



DERBY CITY COUNCIL

COMMUNITY COMMISSION  
19 JANUARY 2010

Report of the Corporate Director of Resources

## CONSULTATION ON COUNCIL HOMES PROPOSED RENT INCREASE 2010/11

### SUMMARY

- 1.1 To consider proposals relating to rents and service charges for 2010/11.

### RECOMMENDATION

- 2.1 To consider comments in response to the consultation document on this year's rent and service charge proposals.

### SUPPORTING INFORMATION

- 3.1 The consultation paper is attached which sets out the general issues underlying the decision to be made by Council in March 2010 relating to proposed changes to Rents and Service Charges for 2010/11.
- 3.2 The underlying average increase implied by the rent determination is 3.3%
- 3.3 Two new service charges are proposed relating to smoke alarms and grounds maintenance. These will be 'unpooled' from the rent, resulting in lower rent increases to compensate for these new service charges.
- 3.4 Over time, the additional service charge income will raise in excess of £1m a year, but there will be much less initially. Of the amount raised, two thirds will be funded from the Housing Benefit system as two thirds of tenants are in receipt of full rent rebate.
- 3.5 Individual tenants will be protected by the operation of a rent and service charge cap which is on the basis of RPI + 0.5% + £2 a week. A tenant paying average rent at the moment should have an increase of around 2.5% from 2010/11.
- 3.6 The average increase overall is likely to be between 2.5% and 3% as a result of the cap.
- 3.7 All tenants will face varying increases as a result of their own rent compared to their formula rent.

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**Background papers:** None  
**List of appendices:** Appendix 1 – Implications  
 Appendix 2 – Consultation document

<b>IMPLICATIONS</b>
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**Financial**

- 1.1 The proposals are in line with the government policy relating to rent restructuring and convergence with Registered Social Landlord, RSL, rents. The proposals are also consistent with the Council's HRA Business Plan.

**Legal**

- 2.1 The decision on rents and service charges requires approval by the full Council. Four weeks' notice to tenants is needed.

**Personnel**

- 3.1 None

**Equalities Impact**

- 4.1 None

**Corporate objectives and priorities for change**

- 5.1 None directly arising.