

## READING BOROUGH COUNCIL

### POLICY COMMITTEE

22 APRIL 2024

Petition from Mr Raven Lee:

#### Homes for Reading - Stop Reading Borough Council From Evicting 400 People From Their Homes.

Reading Borough Council has proposed that they liquidate its private home operators Homes for Reading, which they fully own and fund. They propose that they evict the tenants living in these homes, so they can bolster their council housing register and rent out these homes at half the price they are being rented for now. The council claim that this is a good finance strategy which will minimise risk to their finances. They have shown no regard towards the human beings, of which are at least 400 people, currently living in these homes, as they have already disclosed that they prefer this planned outcome.

The council have clearly put forward Plan A, which would see Homes for Reading continue to function as usual, meaning 400 people would not lost their homes. This plan is a long-term plan, which extends to cover the next 50 years. They propose that they will help the people they evict to find new homes, yet, if this were as easy as they claim, they would have already found homes for the surplus amount of people who have been waiting on the housing register for years already. The council's preference towards evicting full-paying, long-term residents of Homes for Reading is callous and unjust, as they are trying to find a quick fix to their problem, rather than commit to promises they made to us years ago.

See this article for a greater insight into the council's reasoning -

<https://www.readingchronicle.co.uk/news/24120584.reading-council-slammed-affordable-housing-failure/>

We are not asking for anything other than our basic human rights to be met and promises that were made to us to be kept. The council employ very capable and vetted members, who are more than able to adequately plan for and commit to Plan A, whilst still ensuring that their council housing requirements and targets are met, without forcing out honest and hardworking tenants, some of whom are key workers.

If you feel this is unfair and unjust, please sign this petition to show those in charge of other people's lives, that you cannot solve one problem by creating another one, and that people deserve to be treated humanely, rather than simply a statistic to be calculated, interpreted and manipulated to serve a cause.

**RESPONSE** by Councillor Emberson (Lead Councillor for Housing):

Thank you for your petition and your constructive engagement with this difficult issue for Homes for Reading tenants.

As you are aware the Council arrived last year at the provisional view that the appropriate course of action, embarked on with regret and an acknowledgement of the impact on Homes for Reading tenants, is to wind down in an orderly way the activities of the company.

As set out in the consultation documents, the Council reached this view after careful consideration of the company's finances, the risk to the Council's finances if no action was taken, and an independent analysis of the options with regard to Homes for Reading carried

out by a highly regarded independent consultancy (Savills). The consultation made it clear that our preferred option of those available is for the company to cease trading. Our intention as you state is to transfer the properties into the Housing Revenue Account (HRA), so that they can be used to accommodate key workers through the housing allocations policy.

The consultation closed on March 31<sup>st</sup> and the Council will make a decision shortly. If the decision is to wind up Homes for Reading Ltd., our Housing Options team will engage proactively with all those affected to assist them in finding alternative housing. There are currently circa 90 tenants in the properties (the number of people you refer to, i.e. 400, is an estimate of the total number of people in these households, including children).

You do not refer in the petition to the fact that Homes for Reading has been funded by loans from the Council, and that the company is currently not able to pay back these loans within a reasonable time. It is these financial considerations that have led us to the current situation, rather than the rent levels which are in place. Based on consideration of these rent levels alone, it would as you suggest not be a logical course of action to move to a position where less rent can be collected against these assets. The wider position is however that the revenue from the properties is not sufficient for Homes for Reading to adequately service its debt to the Council – the transfer of the properties into the HRA will locate them in a different financial environment, where charging ‘sub-market’ rents can be sustained as part of the wider budget arrangements for the HRA.

It is not in the Council’s interests to ‘bolster the housing register’ – this however is the mechanism by which all social housing must be fairly and lawfully allocated. We fully acknowledge the impact of the possible decision on current tenants – as stated above we will be working intensively with all households towards other housing options, and it is not our intention to formally evict anyone if this can be avoided.

It is of course regrettable that the original vision for Homes for Reading, of offering long-term stable homes, is in our view no longer viable for the long term. We are committed to helping all tenants find suitable alternative homes if the decision to end their current tenancies is taken. Our thanks to the many tenants who have participated in the consultation, including those who attended the three recent online meetings where tenants’ views were shared.

Once a decision has been taken we will contact all tenants individually to notify them of the position, and – subject to the decision – begin our engagement with them about the most appropriate next steps for each household, based on a thorough assessment of their needs and circumstances.