

STRATEGY & RESOURCES**11 February 2019**

5.00- 8.55 pm

Present: Councillors Barnett (Chair), Baigent (Vice-Chair), Bick, Dalzell, Green and Sargeant

Executive Councillors:

Councillors Blencowe, Herbert, Johnson, Moore, Robertson and Thornburrow

Opposition Spokes:

Councillors Cantrill, Martinelli, McGerty and O'Connell

Amendments to the Budget Setting Report 2019/20: Liberal Democrat Amendment
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The purpose of the discussion was to ask questions of the Liberal Democrat Members on their group's budget amendment.

The Labour Members of the Committee and Executive Councillors asked the following questions. The answers provided by Liberal Democrat Members immediately follow.

C0004 – Housing Purchase Capital

- i. Questioned the benefit to house homeless people without the support which went alongside it.

This referred to a service that the Council already provided, which was constrained by the number of landlords offering houses into the scheme. There were a variety of reasons why people became homeless which included addictions, mental health issues and domestic circumstances. This proposal would expand housing resources and enable people to get back on their feet.

- ii. Questioned what was meant by 'minimum support' in the C0004 proposal.

'Minimum support' was the level of support needed for individuals to live an independent life. Homelessness was a major crisis; rough sleepers equated to around 15-20% of people who were homeless but a larger part of homelessness was not seen. Private landlords were reluctant to rent to individuals who were homeless and the Council had to step in to assist.

- iii. Questioned why 5 properties (3 bed in size) would be prioritised for homeless individuals to rent.

The decision to propose 5 properties, 3 bed in size was a balanced decision to help with capacity; it may not go all the way but it would help. Unless individuals met certain criteria then they would not be prioritised for housing. For example males 25-35 years of age who were divorced and had a job but who had to pay maintenance towards dependents could end up 'sofa surfing' or using Cambridge City Housing Company's services.

Proposed to use the standard key worker model, for example teachers and nurses who struggled to make ends meet. The proposal would help those individuals who were the golden thread of this city. It was a struggle to recruit teachers not only in Cambridge but across the County.

- iv. Questioned if there would be any revenue support (additional staff time) to assist with the administration of the proposed 40 tenancies.

Clarified that if an individual's income did not increase or decrease by more than 10% in a 12 month period, then a review of rent would not be triggered. It was proposed that rents would increase by inflation which on past experience was unlikely to trigger the 10% threshold. This approach was approved by Shelter.

- v. Commented that the rate of return was low as it was expected to be 1.6%. There seemed to be little scope to cover normal operational risks.

The proposal was not just about a financial return but was also about a social return for the residents of the city. The risk could be managed in a reasonable way. Key workers were not always able to afford to live in the city.

- vi. Questioned the rent range that would be charged for the properties if rents were to be based on one third of a household income. There appeared to be a proposed rent range of £400-£1100.

The number of households with a lower income who were able to live in Cambridge was shrinking; the cost of living in the city was gentrifying Cambridge. Charging a rent which was one third of a household's income would generate an adequate return. For the city to operate it needed teachers, carers and nurses, this proposal would send a message. This proposal was similar to council properties where some people paid local authority rent and others paid a local housing allowance rent (which had a 20% difference). This

was regardless of whether the property was new or was an existing council property.

- vii. Commented this was a wonderful idea but could not see how the scheme would add up. Also commented the flexibility that the £12 million investment would provide would be better met through a council programme.

When the Council introduced the real living wage, it impacted on 15% of the council's staff, this sent a message across the city. Noted the work the ruling group had done on this initiative. The Council was one of the key stakeholders who needed to put a peg in the ground, so that other stakeholders would up their game. The Council should forgo financial benefit for social benefit.