

Chief Officer: Executive Director of Housing and Sustainable Development

Date: 1st March 2024

Agenda item:

Wards: Wimbledon Park

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

Lead officer: Lucy Owen, Executive Director for Housing and Sustainable Development

Lead member: Councillor Andrew Judge, Cabinet Member for Housing and Sustainable Development

Forward Plan reference number:

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Recommendations:

- A. That the weekly licence fee for the rental of a pitch on the council's travellers' site be increased by 7.7% from £109.49 to £117.92 on Monday 1st April 2024.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report seeks the decision of the Executive Director of Housing and Sustainable Development, in consultation with the Cabinet Member for Housing and Sustainable Development to increase the weekly licence fee for a pitch on the Council's travellers site by 7.7% from 1st April 2024, 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 in March 2010. The council entered into a 30-year management agreement for the site with Merton Priory Homes (now Clarion Housing) and this forms part of the legally binding Stock Transfer Agreement.

- 2.2. Under Sections 6 and 12 of the management agreement, it says:

6.1 The Council will set a weekly licence fee to be payable by the occupants of the Site provided that such fee shall be no less than such amount as may be recommended by the Company [Clarion Housing] (acting reasonably) from time to time.

6.2 Subject to clause 6.1, the licence fee shall be reviewed at least annually by the Council and notified to the Company.

12.1 The Company shall be entitled to collect and retain any charges payable by the occupants under their occupancy agreements including the licence fees and water charges.

- 2.3. Clarion Housing have recommended that the licence fee be increased by 7.7% from April 2024, increasing the weekly fee from £109.49 to £117.92. Service charges or water charges are not charged to the residents by Clarion Housing.
- 2.4. The 7.7% increase to be applied by Clarion Housing has been calculated in accordance with the Government's current rent setting formula (CPI + 1%, where CPI in September 2023 was 6.7%). 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 however the formula continued to be applied until April 2019. Since 2020 the new Government formula/uplift has been applied.
- 2.6. Clarion Housing continue to increase the weekly licence fee in accordance with the Governments rent setting formula which meets the criteria to "act reasonably".

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 the Company (acting reasonably) from time to time". The proposed increase of 7.7% 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 rent setting formula which has been applied every year since stock transfer.
- 3.2. Alternative licence fee increase of less than 7.7% would not be in accordance with the management agreement and so is not recommended.
- 3.3. An increase above 7.7% would not be in accordance with the 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 2024.

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. An Equality Impact Assessment can be found as appendix 1.

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 any Health & Safety regulations.
- 10.2. During the last year Clarion Housing, with the support of council officers and ward councillors, have continued to address issues regarding fire safety, pests and refuse. This work is ongoing.

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

- 11.1 Appendix 1 – Equality Impact Assessment

12 BACKGROUND PAPERS

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

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