

APPENDIX F

Housing Revenue Account Final Rent-Setting Report 2016/17

The sections below all relate to consultation meetings between 9 December 2015 and 25 January 2016, 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 4 January and 25 January 2016
- Section 2 Summary of Consultation Outcomes
- Section 3 Individual Area Forum Feedback
- Section 4 Comments of Homeowner Council of 9 December 2015
- Section 5 Comments of Southwark TMO Committee of 20 January 2016

N.B. any paragraph and appendix references below are to the Indicative Budget report considered by Cabinet on 8 December 2015 rather than the Final report of 27 January 2016.

Section 1 – Recommendations of Tenant Council of 4 January and 25 January 2016

4 January Recommendations:

Tenant Council agreed unanimously to establish a ‘task and finish’ sub-group to discuss and provide further consultation on the proposed savings. A membership of eight was agreed.

Officer response: the group has been established, and recommendations to cabinet in terms of the final HRA Budget and Rent-Setting report on 27 January 2016 have been amended to reflect this. The group will meet during the course of late January – February 2016 in order to provide the Strategic Director of Housing and Modernisation with further feedback regarding the composition of the savings proposed in order to set a balanced HRA budget, as required by statute.

25 January Recommendations:

		For	Against	Abstain/ Not voting
1.	Rent decrease of 1.0%	4	13	4/–
2.	<i>[for Cabinet to note – loss of resources]</i>	n/a	n/a	n/a
3.	No increase in tenant service charges	13	2	3/3
4.	No increase in sheltered housing charges	11	–	4/6
5.	No increase in garage rents	13	–	6/2
6.	No increase in district heating charges	12	1	6/2
7.	Thames Water – notification of likely increase	12	1	6/2
8.	<i>[for Cabinet to note – consultation on staffing]</i>	n/a	n/a	n/a
9.	HRA Budget to note	(see below)	n/a	n/a

Tenant Council did not pass a specific resolution regarding the HRA Budget report, but the Chair initiated a discussion designed to better understand the reasoning behind the decision to formally oppose the rent reduction of 1.0%, which included the Cabinet Member for Housing.

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%	no change	no change	no change	no change	
Tenant Council	25 Jan 2016	✘	✓	✓	✓	✓	–
Homeowner Council	9 Dec 2015	n/a	n/a	n/a	–	N	N
Southwark TMO Committee	20 Jan 2016	N	N	N	N	N	N
Aylesbury	19 Jan 2016	–	–	–	–	–	–
Bermondsey East	13 Jan 2016	✘	–	–	–	–	–
Bermondsey West	13 Jan 2016	✓	✓	✓	✓	✓	A ¹
Borough and Bankside	20 Jan 2016	–	–	–	–	–	–
Camberwell East	18 Jan 2016	✓	✓	✓	✓	✓	N
Camberwell West	13 Jan 2016	A ²	✓	✓	✓	✓	N
Dulwich	7 Jan 2016	N	A ²	–	–	–	–
Nunhead and Peckham Rye	14 Jan 2016	A ³	N	N	N	N	N
Peckham	18 Jan 2016	✘	–	–	–	–	–
Rotherhithe	19 Jan 2016	✓	✓	✓	✓	✓	–
Walworth East	14 Jan 2016	✘	–	–	–	–	A ¹
Walworth West	14 Jan 2016	A ³	–	–	–	–	A ¹
Summary:							
• ✓ Agreed		3	4	4	4	4	0
• ✘ Disagreed outright		3	0	0	0	0	0
• A Alternative suggested		3	1	0	0	0	3
• N Noted		1	1	1	1	1	3
• – No response/inquorate		2	6	7	7	7	6
Area Forum Total		12	12	12	12	12	12

A1. See respective forum notes regarding government policy

A2. A 'reasonable' increase is preferred

A3. Stick with rent convergence

N.B. The rent 'rejections' are all on the basis of opposing any consequential cut to services

Section 3 – Area Housing Forum Comments and Recommendations 2016/17

Aylesbury	19 January 2016
<p>The Aylesbury Area Forum was not due to hold a meeting when these papers were distributed, as delegates had arranged a site visit to the re-cycling centre. However it had been agreed for the papers to be distributed to delegates, and for them to provide responses if they had any comments.</p> <p>No comments has been received from any Aylesbury forum delegates.</p>	

Bermondsey East	13 January 2016
<p>Bermondsey East Area Forum notes the imposed rent reduction of 1%, regrets the impact of that on the Council's ability to deliver the services residents demand and expect, and consequently does not agree with the rent reduction.</p> <p>The Forum does not agree with the imposition of the pay to stay, the loss of full security for new tenants and the sale of void properties. If the Council is forced to introduce fixed term tenancies then the Forum recommends that these are for the maximum period possible as we note the potential impact on communities as well as on individual residents' health and wellbeing that a lack of security will produce.</p> <p>The Forum supports SGTO in the campaign against these measures and asks the Council to join SGTO in opposing them."</p>	

Bermondsey West	13 January 2016
<p>Meeting was quorate of 6 people</p> <p>Rent reduction -1.0% agreed 6 votes for 0 votes against</p> <p>Tenant service charges – no change agreed 6 votes for 0 votes against</p> <p>Sheltered housing service charges – no change agreed 6 votes for 0 votes against</p> <p>Garage charges – no change agreed 6 votes for 0 votes against</p> <p>District heating charges – no change agreed 6 votes for 0 votes against</p> <p>To note the HRA budget:</p> <ol style="list-style-type: none"> 1. Query if Council Tax is to be increased (forum felt council may do this to increase income) 2. Concern about what changes in services will be (advised no details as yet, as re-organisation in progress) 3. Query what will be lost across the council (social services etc.) although not related to the HRA budget. 	

Borough and Bankside	20 January 2016
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Forum not quorate but attended by delegates from Tabard Gardens Central TRA and L'sboro and Scovell TRA.

The paper was briefed on and the contents noted. Delegates stated that they would take it back to their TRAs given the importance of the contents to so many tenants. Concern was expressed about the detrimental impact of the rent reduction on the HRA budget.

They felt that budget savings could be made by more rigorous enforcement of the repairs contract where jobs raised need to be not only checked for a standard of quality but also that it was carried out. In order to be sure that this was not just their perception they would like to see better evidenced feedback on contract monitoring.

Camberwell East	18 January 2016
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1. Rent decrease of 1%. – agreed
2. Tenant service charges – agreed
3. Sheltered Housing service charges – agreed
4. Garage charges – agreed
5. District Heating charges – agreed
6. HRA budget – noted.

Camberwell West	13 January 2016
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1. Rent decrease of 1%. – against this. They would like a reasonable increase to maintain the current levels of service.
2. All the other “no increases” – all agreed
3. Thames Water – noted
4. HRA budget – noted.

Dulwich	7 January 2016
<ol style="list-style-type: none"> 1. Dulwich Forum indicated that they are neither for nor against but noted the contents of the proposal. 2. Forum wants the Council to do proper consultation on any decision. 3. They want full consequences of the reduction in rent highlighted to residents. 4. Residents should be involved in decision-making on service impact. 5. There should be an increase in service charges, with an assurance that there will not be a reduction in service delivery and quality. 	

Nunhead and Peckham Rye	14 January 2016
<p>The Nunhead and Peckham Rye area housing forum note with regret the recommendation at paragraphs 1 – 9 of the appendix to this report and expresses its concerns at the long-term impact on stock maintenance, on service provision and effective staffing levels. The forum supports the previous formula for rent-setting to alleviate the impact set out below.</p>	

Peckham	18 January 2016
<ul style="list-style-type: none"> • The Forum is dissatisfied with the 1% reduction over 4 years. • The Forum is concerned about the impact of the 1% reduction on the Council's income and their ability to deliver the necessary services. • The Forum is still unclear about the impact on services going forward and would like to see further details on this. • The Forum would like consultation around service reductions to be proper consultation and not information sessions. 	

Rotherhithe	19 January 2016
<p>The forum agreed with the rent reduction (11,for, 0 against, 1 abstention)</p> <p>The forum agreed with no increases in the other charges (all votes 12 for, 0 against).</p> <ul style="list-style-type: none"> • Although we voted in favour of 1% decrease, the Forum is not happy about it. If it was for just one year it would be sustainable, but a similar decrease over four years will greatly impact on the HRA and services will suffer as a result. • Some estates now provide electricity for the lighting via solar panels. Surely this would bring down the cost of the lighting. Why has the lighting charge not decreased? 	

Walworth East	14 January 2016
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Recommendations:

1. Forum totally oppose 1% reduction on rents
2. Forum fully rejects implementation of the impending Housing Bill

Recommendation from Walworth East Forum is:

- The council should join with other councils, workers and tenants movements to fight the cuts and should refuse to implement the cuts this year and the next 4 years
- Only a year ago rent was increased, the council is struggling despite the increase, reduction of 1% over the proposed 4-year period, would massively affect services and staffing.
- The council should refuse to sell high value council homes
- The council should refuse to collect data on working tenants
- The council should continue to grant secured tenancies.

Walworth West	14 January 2016
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1. The Walworth West Area Housing Forum is opposed to the ONE PERCENT (1%) RENT DECREASE imposed by the Welfare Reform and Work Bill. The forum believes that depriving the Council of the resources it needs will adversely impact on the Council's ability to deliver its fairer future promises.
2. The forum recommends an ANNUAL RENT INCREASE at (Consumer Prices Index plus ONE PERCENT (CPI + 1%) and in any case not more than 2.2% per annum.
3. The forum however would like to see a more efficient contract management to optimise the value of every pound spent from any revenue raised from the annual rent increase at CPI + 1%.
4. The forum is opposed to the sale of high value homes as this would make almost all the homes in Southwark eligible to be sold, if for example, the definition of a high value home is £400k.
5. The forum is opposed to the "PAY TO STAY" regime proposed in the Housing and Planning Bill as this is likely to lead to further residualisation of Council Housing.
6. The forum is opposed to the "END OF LIFETIME TENANCIES" as set out in the Housing and Planning Bill. Tenants should be given life time tenancies and those who do not comply with the tenancy terms and conditions should be evicted.

9 votes in favour, 0 against; 0 abstentions

Section 4 Comments of Homeowner Council of 9 December 2015

Homeowner Council did not pass a specific resolution regarding those aspects of the HRA Rent-Setting and Budget Report that were relevant to leaseholders. However, there was a general discussion around the report itself and Homeowner Council agreed that any additional post-meeting comments should be fed back to officers for inclusion in the consultation outcome.

Section 5 Comments of Southwark TMO Committee of 20 January 2016

The committee noted the report and its recommendations. After a discussion around the HRA budget for 2016/17 and the current legislative programme, the committee wished to make representations as part of the consultation process on two matters:

- They expressed concern regarding the large reliance on as yet unpublished regulations which the Housing and Planning Bill requires, and note that these regulations will not undergo the same level of parliamentary scrutiny as the Bill itself; and
- They look to Southwark Council to mitigate the dangerous and potentially catastrophic effect of aspects of the Housing and Planning Bill on tenant management organisations.