

Time commenced - 6.00 pm
Time finished - 6.30 pm

COMMUNITY REGENERATION COMMISSION 27 JULY 2004

Present: Councillor Bayliss (in the Chair)
Councillors Blanksby, Brown, Chera, Gerrard, Lowe, Richards
and Webb.

Mr Kazmi and Canon MacDonald – Co-opted Members

15/04 Apologies for Absence

There were no apologies for absence.

16/04 Late items to be introduced by the Chair

Councillor Bayliss explained that the meeting had been called at short notice to allow consideration of the Housing Rents report before it was decided upon at full Council on 28 July 2004. The report had to be considered by Council on 28 July 2004 as this was the last scheduled meeting before the deadline to advertise rent increases in time for the proposed changes in September.

There were no other late items.

17/04 Declarations of Interest

Councillors Bayliss, Gerrard, Lowe and Webb declared personal interests as they were all Council appointed Board Members of Derby Homes.

Councillor Richards declared a personal prejudicial interest and left the room, as he was a Council tenant.

18/04 Housing Rents

Sue Glithero, Director of Policy, and David Enticott, Head of Technical Finance, presented a report to the Commission, which had been considered by Council Cabinet on 20 July 2004 and would be considered by full Council on 28 July 2004.

The report detailed the need to bring the Housing Revenue Account rents in line with other social housing rents by 2011/2012. If this convergence was not in place by 2011/2012, it could lead to pressure on the Housing Revenue Account. Because Derby Council tenants' rents were low, compared to other social housing rents, it would require above inflation increases.

The report also recommended changing the normal date for future increases to April rather than September. The advantages of this included:

- reduction in the number of housing benefit re-calculations
- more reliable forecasts on convergence
- easier to avoid a Rent Rebate Subsidy Limitation penalty
- stopping the 'yo-yo' effect of high rent increases followed by low increases, followed by high increases
- marginally lower administration costs.

The Commission was advised that the intention of the changes was to increase efficiency, the changes were not simply to increase rents.

Phil Davies, Chief Executive of Derby Homes, explained that the Derby Homes Board had approved the changes. Consultation on the changes had taken place in the newsletter 'Derby Homes News' and at the 15 Community Panels. Nine of the Panels had no strong objections to the changes, two did object and four reached no decision. He explained that this was a standard level of consultation though the usual channels. Given the feedback, he was confident that there was not a strong body of opposition to the proposed changes.

Councillor Blanksby suggested that any rent increases should be deferred until April 2006. He was advised that delays to increasing the rent would mean an even greater rent increase, possibly 7 or 8% in April 2006 after an increase of 6.3% in September 2004. It was suggested that such an increase would be unviable.

In response to a question from Councillor Webb, David Enticott explained that not achieving the convergence could lead to the Council losing funding and that, by charging above the convergence, local tenants would be disadvantaged. The Council needed to aim to charge the same as other social landlords.

Councillor Gerrard expressed his concerns with the proposals. The Council was already striving to comply with convergence and had been doing so for some time. He questioned what tenants would be getting in return for the increased rent.

Councillor Bayliss questioned why the change was needed. Rents had been increased at the same time for over 20 years and there seemed to be no benefit to tenants by changing the system. He did not consider the proposals to be necessary. Although there might be risks involved, he considered that there were always risks, whatever the Council decided.

Councillor Webb disagreed with Councillor Bayliss. He did not consider that risks should be taken if they affected the Council or its tenants. He considered that the Council needed to do what was best for its tenants and that would mean introducing the proposed changes.

Councillor Gerrard questioned whether there would be risks in continuing as things were as rent had been collected in this way for the past 20 years.

Councillor Bayliss put to the meeting whether 'to accept the recommendations as printed in the report'. The proposal was put to the meeting and lost, there being 2 in favour, 4 against and 1 abstention.

It was then proposed by Councillor Bayliss and seconded 'to maintain the status quo' so that there are no changes to the timing of the housing rent increase. The proposal was put to the meeting and carried, there being 4 in favour, 3 against and 0 abstentions.

Resolved to recommend to Council that the status quo be maintained, so there are no changes to the timing of the housing rent increase. The reason for this being that there are no advantages in the changes for local tenants and that the current way of increasing rents has been used for over twenty years.

MINUTES END