

TLC meeting 14th August 2014

After a debate of the change in rent policy as per guidance from the Government i.e. changing from annual *increases of* RPI + 0.5% for those at target rent and *plus* £2 for those who are not, to a standard CPI + 1% for all, and the council's proposal to maintain the RPI + 0.5% plus £2.00 where the rent is below target, while changing to CPI + 1% where the rent is at target, we noted the following:

We all felt personally, that we all would like the slightly smaller rent increases year on year that would result from the Government guidance, but collectively we also wanted to safeguard the ongoing improvements being made to all properties, and the future plans building more homes, in the business plan.

We discussed those tenants who are working and the impact it would have on them, it seemed that this group would be at a disadvantage than those who were claiming Housing Benefit.

When the council took on the debt of £365 million from the government the TLC were wary of any future government policy regarding any changes that would alter the course of the business plan and felt that all the hard work the council staff have put into the working out of figures etc. and tenant expectations it is now being jeopardised by the government and we the committee expressed concern about the local impact should adoption of the changes become compulsory.

We would like to the council to note that there needs to be a plan B because if the government makes this rent policy compulsory it would drastically change the course of the business plan.

Conclusion

The TLC are of the same conclusion as the council item 21 (of the recent briefing paper to TLC 14th August) as follows:

The option that best optimises income whilst at the same time working towards achieving parity of rents is to retain the existing rent policy for those below Target Rent but to implement CPI-linked rental increases for those who have already achieved Target Rent.