020.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report seeks the decision of the Director of Community and Housing, in consultation with the Cabinet Member for Regeneration, Housing and Transport to increase the weekly licence fee for a pitch on the Council's travellers site by 2.7% from 6 April 2020, as recommended by the Council's Managing Agents, Clarion Housing.

2 DETAILS

- 2.1. Ownership of the travellers' site at Brickfield Road, SW19 was retained by the council at stock transfer. The council entered into a management agreement for the site with Merton Priory Homes (now Clarion Housing) and this forms part of the legal transfer agreement.
- 2.2. Under the management agreement the weekly licence fee for renting a pitch on the site is to be set by the council and reviewed at least annually. The licence fee shall be no less than the level recommended by Clarion Housing (acting reasonably) from time to time.
- 2.3. Clarion Housing have recommended that the licence fee be increased by 2.7% (CPI+1%) from April 2020, increasing the weekly fee from £94.34 to £96.89.
- 2.4. The CPI+1% increase to be applied by Clarion Housing has been calculated in accordance with the Government's current rent setting formula. Since stock transfer the standard increase (or reduction), as applicable to social housing, has been applied each year.

- 2.5. At the time of the stock transfer in March 2010 there was a 5-year promise made to not increase rents by more than the standard HCA formula in use at the time: RPI + 0.5% + £2.08 per week. The time limitations on this promise have expired.

3 ALTERNATIVE OPTIONS

- 3.1. The travellers' site management agreement states that the weekly licence fee "shall be no less than such amount as may be recommended by Clarion Housing (acting reasonably) from time to time". The proposed increase of 2.7% is considered to be reasonable as this is the same rate that will be applied to the tenants in Clarion Housing stock and it follows the Government's current formula. Alternative licence fee increase of less than 2.7% would not be in accordance with the management agreement and so is not recommended. An increase above 2.7% would not be in accordance with the new Government formula and would not benefit the residents or the council.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Clarion Housing have recommended the new licence fee and consulted the council on the level of the new licence fee and seeks the council's agreement.

5 TIMETABLE

- 5.1. The new level of licence fee will be applied from April 2020.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. None for the council. The income from the weekly licence fee is collected and retained by Clarion Housing to cover the cost of meeting their obligations and commitments under the management agreement.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. Under the management agreement, which forms part of the stock transfer management agreement, the council has legal responsibility for reviewing and setting the weekly licence fee, based on the amount recommended by Clarion Housing (acting reasonably). The council will be in breach of the transfer agreement if it fails to fulfil this responsibility.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. None for the purpose of this report.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None for the purpose of this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. The level of weekly licence fee increase proposed will enable Clarion Housing to manage the site effectively, including carrying out routine repairs and maintenance and complying with Health & Safety regulations.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

11.1 None

12 BACKGROUND PAPERS

12.1. Travellers' Site Management Agreement (twenty-second schedule to the Housing Stock Transfer Agreement).