

18 January 2011

The Right Hon Sir Alan Haselhurst MP
House of Commons
London
SW1A 0AA

Our ref: SS/TF

Please ask for Sam Sproul on 01799 527912
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Dear Sir Alan

THE HOUSING REVENUE ACCOUNT AND PROPOSED RENT INCREASE

As the chair of Uttlesford Tenants Forum, I have been requested to write to you regarding our problems in ensuring we obtain the best deal for our tenants from the Government with regard to HRA and the current rent increase.

In the past you supported our efforts in changing the HRA, even arranging a visit to meet Ian Wright, who at that time was in the Housing Department. Your endeavour on our behalf I think helped the previous Government to revise the HRA to a fairer method. This was done prior to the change in Government. However, according to reports, the present Government are going to change the numbers and the payments we will have to borrow potentially increasing our debt by some £10 to £15 million. This would increase our repayments on the loan and increase the time before we would be in the position to have money from our rents to allow us to invest in further new building.

We fail to understand why we as a very successfully run council should be in the position where we are being penalised in these calculations. While the figures have as yet not been finalised we are concerned as to the final figures. We once again request your assistance in ensuring the Housing Minister is aware of our concerns and we are not overly charged for being an efficient Council. When we met with Ian Wright we explained to him the additional charges we have to pay as a rural council i.e. the number of houses who do not have mains drainage and the number of unadopted roads which all add to our costs. You may remember he was quite astonished at these and promised to ensure these would be looked at when they did their calculations in respect to national average figures.

We further request your help in making the Minister aware of our concern regarding the huge rent increase he has announced for 2011/12. We find in the current economic climate it is not fair to increase them higher than inflation.

Nationally there are 65% of council house tenants on benefit, which means the government will have to pay this increase, so I ask the minister where the gain to the

economy is when only 35% of tenants will pay this increase with the remainder paid for by the tax payer? In many instances tenants not on benefit will be paying twice for this rent increase – as a rent payer and a tax payer. We ask you, is this fair?

We would also ask him to consider the number of tenants who will be tipped over the edge by this increase and so join the benefit numbers increasing the 65% even higher and putting a further burden on the tax payer.

We would suggest he has a word with the ex leader of his party who is trying to reduce the number of people on benefit, while he the Housing Minister is helping to force more people on to benefit.

Once again we have a situation where the number of people in Uttlesford in the age group 50+ is far above National Average, which signifies to me we have a greater number of people on state pension and low fixed incomes than the national average. The government has postponed its promise made to help senior citizens by the increase in state pension, so there is no help in that area. We would suggest the Minister puts himself in the shoes of a senior citizen who is living on a state pension, who is facing the problems imposed by the present coalition, with increases in fuel prices, power prices and the ever escalating food prices getting higher week by week and now to cap it all this huge rent increase.

There is also a hidden threat to councils who would wish to help their tenants by not passing on the full suggested increase. They could find that when the review of the HRA figures arrive to them, they are greater than expected and the amount they have to borrow has increased, so their repayments will increase, this would then mean the council will take longer to be able to finance new building of social housing.

We would request your support in making the Minister aware of our Concerns and thank you for your help in this matter.

Yours sincerely

Sam Sproul
Tenant Forum Chairman