

Item No.	Classification: Open	Date: 1 December 2011	Decision Taker: Deputy Leader and Cabinet Member For Housing
Report title:		Tenants and Residents Association Hall Rent	
Ward(s) or groups affected: All		All	
From:		Strategic Director of Housing Services	

RECOMMENDATION

1. That the Cabinet Member considers and reverse the 50% increase in rent for the financial year 2011/12 that was applied unintentionally to Tenant and Residents Association Halls.

BACKGROUND

2. There are currently 108 Tenants & Residents Association (T&RA) Halls and the draft Housing Investment Programme agreed by Cabinet on 31 March ear marked a capital budget of £2.1m over 5 years to maintain and improve the council's T&RA Halls portfolio.
3. There is currently no consistent rent charging policy for T&RA Halls portfolio and we are currently consulting with the Halls Resident Working group. Any key changes will be subject to wider consultation with T&RAs, Area Housing Forums, Tenant Council and Home Owner Councils before any final decisions are made.
4. Officers will prepare and consult on a new charging framework bearing in mind that most halls are run by volunteers for the benefit of the community and it is only the larger facilities that have any significant income potential.
5. The Cabinet report on the HRA budget and rent setting in February 2011 approved that rent for garages and associated non-residential properties be increased by 50%. There was no specific reference to or mention of T&RA halls either in the consultation document, reports to the Cabinet Member for Housing or the final report which was approved by the full Cabinet. And there was no intention to apply the 50% increase to T&RA halls.
6. The issue arose because T&RA Halls are linked to Garages in iWorld and uplifted by the same percentage. This has been the case for many years and has been consistently applied, but it appears to be an historic accident or simply a default position in the absence of a specific policy on T&RA hall rents. T&RA halls have now been assigned their own distinct code on the computer system.
7. In recognition of the importance of the T&RA hall property portfolio, a halls manager's post has been established within the Resident Involvement business unit as part of the re-organisation of the Housing department. Arrangements are currently underway to recruit to this role. The post holder will be responsible for:

- a. developing and maintaining a consistent rents policy
 - b. ensuring fit for purpose facilities which are compliant with health and safety
 - c. planned preventative programme of investment based on a stock condition survey
 - d. proper funding arrangements to ensure effective management; arrangements including licences and protocols to detail the council's and TRA's responsibilities and liabilities
 - e. All of these to ensure that appropriate measures are in place so that access to T&RA halls as local resource are open and transparent to maximise their use by the community.
8. A detailed Business Plan for the Community Halls service is now being worked up. It will cover the following key areas of work, which include the development of:
- a. Draft policy on halls management
 - b. Draft policy on managing the halls asset base
 - c. A series of legal agreements. Current thinking is to have models at low, medium and high levels of responsibility, depending on the size and type of facility and the ability of the group to manage it successfully
 - d. Draft model management agreement in line with policy on management
 - e. Agreed approach to setting rents and circular funding
 - f. Policy regarding T&RA halls maintenance
 - g. Strong cross-departmental halls steering group to oversee halls work, with clearly defined roles
 - h. Updated database with current contact details for all halls, plus list of key facilities
 - i. Agreed and consistent management standards for all halls. For example, some have leases, some have bills paid by area offices, some pay rent, but most currently do none of these things
 - j. Links to the council's graphical mapping system on website so the public can make hall booking enquiries directly
9. An updated asset management strategy for TRA halls which will:
- a. draw up list of halls for disposal in line with policy, consult TRAs involved and help make new arrangements for them
 - b. create new management framework, including ring fenced budget provision and (potentially) governance arrangements
 - c. Create strategy for reinvestment
 - d. Agree the disposals programme where halls are no longer needed or sustainable
 - e. Packages of training and support for groups with halls so they are fully aware of their responsibilities and can access direct support during the period leading up to and after the time they sign a lease.

Equality impact statement/ Community impact statement

10. This initiative will have a positive impact on all sections of the community in the borough and make community centres and T&RA halls affected more affordable.

Financial Implication

11. The financial effect of the recommendation is to reduce HRA income in 2011/12 by £8,355, the total increase at 50% for the 30 halls affected. The reduction in income is not significant in relation to the non-dwelling rents net income budget of £4.1 million and will be offset by under-spends elsewhere in the HRA.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director

12. The Cabinet on 25 January 2011 approved an increase in rents and charges for all non-residential HRA property of 50% with effect from 4 April 2011. This was mainly applied to garages but also automatically applied to some 30 tenants and resident association halls, where their rental has historically been registered against the garage element in the rent system. The recommendation in the current report now proposes that the increase for these properties be reversed. A review of charges for all T&RA halls is to take place and a new rent element has been set up to enable a separate decision to be taken on their level in future.

Strategic Director of Communities Law & Governance

13. There are no specific legal issues arising from the recommendation in this report. It is noted that the full Cabinet took the original decision to increase rent for garages and associated non-residential properties by 50%. Subsequently the Leader in approving the forward plan has delegated to the Deputy Leader and Cabinet Member for Housing Management the decision to clarify that this increase does not apply to TRA halls.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Housing Revenue Account Rent & budget setting –Cabinet Report IWorld record	160 Tooley Street, London SE1 2TZ	Tunde Akinyooye Tel: 0207 525 3710

APPENDIX

No	Title
n/a	

AUDIT TRAIL

Lead Officer	Gerri Scott, Strategic Director of Housing Services	
Report Author	Darren Welsh, Head of Community Housing Services	
Version	Final	
Dated	1 December 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
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