



DERBY CITY COUNCIL

COUNCIL CABINET
16 MARCH 2004

Report of the Community Regeneration Commission

Heat Lease Storage Radiators

RECOMMENDATION

1. That Council Cabinet be recommended to a) pursue the option of agreeing a “one – off” rental, b) adopt a policy of replacing the storage heaters as the lease expires *instead of* after 15 years of use and c) advance the start of the replacement programme by 12 months to 2005/06.

REASONS FOR RECOMMENDATION

- 2.1 Paragraph 3.3 of the report set out three options available to the Council. Of the three a “one-off” rental was preferable. The Director of Investment and Regeneration had advised that option one, the immediate return of the goods at the end of the primary rental period posed very serious practical problems. Option two was least preferable because it would lead to the heaters remaining in homes for longer.
- 2.2 Paragraph 3.5 of the report had said provision had been made in the capital programme to replace the storage heaters when they were fifteen years old. As the primary period for the leases varies between ten and twelve years that means tenants facing continued usage for between two to five years beyond the lease term. Many affected tenants are in fuel poverty because of the current heating system and the Commission cannot view that excess period as acceptable.
- 2.3 Paragraph 3.5 also states that the replacement programme is expected to start in 2006/07. A publicly stated start date will be welcome news to tenants. However, the extent of tenant concern, as well as the foregoing reasons causes the Commission to believe that a more ambitious start date should be set. The preference would have been for the programme to begin in 2004-05 but the Commission accept there could be practical and funding difficulties. The pragmatic recommendation of a 2005/06 start (as above) would marry up the interests of tenants with the lead in times needed to plan the programme.

SUPPORTING INFORMATION

- 3.1 This item had been placed on the agenda of the Community Regeneration Commission by the chair following a request by Councillor Redfern. Her concern was that a substantial number of Derby Homes tenants lived in homes heated by storage radiators installed through the 1990s under a leasing arrangement. Mr

Shaun Bennett, Director of Investment and Regeneration at Derby Homes prepared a written report dealing with the concerns and setting out three options for the future. The report showed that over 2,400 had this heating system. Both he and Cllr Redfern attended the Commission meeting on 27 January. Mr Bennett introduced the written report; he explained that comparable costs of electricity and gas meant that the most cost effective system could depend on family circumstances. Cllr Redfern explained that the slow build up and slow loss of heat meant the system was inherently unable to respond within hours to rapid changes in temperature and that many low income tenants could not afford to run the system. Her request was for termination of contract, removal and replacement of the system as soon as practicable and she requested the Commission to consider that.

Members commented that storage heaters were not flexible enough for the British climate. The total of over 2,400 properties meant nearly one in six Derby Homes tenants were using the system. Additionally concern was raised that the new allocations policy of *one option only* for homeless people meant some people would be housed in property they could not afford to heat. They subsequently deliberated and made the recommendation to Council Cabinet shown. They also decided that when the first annual review of the *one option only* allocation policy was conducted in early 2005, heat affordability would be an issue the Commission would wish to explore.

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| Background papers: | Report by Derby Homes to the 27 January 2004 meeting |
| List of appendices: | Appendix 1 – Implications |

Appendix 1

IMPLICATIONS

Financial

- 1 Discussed in the report from Derby Homes.

Legal

- 2 Discussed in the report from Derby Homes.

Personnel

3. None

Corporate Objectives and Priorities for Change

4. The Derby Homes proposals, augmented by the recommendation contained in this report, can help deliver five Corporate Objectives: 'Job opportunities', 'Strong and positive neighbourhoods', 'Protecting and supporting people', 'A healthy environment' and 'Integrated, cost effective services', and one Priority for change: 'Respond to people's needs appropriately, on time and first time, by developing a

customer-focussed culture, using new technology and investing in the Council's buildings to provide modern working environment for service delivery and employees'.

