

APPENDIX F

Housing Revenue Account Final Rent-Setting Report 2020-21

The sections below all relate to consultation meetings between 6 January and 20 January 2020, up to and including Monday night's meeting of Tenant Council. For the most part, the meetings have taken place since the dispatch date for this meeting of cabinet, and so the papers below are circulated on a 'round the table' basis.

- Section 1 Recommendations of Tenant Council of 6 January and 20 January 2020
- Section 2 Summary of Consultation Outcomes
- Section 3 Individual Area Forum Feedback
- Section 4 Comments of Homeowner Council of 15 January 2020
- Section 5 Comments of Southwark TMO Committee of 16 January 2020

N.B. any paragraph and appendix references below are to the Indicative Budget report considered by cabinet on 17 December 2019, rather than the Final report of 21 January 2020.

Section 1 – Recommendations of Tenant Council of 6 January 2020 and 20 January 2020

6 January 2020 Recommendations:

Tenant Council agreed unanimously to refer the Indicative report to Area Housing Forums and to its own next meeting of 20 January 2020.

20 January 2020 Recommendations:

After questions covering the proposed rent increase, inflation, Aylesbury community wardens, tenant and homeowner voting rights regarding recommendations, garage charges, estate cleaning, empty properties on the Aylesbury estate and void loss in terms of Maydew House;

1. Tenant Council **agreed** with the recommendation regarding the rent increase (11 for, 3 against, 1 abstentions/did not vote)
2. Tenant Council **agreed** with the recommendation regarding tenant service charges (10 for, 4 against, 1 abstentions/did not vote)
3. Tenant Council **agreed** with the recommendation regarding sheltered housing service charges (10 for, 2 against, 3 abstentions/did not vote)
4. Tenant Council passed the following resolution regarding the garage charges: (14 for, 0 against, 1 abstentions/did not vote)

“Tenant Council resolves that there be no increase in the standard [garage] charge to tenants, and that cabinet be asked to review the charges to private hirers.”

4. Tenant Council **agreed** with the recommendation regarding district heating charges (11 for, 2 against, 2 abstentions/did not vote)
5. Tenant Council passed the following resolution regarding the recommendation to note the HRA budget report: (14 for, 0 against, 1 abstentions/did not vote)

“Tenant Council calls for the provision of housing services to be reviewed with the emphasis on value for money.”

Section 2 – Summary of Consultation Outcomes

Forum	Date	Rent increase	Tenant service charges	Sheltered housing charges	Garage charges	District heating charges	To note the HRA budget
Tenant Council	20 Jan 2020	✓	✓	✓	✗	✓	N
Homeowner Council ¹	15 Jan 2020	n/a	n/a	n/a	N	n/a	N
Southwark TMO Committee	16 Jan 2020	N	N	N	N	N	N
Aylesbury	14 Jan 2020	✓	✓	✗	✓	✓	N
Bermondsey East	15 Jan 2020	✓	✓	✓	✓	✓	N
Bermondsey West	14 Jan 2020	✓	✓	✓	✓	✓	N
Borough and Bankside	15 Jan 2020	✗	✓	✓	✗ ²	N	N
Camberwell East	13 Jan 2020	✓	✓ ³	✓	✗ ²	✗ ⁴	N
Camberwell West	15 Jan 2020	✓	✓	✓	✓	✓	N
Dulwich	9 Jan 2020	✓	✗	N	✓	✓	N
Nunhead and Peckham Rye	16 Jan 2020	N	N	N	N	N	✓
Peckham	13 Jan 2020	✗ ⁵	✗ ⁵	✗ ⁵	✗ ^{2, 5}	✗ ⁵	N
Rotherhithe	7 Jan 2020	✓	✓	✓	✗ ²	✓	N
Walworth North	16 Jan 2020	✓	✓	✓	✓	✓	N
Walworth West	9 Jan 2020	✓	✓	✓	✗	✓	N
Summary:							
✓ Agreed		9	9	8	6	8	1
✗ Disagreed		2	2	2	5	2	–
N Noted or no decision		1	1	2	1	2	11
No meeting		–	–	–	–	–	–
Area Forum Total		12	12	12	12	12	12

Notes: 1. Homeowner Council rescheduled from original date of 8 January 2020.

2. Borough and Bankside AHF, Camberwell East AHF, Peckham AHF and Rotherhithe AHF made alternative proposals for garage charge increases.

3. Camberwell East AHF voted to increase grounds maintenance as well as the other service charges.

4. Camberwell East AHF voted for an increase in district heating charges (amount unspecified).

5. Peckham AHF made an alternative proposal against each recommendation.

Section 3 – Area Housing Forum Comments and Recommendations 2020-21

Aylesbury	14 January 2020
There were five attendees eligible to vote on the proposals.	
1. Dwelling rent increase of 2.7% – Aylesbury in full agreement .	
2. Tenant service charges, three increased and one unchanged – Aylesbury in full agreement .	
3. Sheltered housing service charges also increased by 2.7% – Aylesbury did not agree on this increase and was of the unanimous opinion that the increase was too high.	
4. Garages, inflation-based on an increase of 3.0% – Aylesbury in full agreement .	
5. District heating – Aylesbury in full agreement .	

Bermondsey East	15 January 2020
1. Rent increase – agreed there should be an increase, but thought it was too high for tenants on low income who will also have increases in council tax, utility bills etc.	
2. Tenant service charges – agreed .	
3. Sheltered housing service charges – agreed .	
4. Garage charges – agreed , but private sector charges should go up more. Maybe also a higher rate for those who use the garage for storage, not for keeping a car.	
5. District heating charges – agreed .	
6. The forum noted the overall proposed budget, specifically that it is balanced.	

Bermondsey West	14 January 2020
<ol style="list-style-type: none"> 1. Rent increase – agreed. 2. Tenant service charges – agreed. 3. Sheltered housing service charges – agreed. 4. Garage charges – agreed. 5. District heating charges – agreed; happy with no price increase but wanted to note the numerous problems residents have had with heating. <p>Forum comments – although they agreed with charges Forum does not feel like they got a say.</p> <p><i>“It is what it is”.</i></p> <p><i>“We got a say last time”.</i></p> <p><i>“This is not how it was done previously”.</i></p> <p><i>“Another thing taken from us”.</i></p>	

Borough and Bankside	15 January 2020
<ol style="list-style-type: none"> 1. Rent increase – disagreed 1 in favour, 4 against, 3 abstentions. It was unanimously agreed that the 2.7% increase is too high 2. Tenant service charges – agreed: <ul style="list-style-type: none"> Estate cleaning – 8 in favour, 0 against, 0 abstentions. Communal lighting – 7 in favour, 1 against, 0 abstentions. Door entry system maintenance – 7 in favour, 1 against, 0 abstentions. 3. Sheltered housing service charges – agreed 8 in favour, 0 against, 0 abstentions. 4. Garage charges – agreed with amendment, 8 in favour, 0 against, 0 abstentions. It was unanimously agreed that there should be no increase for concessionary or small site rates and that the private sector rate should be increase by £10.00. 5. District heating charges – no decision. 6. HRA budget – noted. 	

1. 2.7% increase in the rent = the Chair of TC explained the rationale for the proposed rent increase. Residents asked for major works duplications to be stopped to ensure the council saves much-needed resources. **5 residents voted in favour** of the 2.7% rent increase but they would like to see an improvement in the services and would urge the council to use the additional resources more efficiently. 1 resident voted against the proposed 2.7% increase because she has not seen any improvement in the services.
2. Estate cleaning – increase by 21p. **4 in favour** and 2 against.

No change to grounds maintenance charges = 0 pence increase. The forum felt that there should be an increase in the budget for grounds maintenance. **4 votes in favour** of an increase by at least 2.7%. 1 resident voted against any increases and was content with the proposed no increase in grounds maintenance charges.

Communal lighting – **5 residents voted in favour** of the 4p increase but would like the council to use more energy efficient lights.

Door entry system maintenance– **6 residents voted in favour** of the 3p increase.
3. Sheltered housing 2.7% – **6 residents voted in favour** of the increase.
4. District heating – no change in the charges. Residents felt that there should be an increase in the district heating charges to make provision for additional resources to replace the old boilers with more energy efficient ones. **6 residents in favour of the suggested alternative** to increase the district heating charges.
5. Garages 3.0% – **the forum voted against the increase** in garage charges for residents and voted unanimously (6) votes for the private sector rent garage charges to be increased to compensate for the no increase in garage charges for tenants and leaseholders. The rationale advanced is that the private sector tenants do not make enough contribution to the HRA.

Camberwell West	15 January 2020
<ol style="list-style-type: none"> 1. Rent increase 2.7%: the delegates present were in favour of the increase – they think this will improve Southwark Council services generally. One said it will prevent Southwark from borrowing funds after generating adequate fund (£4.9m) it will support other projects. 2. Tenant Services Charges rebased annually: the delegates agreed with the increments. One delegate said sometimes the service they receive is not value for money. The meeting was advised by one delegate that Southwark Council should employ more experienced staff to cover repairs issues. 3. Sheltered Housing 2.7%: the delegates felt that the residents can afford it. They all think the proposal is reasonable. All voted in favour. 4. Garage charges increment: the delegates felt that the increment is reasonable for the garage users. A delegate said some residents' use their garages for storing their personal goods. 5. District heating no change: the delegates are happy with no increment as they don't experience any improvement on their heating system. The forum wishes for quality heating services for ALL their residents. All in favour. <p>Regarding the HRA budget as a whole:</p> <ol style="list-style-type: none"> 6. The delegates think it's a clear plan, but they would like Southwark Council to improve their communication system with residents. 	

1. Rent increase – **agreed**. 3 for; 2 against; 2 abstentions.
2. Tenant service charges – **not agreed**. 0 for; 4 against; 3 abstentions.
3. Sheltered housing charges – **no comments**.
4. Garage charges – **agreed**. 4 for; 1 against; 2 abstentions.
5. District heating – **agreed**. 5 for, 0 against, 2 abstentions.
6. The report was **noted**.

For clarity of purpose, please note that vote for each recommendation was done by 7 residents that attended the meeting and eligible to vote.

Comments from members of the forum:

Residents should be given more time for consultation and decisions should not be expected to be made at the same meeting where the paper is discussed for the first time.

The Council should consider sending the HRA rent-setting paperwork to all residents and not just TRA reps to ensure wider consultation.

The paperwork should be more simplified with a breakdown of costings for each service area so that residents can be more informed.

The Council should ensure that the increases result in noticeable and obvious improvements in estate services.

Information regarding garages should be broken down to reflect the split between those rented by private customers as opposed to residents.

Nunhead and Peckham Rye	16 January 2020
<p>The forum noted recommendations 1 – 5.</p> <p>The forum agreed recommendations 6 and 7 (to note the report, and on consultation with trade unions).</p> <p>In addition, the forum noted that the increase to rent and service charges may enhance the council's capacity to deliver a better service, however, is concerned about the impact of the increase on residents on low income.</p>	

Peckham	13 January 2020
<ol style="list-style-type: none"> 1. Rent increase – didn't welcome the 2.7% and agreed a 1.7% increase as a compromise. They also called for housing services to be reviewed with the emphasis on VFM. 2. Tenant service charge – no increase in these charges. 3. Sheltered housing charge – should only be increased by CPI rate only. 4. Garage charges – these should be increased by 2% rather the 3% recommended in the report. 5. District heating charges – these should be reduced because of the current maintenance problems and level of residents' dissatisfaction. The council should undertake more planned maintenance and consider installing individual boilers as an alternative to district heating. 6. Finally, the report was noted by delegates. 	

Rotherhithe	7 January 2020
<ol style="list-style-type: none"> 1. Rent increase – agreed. However, concerns were raised about the impact on residents on low incomes. In addition, how the additional revenue would be used and 'wasteful' expenditure on consultants must stop. 2. Tenant service charges – agreed. 3. Sheltered housing charges – agreed. 4. Garage charges – agreed but only for non-residents. 5. District heating – agreed. 6. The report was noted. <p>A delegate did raise an issue with Appendix D – reference 101. It was suggested that separate amounts should be included for employee and contract-specific inflation allowances.</p>	

Walworth North	16 January 2020
1.	Rent Increase (2.7%) – consumer price index at 1.7% + 1% – Walworth North Area Forum felt the rent increase was justified as there has not been an increase for a while. WNAF felt the 2 x tier rent system where new properties and transferred tenants were charged more rent was not justified and believes the higher rent charges should be abolished.
2.	Increase in 3 x areas of services charges – WNAF agrees .
3.	Increase in service charges for Sheltered Units – WNAF agrees .
4.	Increase in garage charges – WNAF agrees .
5.	No increase to district heating and hot water charges – WNAF agrees .
6.	WNAF notes the HRA budget.

Walworth West	9 January 2020
1.	The forum would like a common set of rules for voting on rent increases. Residents expect a better improvement in the services. The forum decided that only secure tenants can vote on the proposed 2.7% rent increase. There were 4 secure tenants and the 4 tenants voted in favour of the proposed 2.7% rent increase, 0 against and 0 abstentions.
2.	<p>Tenant service charges – decision to vote for an increase but delegates want an improvement in the services. Residents on the Newington Estate complained about drug dealing and the effect it has on the cleaning services. Pelier delegate noted that there needs to be adequate cover for the absence of cleaners who are away on annual leave or on sick leave.</p> <p>Brandon 1 noted that if the contract is managed by an external contractor, then cover should be provided in the absence of the substantive cleaner. There was observation that the money is not translated into the wages of the cleaners. The forum would like to see the profiled cost of the cleaning services (Income and expenditure) per estate e.g. the Brandon Estate, Pelier Estate, Newington and Paisley Estate. Residents also complained that Veolia refuse to attend meetings with residents. The forum would also like clarity whether tenant service charges covers leaseholders and secure tenants.</p> <p>3 in favour; 1 against.</p>
3.	<p>Sheltered housing – delegates noted that there were no tenants from the sheltered unit to give a verdict on the standard and quality of the service.</p> <p>4 in favour, 0 against.</p>
4.	<p>Garages – no water and drainage in the garages and the TC delegate does not see the justification for the increased garage charges. The forum noted that <i>“the concessionary rate of £5 is unfair over time.”</i></p> <p>0 in favour; 7 against; 1 abstention.</p>
5.	<p>District heating – a statement required on whether there is a hidden charge that would unravel in the future that would lead to a massive increase.</p> <p>7 in favour; 0 against; 1 abstention.</p>

Section 4 Comments of Homeowner Council of 15 January 2020

The meeting made no formal decisions regarding the specific recommendations insofar as they relate to homeowners. In terms of the general discussion around HRA finances, the following questions were raised (and addressed by officers):

What is depreciation?

Why have tenants heating charges not changed when fuel prices have increased?

Should we not simply divide the homeowners proportion of the costs across all the homeowners in the borough?

Why have we increased the major works service charge income by £1m?

Which departments are responsible for poor planning of repairs and major works?

Why do the Council not recharge back to the contractor for work done incorrectly?

Section 5 Comments of Southwark TMO Committee of 16 January 2020

After an officer presentation the Committee discussed the recommendations of the indicative budget report. Following questions regarding target rents, inflation, central government policy and forecasting resources via the HRA business plan the committee resolved to **note** the report.