

APPENDIX G

Housing Revenue Account Final Rent-Setting Report 2017-18

The sections below all relate to consultation meetings between 3 January 2017 and 23 January 2017, 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 3 January and 23 January 2017
- Section 2 Summary of Consultation Outcomes
- Section 3 Individual Area Forum Feedback
- Section 4 Comments of Homeowner Council of 11 January 2017
- Section 5 Comments of Southwark TMO Committee of 18 January 2017

N.B. any paragraph and appendix references below are to the Indicative Budget report considered by cabinet on 13 December 2016 rather than the Final report of 24 January 2017.

Section 1 – Recommendations of Tenant Council of 3 January 2017 and 23 January 2017

3 January 2017 Recommendations:

After questions to officers regarding tenant service charges, Tenant Council agreed unanimously to refer the Indicative report to Area Housing Forums and to its own next meeting of 23 January 2017. [Tenant Council considered a report on garages as a separate item during the same meeting]

23 January Recommendations:

Tenant Council voted to reject the recommendations of the HRA budget report in their entirety. During their consideration of the report concerns were voiced about:

- the level of service charge increases proposed and whether the increase could be phased;
- the service level that this represented and whether this would lead to a diminution in service delivery;
- the change from 0800 to 0300 number for repairs and specific removal of this savings proposal;
- the absence of a consolidated list of responses/decisions from area housing forums;
- the absence of any elected member of the council present at the meeting.

Section 2 – Summary of Consultation Outcomes

Forum	Date	Rent reduction -1.0%	Tenant service charges +69p	Sheltered housing serv.charges no change	Garage charges +10%	District heating charges no change	To note no “pay-to-stay” policy	To note the HRA budget
Tenant Council	23 Jan 2017	×	×	×	×	×	×	×
Homeowner Council	11 Jan 2017	n/a	n/a	n/a	N	n/a	n/a	N
Southwark TMO Committee	18 Jan 2017	N ¹	N ¹	N ¹	N ¹	N ¹	N ¹	N ¹
Aylesbury	17 Jan 2017	✓	✓	✓	A ²	✓	✓	N
Bermondsey East	11 Jan 2017	N	–	–	–	–	–	–
Bermondsey West	11 Jan 2017	✓	✓	✓	✓	✓	✓	N
Borough and Bankside	18 Jan 2017	–	–	–	–	–	–	–
Camberwell East	16 Jan 2017	✓	✓	✓	✓	✓	✓	N
Camberwell West	11 Jan 2017	✓	✓	✓	✓	✓	✓	N
Dulwich	19 Jan 2017	✓	✓	✓	A ²	✓	N	N
Nunhead and Peckham Rye	19 Jan 2017	N	N	N	N	N	N	N ³
Peckham	16 Jan 2017	✓	A ⁴	✓	×	✓	✓	N
Rotherhithe ⁵	10 Jan 2017	×	×	✓	×	✓	✓	–
Walworth East	19 Jan 2017	×	×	×	×	×	×	×
Walworth West ⁵	19 Jan 2017	×	✓	✓	×	✓	✓	N
Summary:								
• ✓ Agreed		6	6	8	3	8	7	0
• × Disagreed outright		3	2	1	4	1	1	1
• A Alternative suggested		0	1	0	2	0	0	0
• N Noted		2	1	1	1	1	2	8
• – No response/inquorate		1	2	2	2	2	2	3
Area Forum Total		12	12	12	12	12	12	12

Notes: 1. STMOC's vote on the recommendations was tied

2. Aylesbury requested further garage concessions, whilst Dulwich wanted the increase to apply only to private rented garages

3. Nunhead and Peckham Rye registered concern around Thames Water's commencement date for direct billing

4. Peckham suggested an alternative service charge increase of 1%

5. Please see detailed responses from both Rotherhithe and Walworth West below

Section 3 – Area Housing Forum Comments and Recommendations 2017-18

Aylesbury	17 January 2017
<ul style="list-style-type: none"> Rent decrease of 1% – agreed unanimously. Tenant Service charge – agreed unanimously. Sheltered Housing service charge – agreed unanimously. Garage charges – agreed unanimously with the increase BUT commented: <i>People with mobility issues should get priority for garages and receive concessions.</i> District Heating no change – agreed unanimously. Noted (and agreed with) the decision on pay to stay. Noted the report. 	

Bermondsey East	11 January 2017
Forum notes the rent decrease but feels it is important to register concern about the loss of revenue and its impact on Council services.	

Bermondsey West	11 January 2017
Forum notes they agreed as there is nothing they can do about it but are concerned about the effect it will have on council services.	

Borough and Bankside	18 January 2017
<i>Meeting inquorate.</i>	

Camberwell East	16 January 2017
Recommendation 1 (rents)	Agreed (Majority)
Recommendation 2 (service charges)	Agreed (All)
Recommendation 3 (sheltered)	Agreed (All)
Recommendation 4 (garages)	Agreed (All)
Recommendation 5 (heating)	Agreed (All)
Recommendation 6 (pay-to-stay)	Agreed (all)
Recommendations 7 – 9	Noted

Camberwell West	11 January 2017
<p>Forum registers frustration at the rent decrease and praises the management of the communal heating reserve account.</p> <p>Forum also finds the increase in service charges and garage reasonable and approves the recommendations.</p>	

Dulwich	19 January 2017 (rescheduled)
<ol style="list-style-type: none"> 1. Delegates agreed to reduction, but were also concerned that the reduction would seriously impede on the any future reduction in services. 2. Agreed, but do not want any further reductions in services provided. 3. Agreed, but do not want any further reductions in services provided 4. Agreed, but felt the increase should be on private rented only and not for Southwark Residents. 5. Agreed and noted. No Comments. 6. Noted. Happy policy is not being implemented. 7-9 Noted, but forum requested if a more user friendly version can be distributed to delegates. Also requested in future if someone from finance is able to attend forum meetings to present. 	

Nunhead and Peckham Rye	19 January 2017
<p>The forum notes the recommendations 1 – 9 and notes with concern a further reduction of 1% in the rent collection level.</p> <p>This forum also notes with concern the short consultation period by Thames Water before the billing changes come into effect from 1st April 2017.</p>	

Peckham	16 January 2017
<p>The Peckham Forum does not agree with the 10% increase in garage charges.</p> <p>The Peckham Area Forum does not agree with the proposed rise in services charges and feels that they should have been in the region of 1%.</p> <ol style="list-style-type: none"> 1. Agreed 2. Not Agreed 3. Agreed 4. Not Agreed 5. Agreed 6. Agreed <p>Others Noted</p>	

Rotherhithe	10 January 2017
<ol style="list-style-type: none"> 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. 2. Tenant Service Charges – 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 £265k, and yet the increase in the service charge for these items will bring in 3 or 4 times that amount. The reason given, that the services have been running at a loss for the last few years, has not been sufficiently proved. How was this shortfall in previous years covered? The Forum would like full figures provided for the last 5 years to show that the services have been running at a loss. Also, are the average leaseholder service charges for estate cleaning comparable with the proposed increased charge for tenants, because the leaseholder charges are not being increased at the same rate. If it can be proved that the extra money raised will all be spent on the services offered, and make these services better, then the Forum would agree to the increase. Until then, the Forum feels the increase is unjustified and subject to further scrutiny and challenge. 3. Sheltered Housing service charges - The Forum agreed to keeping this charge the same. 4. Garage charges – The Forum strongly disagrees 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 agreed to keeping this charge the same. 6. No 'pay-to-stay' policy – The Forum was happy that this policy has been dropped. <p>Note: – All votes taken were unanimous</p>	

Walworth East	19 January 2017
<p>The HRA was discussed at length and delegates expressed their displeasure against many of the proposals it contained. Key amongst these were the cuts to staff and services including the introduction of 0300 number for the call centre. Delegates were only happy to have a rent increase to fund better services.</p> <p>The forum provided the following official statement in response to the HRA paper presented:</p> <p><i>“While they accept this is a government policy; after careful deliberation, the Walworth East forum unanimously opposes the budgets and the cuts to staff and services considering it “the economics of the mad house.”</i></p>	

Walworth West	19 January 2017
<ol style="list-style-type: none"> 1. Rent: Rejected – The Forum believe that the reduction will cause unnecessary reduction in income and services will be affected as a result. 2. Service Charges: Accepted – The Forum accepts but would like closer scrutiny of services, to get better value for money. The Forum would like to see significant improvements to service delivery once the increase is implemented. 3. Sheltered: Accepted – The Forum accepts no increase but would like it noted that they believe that the age of acceptance into Sheltered Housing should be increased to 60 years old. 4. Garages: Rejected – The Forum believed that there are a many empty garages and the main focus should renting them out to gain revenue not penalising those already paying. It was also felt that the increase will result in more garages being handed back to the Council. 5. Heating: Accepted – The Forum believe that it is already very expensive service and the Council should be investing in improving the service to guarantee heating supply. 6. Pay-to-stay: Accepted. 7. Thames Water: Accepted. 8. Savings process: Accepted. 9. HRA Budget: Accepted – The Forum accepts but would like in noted that they need to be listened to negotiations for service improvement and implementation. 	

Section 4 Comments of Homeowner Council of 11 January 2017

Homeowner Council considered this item, and after some questions to officers around the operation of the ring-fenced heating account, noted the report.

Section 5 Comments of Southwark TMO Committee of 18 January 2017

The Committee discussed the proposed HRA budget for 2017-18, and after some questions, particularly around the increase in tenant service charges voted on the recommendations as a whole. This vote was tied.