

Appendix 1

Sent on behalf of Councillor Paul Parkin, Portfolio Holder for Finance and ICT

Dear Cllr Shipman,

At the Council meeting on 7 March, you requested a response to your question:

“At the last Council meeting members were told the social housing rents increase of 4.1% was ‘in line’ with government guidance, however, upon further investigation it was found to be a cap and not a recommendation, can Cllr Parkin clarify this inconsistency?”

Unfortunately, as the Leader of the Council explained at the meeting, I was unable to attend and so it was agreed that I provide a written response to your question.

The report I presented to Council on 31 January stated *“The Government has directed the Regulator to apply the rent standard to all registered providers and this includes local authorities. The Standard confirms that rent increases of up to CPI + 1% will be permitted, until it is reviewed in 2025. In line with the standard an increase of 4.1% is being recommended in the budget for 2022/23.”*

Furthermore, the Regulator of Social Housing’s Rent Standard states *“Registered providers must set rents from 1 April 2020 in accordance with the Government’s Policy Statement on Rents for Social Housing”*

Finally, the Government’s Policy on Rents for Social Housing states *“We have directed the Regulator of Social Housing (‘the Regulator’) to have regard to this policy statement when setting its rent standard for registered providers of social housing (‘registered providers’). The term ‘registered providers’ includes both private registered providers of social housing (mainly housing associations) and local authorities that are registered with the Regulator. From 1 April 2020, registered providers may not increase rents by more than CPI (at September of the previous year) + 1 percentage point in any year.”*

The Regulator issues an annual briefing to assist providers to use the correct annual percentage to inflate their rent. A copy is attached for your information. You will note Table 1 on page 3 clearly states this to be 3.1% + 1% for 2022/23.

I therefore conclude that my report was not inconsistent. The rent increase approved by this Council is in line with the Government’s social housing rents policy and the Regulator’s requirements. For absolute clarity - any rent increase from nil to 4.1% is in line with the guidance for 2022/23.

In accordance with 9.6 of the Council Procedure Rules, you are entitled to ask one supplementary question. The question must arise directly out of the original question or my reply. If you would like to ask such a question can you send it to:

GovernanceTeam@ne-derbyshire.gov.uk

Regards

Paul

Cllr Paul Parkin
Cabinet Member for Finance and ICT