

# Cabinet

Tuesday 23 January 2018

4.00 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London  
SE1 2QH

## Supplemental Agenda No. 2

### List of Contents

Item No.	Title	Page No.
9.	<b>Housing Revenue Account - Final Rent-Setting and Budget Report 2018-19 – Appendix E</b> Appendix E, results of consultation meetings held between 2 and 22 January 2018 with Area Housing Forums, Homeowners Council, Tenants Council and Southwark TMO Committee.	1 - 10

#### Contact

Paula Thornton 020 7525 4395 or email: [paula.thornton@southwark.gov.uk](mailto:paula.thornton@southwark.gov.uk)  
Webpage: [www.southwark.gov.uk](http://www.southwark.gov.uk)

Date: 23 January 2018

**APPENDIX E****Housing Revenue Account Final Rent-Setting Report 2018-19**

The sections below all relate to consultation meetings between 2 January and 22 January 2018, 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 2 January and 22 January 2018
- Section 2      Summary of Consultation Outcomes
- Section 3      Individual Area Forum Feedback
- Section 4      Comments of Homeowner Council of 10 January 2018
- Section 5      Comments of Southwark TMO Committee of 17 January 2018

*N.B. any paragraph and appendix references below are to the Indicative Budget report considered by cabinet on 12 December 2017 rather than the Final report of 23 January 2018.*

## Section 1 – Recommendations of Tenant Council of 2 January 2018 and 22 January 2018

### 2 January 2018 Recommendations:

After questions to officers regarding inflation levels, lifetime tenancies, FRA works, Ledbury Estate works, void levels and universal credit arrears, Tenant Council agreed unanimously to refer the Indicative report to Area\_Housing Forums and to its own next meeting of 22 January 2018.

**Officer response:** noted.

### 22 January 2018 Recommendations:

1. Tenant Council discussed the proposed rent reduction and it was the general feeling of the meeting that whilst acknowledging that it was a requirement of government legislation, the reduction itself should be opposed on the basis of its negative effect on funding HRA services. This position was agreed by 11 votes to 1, with 1 abstention.
2. Agreed.
3. Agreed.
4. Tenant Council could find no consensus regarding the proposed increase in garage charges.

The other recommendations on district heating, the HRA budget and the council's position regarding savings implementation were all agreed.

**Officer response:** noted.

## Section 2 – Summary of Consultation Outcomes

Forum	Date	Rent reduction	Tenant service charges	Sheltered housing serv. charges	Garage charges	District heating charges	To note the HRA budget
		-1.0%	+27p	no change	+3%	no change	
Tenant Council	22 Jan 2018	*	✓	✓	-	✓	✓
Homeowner Council	10 Jan 2018	N	N	N	N	N	N
Southwark TMO Committee	17 Jan 2018	N	N	N	N	N	N
Aylesbury <sup>1</sup>	16 Jan 2018	-	-	-	-	-	-
Bermondsey East	10 Jan 2018	*	N	N	N	N	N
Bermondsey West	17 Jan 2018	✓	✓	✓	✓	✓	✓
Borough and Bankside	10 Jan 2018	✓	A <sup>2</sup>	✓	*	N	-
Camberwell East <sup>3</sup>	15 Jan 2018	-	-	-	-	-	-
Camberwell West	10 Jan 2018	-	-	-	-	-	-
Dulwich	11 Jan 2018	N	N	✓	✓	✓	N
Nunhead and Peckham Rye	18 Jan 2018	*	✓	✓	✓	N	N
Peckham	15 Jan 2018	✓	*	✓	*	✓	N
Rotherhithe	9 Jan 2018	*	A <sup>2</sup>	✓	*	✓	N
Walworth East	18 Jan 2018	N	N	N	✓	✓	N
Walworth West	11 Jan 2018	*	✓	✓	✓	✓	N
Summary:							
1. ✓ Agreed		3	3	7	5	6	1
2. * Disagreed outright		4	1	0	3	0	0
3. A Alternative suggested		0	2	0	0	0	0
4. N Noted		2	3	2	1	3	7
5. - No response/inquorate		3	3	3	3	3	4
<b>Area Forum Total</b>		<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

Notes: 1. Aylesbury AHF cancelled their meeting due to timing clashes with the CPO Inquiry hearing and have not reconvened. No comments reported.

2. Borough and Bankside and Rotherhithe AHFs agreed with the two reductions in tenant service charge changes, but disagreed with the two increases.

3. Camberwell East AHF could not meet due to flooding at their venue and have not reconvened, but comments from forum chair included.

### Section 3 – Area Housing Forum Comments and Recommendations 2018-19

<b>Aylesbury</b>	<b>16 January 2018</b>
The Forum Chair, in consultation with Resident Services, cancelled this meeting due to the likely non-attendance of a significant number of delegates, given that it clashed with the reconstituted compulsory purchase orders inquiry.	

<b>Bermondsey East</b>	<b>10 January 2018</b>
<ol style="list-style-type: none"> <li>1. Bermondsey East AHF <b>disagreed</b> with the recommendation to reduce rent because of the impact on services.</li> <li>2. Bermondsey East AHF <b>noted</b> the changes to service charges but would like to see an improvement in the cleaning service to reflect the increase in costs.</li> <li>3. Bermondsey East AHF <b>noted</b> no change to the Sheltered Service Charge.</li> <li>4. Bermondsey East AHF <b>noted</b> the increase in garage charges and would like to see the improvement programme completed.</li> <li>5. Bermondsey East AHF <b>noted</b> no increase in the district heating charge.</li> <li>6. Bermondsey East AHF <b>noted</b> the budget overall.</li> </ol>	

<b>Bermondsey West</b>	<b>17 January 2018</b>
Residents voiced that they didn't feel that they had any choice in the proposals and that the council will implement either way. They went on to formally <b>agree</b> each proposal.	

<b>Borough and Bankside</b>	<b>10 January 2018</b>
The forum notes the report.	
1. Rent reduction – the Forum noted that the council has to reduce the rent by 1% due to government legislation. <b>Agreed</b> .	
2. Communal Lighting and door entry reductions. <b>Agreed</b> ; however Estate Cleaning and Grounds Maintenance increases are noted.	
3. Sheltered Housing service charges – the forum was in agreement with keeping this charge the same. <b>Agreed</b> .	
4. Garage charges – the Forum <b>disagreed</b> with increase in charges.	
5. District heating charges – the Forum <b>noted</b> the report.	
6. The forum declined to comment on the Indicative budget.	

<b>Camberwell East</b>	<b>15 January 2018</b>
Unfortunately due to flooding at the venue, this meeting could not take place, and it proved impossible to reschedule in the very tight timescales demanded by the budget consultation process.	
The chair of the forum has asked it be recorded that she intended proposing that the 1% rent reduction was not something that could be supported given the impact on the HRA, especially the repairs service.	

<b>Camberwell West</b>	<b>10 January 2018</b>
This forum was <b>INQUORATE</b> . However, some informal discussion of the budget report took place, and those views are reproduced below for information.	
1. Camberwell West AHF delegates present reiterated last year's view that no rent decrease would have been preferable.	
2. Camberwell West AHF delegates present noted the increase in garage charges and would like to see private sector companies who rent should pay an additional charge.	
3. Camberwell West AHF delegates present suggest a letter is sent to central government to complain about the adverse affect of universal credit on income collection and residents' financial position.	

Dulwich	11 January 2018
1.	<b>Noted</b> , but feel this does impact on services, but forum acknowledges it is a government requirement.
2.	<b>Noted</b> , but would not want this to impact on services.
3.	<b>Agreed.</b>
4.	<b>Agreed.</b>
5.	<b>Agreed.</b>
6.	<b>Noted.</b>

Nunhead and Peckham Rye	18 January 2018
1.	Rent reduction 1% – ‘That we <b>reject</b> the proposal to reduce the rents in 2018/19 by 1% and that we recommend an immediate return to CPI plus 1%’.
2.	Tenants Service Charge – ‘Increase of 0.27p <b>agreed</b> ’
3.	Sheltered Housing Service Charges – ‘no increase <b>agreed</b> ’
4.	Garage charges increase of 3% – ‘ <b>agreed</b> and ask that the increase to private renters be revisited with a view to increasing this charge to offset the deficit in the HRA’
5.	District Heating Charges, no change – ‘ <b>noted</b> ’
6.	To note the HAR budget – ‘that Nunhead and Peckham Rye AHF <b>note</b> and agree the report subject to the recommendations set out in 1, 2 and 4 above’

Peckham	15 January 2018
1.	(Rent decrease of 1.0%). Forum <b>agreed</b> .
2.	(Tenant service charge changes). Forum <b>disagreed</b> .
3.	(Sheltered housing service charges unchanged). Forum <b>agreed</b> .
4.	(Garage charges increase). Forum <b>disagreed</b> .
5.	(District heating charges unchanged). Forum <b>agreed</b> .
6.	The forum further agreed with the recommendation regarding consultation on savings proposals and <b>noted</b> the report itself.

Rotherhithe	9 January 2018
1.	Rent reduction – The Forum noted that the council has to reduce the rent by 1% due to government legislation, however the unanimous feeling was that this reduction is not a good thing and will impact on services, and therefore <b>disagreed</b> with the recommendation.
2.	Communal Lighting and door entry reductions <b>agreed</b> , but Forum would like to know what changes have been made to enable a reduction. Is it due to competitive tendering/ price negotiation or a change in the service standards. Estate Cleaning and Grounds Maintenance increases <b>rejected</b> . It was noted that the figures given in the report do not add up. The inflation on the Grounds maintenance/estate cleaning costs is given as £66k, and yet the increase in the service charge for these items will bring in 8 or 9 times that amount. The Forum would like a further breakdown of the figures to explain this disparity. Are these services at actual cost now (this was the reason given for the 69p increase last year)?
3.	Sheltered Housing service charges – the Forum <b>agreed</b> to keeping this charge the same.
4.	Garage charges – the Forum strongly <b>disagreed</b> with the level of increase to this charge. The garage service is not good; the garages are not maintained properly; the management is not good enough; the enforcement is ineffective.
5.	District heating charges – the Forum <b>agreed</b> to keeping this charge the same, although an improvement in the service needs to be made. There are too many heating/hot water outages that keep recurring in the same blocks.
6.	Comment on the Indicative Budget – the Forum feels more money needs to be spent on repairs to improve the service for residents, and <b>noted</b> the report.

Walworth East	18 January 2018
1.	<b>Noted</b> the above, where there will be reductions, what impact will it have on services. We think it is ridiculous.
2.	<b>Noted</b> the above, Seems a minimum increase, will there be more increase for better services. Use money by channels in right directions?
3.	<b>Noted</b> , to be reviewed.
4.	Noted and <b>agreed</b> .
5.	<b>Agreed</b> , we feel that the leaseholders are treated unfairly.
6.	<b>Noted</b> the above, Staffing should remain as they are, there should be no voluntary redundancies.

<b>Walworth West</b>	<b>11 January 2018</b>
----------------------	------------------------

The forum voted to:

- **Disagree** with the rent decrease;
- **Agree** with the changes in tenant service charges;
- **Agree** with no change in district heating charges;
- **Agree** with no change to sheltered housing service charges;
- **Agree** with the changes to garage charges; and
- **Noted** the budget report.

Some comments extracted from the forum's discussion are set out below:

#### RENTS:

Agree with rent increase, universal credit is causing un-necessary problems; rent should be paid directly instead of giving to tenants and that is what causing rent arrears.

Advised when it comes down as law of the land, Council cannot reject law of the land.

#### REPAIRS:

Suggested that the council needs to look at the works of their contractors, contractors are not completing the works properly and charging twice for the same job.

Suggested a better contractor management and inspection verification of their work.

Informed meeting when we call and enquire regarding outstanding repairs we are given a new reference number for the same outstanding job, is the contractor getting paid twice for the same work?

#### STAFFING:

On staffing changes new redundancies, this was a decision made last year; the Council had to make cuts due to Government's decision.

#### HOMEOWNER CHARGES:

Informed meeting that at last night's Homeowner Council meeting it was mentioned that there will be budget reduction from £15m to £10m [this relates to billing for major works]

#### GARAGE CHARGES:

Stated that [resident] is not very pleased to see increase for garages charges, residents are parking so closed to the garages, I have damaged my new car due to people parking with no due care.

#### **Section 4      Comments of Homeowner Council of 10 January 2018**

After a number of questions mostly relating to the definition of “small-size” garages, charging for water supply to individual garages, maintenance of district heating systems and general liability of tenant service charges Homeowner Council **noted** the Indicative HRA Rent-Setting and Budget Report.

A delegate indicated that she wished to submit some questions to officers in writing, and appropriate contact details were provided, however these have not been received to date.

## **Section 5      Comments of Southwark TMO Committee of 17 January 2018**

The committee formally **noted** the report, and thanked officers for attending and bringing extra clarity to the proposals therein. They also noted with some regret that the financial position of the HRA meant a reining-back of direct support for the investment programme and the impact that this would inevitably have on residents.

Finally, the committee had some questions regarding expenditure on fire works undertaken by the council, and whether that covered areas such as additional management and other support costs as well as direct repairs and restorative works. The committee asked for further clarity on the precise budgeting and arrangements for this work.

**CABINET AGENDA DISTRIBUTION LIST (OPEN)****MUNICIPAL YEAR 2017-18**

**NOTE:** Original held by Constitutional Team; all amendments/queries to  
Paula Thornton Tel: 020 7525 4395

Name	No of copies	Name	No of copies
<b>Cabinet Members</b>		<b>Chief Officer Team</b>	
Victoria Mills	1	Eleanor Kelly	1
<b>Other Councillors</b>		Deborah Collins	1
Jasmine Ali	1	Duncan Whitfield	1
Tom Flynn	1	David Quirke-Thornton	1
Maria Linforth-Hall	1	<b>Officers</b>	
Rosie Shimell	1	Barbara Asaam	1
Michael Mitchell	1	Doreen Forrester-Brown	1
Ben Johnson	1	Jennifer Seeley	1
<b>Electronic Versions (no hard copy)</b>		Norman Coombe	1
Councillor Peter John OBE		Kevin Fenton (1st floor, hub 1)	1
Fiona Colley		<b>Others</b>	
Stephanie Cryan		Louise Neilan	1
Maisie Anderson		Paula Thornton, Constitutional Officer	10
Barrie Hargrove		<b>Total:</b>	
Richard Livingstone			31
Mark Williams		<b>Dated:</b> 19 December 2017	
Ian Wingfield			
Johnson Situ			
Gavin Edwards			
Paul Fleming			
Jon Hartley			
Eleanor Kerslake			
Rebecca Lury			
Kieron Williams			
<b>Group Offices</b>			
Chris Page, Cabinet Office	1		
Steffan John, Liberal Democrat group Office	1		
<b>Press</b>			
Southwark News	1		
South London Press	1		