



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Review of Rents on Parks Houses
Date:	20 August 2010
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Relevant Background Information

At its meeting on 18 June 2010 the Committee agreed to defer consideration of a report on the Review of Rents on Parks Houses. A copy of the submitted report is attached as Appendix 1. It is understood Members were seeking further information on the background to the level of proposed rents and this is provided within the body of the current report.

Roles and Responsibilities

These houses are located on land for which Parks & Leisure Department have operational responsibility. Parks and Leisure look after allocation of the dwellings to Council employees. During the course of the tenancies Parks and Leisure remain responsible for the maintenance of the dwellings and tenant management.

Property & Projects Department review rents and provide input, when requested, on the content of Tenancy Agreements.

Reference to this Committee is made under Standing Order 46 (viii) (n) which states it is one of the "Duties" of the Strategic Policy and Resources Committee "for the supervision and checking of all rents payable or collected by the Council". Given the legal advice (provided below) the 'Tenancy Agreements' for Parks Houses are technically not 'disposals' and thus Members may wish to note that strictly speaking Standing Order 60 (which deals with acquisitions and disposals) would not apply to these rental assessments. In response to previous queries from Members, Committee may also wish to note that the Parks and Leisure Committee have no equivalent "Duties" to Standing Orders, 46 (viii) (n), or 60.

Legal Basis

Legal advice obtained in 1992 (and recently updated) requires the Council to restrict these lettings to Council employees. Letting on the open market or to those on housing waiting lists, would fall outside the Council's functions and legal scope.

Legal advice provided by the Town Solicitor in 1976 (and recently updated) confirms that because the lettings are to employees and the wording contained in the 'Tenancy Agreements' states the occupancy is "at the will and during the pleasure of the Council", the occupier has no legal interest in the property. This means the occupier's status is more akin to that of a Licensee rather than a tenant. In addition the Council has no duty to re-house any tenant whose tenancy is terminated. The combination of these factors offers less protection to the occupier than a Housing Executive or private rented sector tenancy.

Rental Assessments

Since 1991 Parks Houses rents have been calculated using the Northern Ireland Housing Executive Point Scheme. Points are allocated based on the number of rooms and facilities. The Points Scheme makes no adjustments for things such as location or surrounding environment.

Rental Adjustments

Due to the unique situation of many of the Parks Houses it is considered appropriate to make further adjustments for those houses which are situated in cemeteries, parks, or more out of the way locations. Adjustment is also made where the occupier has a duty, under their Tenancy Agreement, to investigate any disturbance or unlawful entry occurring at anytime on the adjoining Council property, and report the same immediately to the police. In many cases the tenant will also have responsibility outside normal park opening hours (e.g. at night) to open, close and lock gates in order to gain access to, or egress from, the dwelling. Adjustments are also made for absence of parking arrangements where appropriate.

The condition of each house is also considered, taking into account renovations and improvements or any issues with dampness or other disabilities.

Finally adjustment is made on account of the relative insecurity of the tenants' tenure (see 'Legal Basis' above)

Summary of Each Property

The attached table (Appendix 2) provides some information of the nature of each property and the existing and proposed rental and level of adjustments.

Key Issues

The proposed rents take account of the relative insecurity of tenure, the accommodation, condition, location and any duties required of the occupier. These adjustments are reviewed periodically to ensure they continue to follow market trends. The levels of increase in the proposed rents over the existing rents reflect the latest review.

Resource ImplicationsFinancial

As set out in previous report, appended.

Human Resources

No additional human resources required.

Asset and Other Implications

Ensures appropriate rental levels for dwellings.

Recommendations

The Proposed Weekly Rents contained in Appendix 2 to this report are recommended for Committee approval.

Decision Tracking

Director of Property & Projects to ensure communication of revised rentals to Director of Parks and Leisure within one month of their approval by full Council.

Documents Attached

Appendix 1 – Report presented to Strategic Policy and Resources Committee 18 June 2010.

Appendix 2 – Levels of existing and proposed weekly rents, levels of increase, occupier monthly outlay on rent and rates.