

Cabinet

Tuesday 6 January 2026
11.00 am

Ground floor meeting rooms, 160 Tooley Street, London SE1 2QH

Supplemental Agenda No. 1

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10. Housing Revenue Account (HRA) - Final Rent and Charges Report 2026-27	To approve the housing revenue account budget and rent setting for 2026-27.	1 - 40

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Date: 5 January 2026

Meeting Name:	Cabinet
Date:	6 January 2026
Report title:	Housing Revenue Account (HRA) – Final Rent and Charges Report 2026-27
Cabinet Member:	Councillor Stephanie Cryan - Cabinet Member for Equalities, Democracy and Finance and Councillor Portia Mwangangye – Cabinet Member for Council Homes
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	As set out in paragraph 71

FOREWORD - COUNCILLOR STEPHANIE CRYAN - CABINET MEMBER FOR EQUALITIES DEMOCRACY AND FINANCE AND COUNCILLOR PORTIA MWANGANGYE – CABINET MEMBER FOR COUNCIL HOMES

This report addresses the council's Housing Revenue Account (HRA) and sets out proposals for indicative increases in tenant's rents, service charges as well as district heating and garage charges from April 2026.

We welcome announcements from the Chancellor of the Exchequer of a ten-year rent settlement of CPI+1% which brings greater long-term financial stability and accordingly are proposing a base rent increase of 4.8% for next financial year. In addition, the government is proposing to implement social rent convergence for properties where rents are currently below formula rent (target). Further detail on the implementation of the policy was expected in the Autumn Statement, but has been delayed to January 2026.

The Housing Revenue Account continues to face significant financial challenges due to the previous government's repeated interventions in rent policy, namely the 1% rent reduction from 2016 to 2020 arising from the Welfare Reform and Work Act 2016 and the 7% rent cap imposed for 2023-24, in response to spiraling inflation costs caused by the disastrous 2022 mini budget. While these measures provided important financial protection for our tenants during the worst of the cost-of-living crisis, they left a significant shortfall in resources in the Housing Revenue Account at the same time as the cost of providing services rose steeply.

We have also seen additional cost commitments arising from the requirements of the Building and Fire Safety Acts and our landlord duties to address damp and mould and other health hazards through Awaab's Law. We welcome these much-needed obligations to ensure the safety of our residents and are committed to improving our housing service through The Good Landlord Plan. But it is crucial that the HRA has the necessary resources to deliver on that commitment and need to acknowledge this cannot be accommodated without raising additional revenue

through rents and charges.

In keeping with our commitment to resident engagement, we have carefully reviewed the views submitted during our consultation (see Appendix 2). The Cabinet remains deeply attentive to the issues raised; we recognise that demonstrating value for money is essential to maintaining our residents' trust. Improving our repairs service is a cornerstone of our Goodland Lord Plan, and these proposed increases will help us deliver that work. This year, our focus is clear: ensuring that our resources are used effectively to deliver the visible, high-standard services our residents deserve.

RECOMMENDATIONS

Recommendations for the Cabinet to Note

1. The outcomes and feedback from the resident engagement events that took place during December 2025 (prior to Christmas), attached at Appendix 2.
2. The withdrawal of the concessionary garage rate for non-blue badge holders as previously agreed under Individual Decision Making (IDM) by the Cabinet Member for Council Homes as set out in paragraph 29 with effect from 6 April 2026.
3. That guidance on the proposed implementation of rent convergence expected to be announced in the Autumn Statement (26.11.25) was delayed and expected to be announced in January 2026.

Recommendations for the Cabinet to Approve

4. The rent increase of 4.8% (based on September 2025 Consumer Price Index plus 1%) for all directly and tenant managed (TMO) housing stock held within the council's HRA.
5. The rent increase of 4.8% for the council's shared ownership stock as set out in paragraph 21 with effect from 6 April 2026.
6. The increases to tenant service charges, comprising estate cleaning, grounds maintenance, communal lighting and door entry maintenance as set out in paragraphs 22-23 with effect from 6 April 2026.
7. The increase in sheltered and flexi-care housing service charges as set out in paragraph 24 with effect from 6 April 2026.
8. The disaggregation of the combined rent and service charges for supported hostels and the increase for both in line with CPI+1% as set out in paragraphs 25-26 with effect from 6 April 2026.
9. The increase in garage charge rates as set out in paragraphs 27-28 with effect from 6 April 2026.
10. The freezing of heat network charges for 2026-27 at existing levels, with the

exception of the borough-wide metered charge for new homes, which will be reduced as set out in paragraphs 30-44 with effect from 6 April 2026.

Recommendations for the Leader of the Council

11. That the leader of the council delegates authority to the cabinet member for equalities, democracy and finance in consultation with the cabinet member for council homes to implement the government's proposals on rent convergence with effect from 6 April 2026.

BACKGROUND INFORMATION

12. The HRA reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the council's housing stock, offset by tenant rents and service charges, homeowner service charges, commercial property, and other income streams. The council has a statutory responsibility to set a balanced HRA budget.
13. The Welfare Reform and Work Act 2016 compelled councils and housing associations to reduce rents by 1% each year for the period 2016-17 to 2019-20. In October 2017, the government announced that the national rent policy would revert to CPI+1% for a period of five years from 2020-21 to 2024-25 and subsequently further extended to cover 2025-26.
14. Guideline rent policy of CPI+1% was set at a time of prolonged low inflation well within the government's own inflationary target of 2%. However, macro-economic and geo-political events combined to markedly increase inflationary pressure with September 2022 CPI rising to 10.1%, which would have resulted in a rent increase of 11.1% from April 2023. In recognition of the fiscal impact that a rent increase at that level would have had, the government intervened with a rent cap of 7% for 2023-24, the effect being a loss of c.£9m+ per annum and a reduction in the rental baseline going forward.

KEY ISSUES FOR CONSIDERATION

Government Spending Review (June 2025)

15. The government's Spending Review in June 2025 reaffirmed the continuation of the CPI+1% rent policy for social housing for 10 years from 2026-27, providing a degree of certainty for local authorities in planning HRA budgets. However, the review did not include any provision for compensating councils for income lost due to previous rent caps or the historic rent reduction policy. As a result, Southwark's HRA continues to endure significant financial pressure, with the cumulative impact of past interventions estimated to exceed £1bn over the life of the 30-year business plan.
16. The Spending Review also confirmed that no additional capital funding would be made available to support decarbonisation or building safety programmes

beyond existing allocations, placing further reliance on rental income to sustain investment in the housing stock. On a positive note, the Spending Review outlined the government's intention to implement rent convergence aimed at aligning actual rents with formula rents (target) over an extended timeframe. The original rent convergence policy introduced as part of the 2012 self-financing settlement prematurely ended in 2015, so this policy initiative is to be welcomed, as it will contribute to the greater financial stability of the HRA.

Government Autumn Statement (November 2025) - Consultation on Social Rent Convergence

17. The government consulted during summer 2025 on proposals for the implementation of social rent convergence, which would allow rents for properties currently below formula rent (target) to increase by an additional amount over and above the CPI+1% annual rent uplift, until they converge. The mechanism and timeline for implementation were expected to be announced as part of the Chancellor of the Exchequer's Autumn Statement on 26 November 2025, which would have allowed the impact of the policy to be reported here, however, this has been delayed.
18. Representations have been made to the Ministry of Housing, Communities and Local Government (MHCLG) outlining the implications the delay creates for the council (and local housing authorities generally), in relation to the statutory requirements for rent setting and budget planning for 2026-27. Notwithstanding, government remain committed to implementing social rent convergence and are considering impacts on housing supply, rent payers and affordability before finalising details. A full response to the consultation and details of how it will be implemented will be announced in January 2026 ahead of the Social and Affordable Housing Programme (SAHP).
19. Based on current estimates, approximately 33,600 tenanted properties remain below formula rent (target). Applying a £1, £2, or £3 weekly uplift to these properties would generate an additional £1.7m, £3.4m, or £5.1m respectively in annual HRA income. It remains to be seen whether these funds would be prescribed to support delivery of new social homes or be directed towards supporting core landlord services, which is the priority.

Average Weekly Rents

20. The table below compares average rents by bedroom size for 2025–26 across the entire general needs housing stock, against the equivalent indicative average rents for 2026–27. Base rents are subject to a proposed uplift of 4.8% based on September CPI+1% in accordance with government rent policy. However, the stock profile is not static between years, it is subject to a range of movements including new homes and buy-backs coming on-stream, disposals, voids and re-lets moving to formula (target) and the use of estate voids for temporary accommodation which are reflected at formula rent (target) in accordance with the 2020 Rent Standard, which serves to distort the average percentage change in rents when compared year on year.

Number of bedrooms	Revised Average Rent £ per week 2025-26	Indicative Average Rent £ per week 2026-27	Increase £ per week	Percentage Increase
0	£100.98	£106.50	£5.52	5.5%
1	£116.54	£124.36	£7.82	6.7%
2	£128.99	£136.95	£7.96	6.2%
3	£141.45	£150.48	£9.03	6.4%
4	£153.50	£162.20	£8.70	5.7%
5	£169.69	£178.20	£8.51	5.0%
6+	£183.52	£192.28	£8.76	4.8%
Borough-Wide Average	£129.30	£135.95	£6.65	5.1%

Shared Ownership

21. In October 2023, the government reformed shared ownership rent policies for homes delivered via the Affordable Homes Programme, Section 106 contributions, and the Right to Shared Ownership. Previously, rents were linked to RPI +0.5%; a measure now considered outdated. To align with other social housing tenures, the government introduced a new cap of CPI +1%. Cabinet approved the adoption of this CPI based methodology from 1 April 2024 to ensure consistency across tenures. The council currently manages 141 shared ownership properties.

Tenant Service Charges

22. Tenant service charges (TSC) originated from the government's rent restructuring regime in 2002-03 with the intention of ensuring greater consistency and transparency between local authority and Registered Social Landlords (RSL's). In 2003-04 the council de-pooled four service charge elements comprising estate cleaning, grounds maintenance, communal lighting and door entry from the basic rent (meaning rents were reduced by an equivalent amount to match the cost of the service charges). There was no detriment to tenants financially as they remained eligible for welfare support.

23. The principle underpinning the calculation of charges is that they are set at a level to recover the full cost of provision. Borough-wide costs are pooled to eliminate any area cost differentials, then divided by the estimated number of service recipients to derive a standard charge. To ensure costs and charges remain aligned, they are rebased annually to reflect changes in contract values, inflation, and activity/volume movements. The existing and proposed rates are set out below.

Tenant Service Charges	Charge £ per week 2025-26	Charge £ per week 2026-27	Increase £ per week	Percentage Increase
Estate Cleaning	8.76	9.30	0.54	6.16%
Grounds Maintenance	1.80	2.05	0.25	13.89%
Communal Lighting	2.70	2.92	0.22	8.15%
Door Entry	0.84	0.88	0.04	4.76%
Total	14.10	15.15	1.05	7.45%

Sheltered and Flexi-Care Accommodation

24. Sheltered and Flexi-Care rents increase at the standard rate of 4.8%. In addition, service charges are levied to reflect the cost of enhanced housing management support provided to residents in these forms of accommodation. They are in addition to the standard rent and are reviewed annually and set at a rate to fully recover the additional cost of provision. For 2026-27, it is proposed to increase charges by £2.48 to £42.32 per week, an increase of 6.2% reflecting inflationary cost pressures. Service charges like rents are eligible for welfare benefit and currently c.79% residents are in receipt of full or partial benefit or receive transitional funding from Adult Social Care, a long-standing agreement emanating from the Supporting People funding regime, which is gradually falling out as residents leave sheltered care.

Supported Hostels

25. Supported hostels held in the HRA i.e. Keyworth, Wren, and Northcott, provide housing and support for vulnerable adults. Historically, these hostels have had a combined charge covering rent and a range of service charges depending on the hostel, which are mostly eligible for welfare support. For 2026-27, it is intended to bring the hostels in-line with other forms of HRA accommodation by disaggregating the rent from the service charges. There is no detriment to service users or the HRA, but this will bring greater consistency and clarity for users and the council alike.

26. Service charges across the HRA are subject to annual review to ensure full cost recovery. For hostels, changes in the provision of security and catering services to residents are under review to both improve operational efficiency and standards, whilst reducing cost. As these reviews are unlikely to conclude in the short-term, it is proposed as an interim measure to increase service charges in line with rents for 2026-27. Currently, c.87% of residents are in receipt of full or partial benefit. The existing and proposed rates are set out below.

Supported Hostels	Combined Charge £ per week 2025-26	Category	Disaggregated Charge £ per week 2025-26	Disaggregated Charge £ per week 2026-27
Keyworth	320.76	Rent	98.98	103.73
		Service charge	221.78	232.43
Northcott	320.76	Total	320.76	336.16
	339.26	Rent	142.41	149.24
Wren	339.26	Service charge	196.85	206.30
	339.26	Total	339.26	355.54
Wren	313.24	Rent	100.67	105.50
		Service charge	212.57	222.77
	313.24	Total	313.24	328.27

Garage Charges

27. The garage portfolio represents a valuable asset for the HRA that generates an important income stream (c.£7m gross). This covers repairs, maintenance and refurbishment of closed garages to generate additional revenue and contributes to the wider provision of housing management services. Southwark rental rates are routinely benchmarked against inner London authorities and rank towards the upper quartile, whilst the rate charged to private customers (non-Southwark tenants and homeowners) is generally increased by a higher percentage subject to considerations around elasticity of demand and stock availability.
28. For 2026-27, it is proposed that charges increase by a minimum of c.5% (rounded), in accordance with council-wide guidance on discretionary fees and charges. The private sector rate is subject to and inclusive of VAT at the prevailing rate (20%).

Concessionary Garage Rate

29. For many years the council has applied a concessionary reduction of £5 per week from the standard garage charge rate for registered disabled and elderly residents over 70 years of age. Garage rental is discretionary and given the financial situation facing the HRA, Cabinet instructed officers to review the continued applicability of the concessionary scheme. The Cabinet Member for Council Homes considered a report in December 2024 which approved the phasing out of the concessionary rate over a two-year period, with the exception of registered blue badge holders (subject to annual renewal and means testing). From April 2025 the concessionary rate reduced from £5 to £2.50 per week for non-eligible garage renters and from April 2026 it will cease altogether for this cohort. The withdrawal of the discounted rate together with the proposed increases in charge rates set out below are projected to raise a further £0.4m+ in revenue in 2026-27.

Garage Charges	Charge £ per week 2025-26	Charge £ per week 2026-27	Increase £ per week	Percentage Increase
Standard Rate	26.00	27.30	1.30	5.00%
Concessionary Rate:				
• Blue Badge holders only (minus £5 pw)	21.00	22.30	1.30	6.19%
• Non-Blue Badge holders*	23.50	-	-	-
Small Sites Rate	14.10	15.00	0.90	6.38%
Private Sector Rate (inclusive of VAT@20%)	47.60	50.00	2.40	5.04%
Additional Charges:				
Larger Garage	6.50	7.00	0.50	7.69%
Additional Parking	6.50	7.00	0.50	7.69%
Water Supply	0.50	0.50	-	-
Additional Security	1.00	1.00	-	-

Note. Concessionary rate for non-blue badge holders ceases w.e.f. 5.4.2026; charge reverts to Standard Rate.

Heat Network Charges

30. The council's charging policy for heat networks commenced in 1995 with the establishment of the ring-fenced heating account. The purpose was to smooth-out energy price fluctuations and volume changes caused by severe weather, mitigate any deficit periods where costs exceed income and minimise changes to charge rates.
31. The procurement of gas and electricity for the council's heat networks is provided by LASER Energy, part of the Commercial Services Group (CSG), wholly owned by Kent County Council (KCC). LASER are one of the largest energy buying organisations in the UK serving 200+ public bodies, including NHS Trusts, Universities and Colleges, Local Authorities and Housing Associations. This arrangement has over a sustained period delivered consistently lower utility costs than those obtainable in domestic energy markets, for the benefit of heat network users. The council's existing contract runs until 31 March 2029, with the option of a one-year extension.
32. Energy costs are pooled and standardised 'fuel only' charges set on a borough-wide basis for tenants, depending on the number of bedrooms and type of heating installation. This ensures equilibrium between tenants across the piece regardless of the age and condition of the heating system to which they are connected (with the exception of those in metered properties). On-going investment in energy efficiency measures across the heat networks to

reduce consumption has also contributed to the financial stability of the heating account over a sustained timeframe. For tenants, the cost of repairs and maintenance is included in the basic rent.

33. For homeowners connected to heat networks, the situation is different as under the terms of the lease, they are liable for a share of the actual energy consumed and associated costs for their block/ estate and are therefore likely to experience fluctuations in their charges year on year. In addition, and in line with other communal services, they are also liable for a proportion of the actual cost of repairs and maintenance to the heating system in their block/ estate.
34. Global events over the last few years have created unprecedented disruption in energy markets, leading to huge price rises for customers across the board. Heat networks are not immune from these pressures, but still benefit from lower rates than residents with individual heating systems, who purchase their energy from domestic suppliers, such as EDF or British Gas. One of the benefits of operating a ringfenced heating account is to mitigate the immediate effects of energy price spikes by setting charges at a consistent level to smooth out peaks and troughs in energy costs over a longer timeframe.
35. However, such was the extreme nature of the market turmoil that the charge rates set for 2023-24 were insufficient to recover the actual costs leading to a significant deficit on the account by year-end. To have recovered the deficit in full over the following year (2024-25) would have meant a very steep uplift in charge rates, but Cabinet agreed a longer-term phased approach and restricted the uplift to 10% in 2024-25. Rates were held at the same level for 2025-26 and given greater energy market stability more recently, it is anticipated the account will be balanced by year-end.
36. Gas and electricity represent around 70% and 13% respectively of the cost of energy for the heat network, with the South East London Combined Heat and Power (SELCHP) facility accounting for the remainder (17%). Market intelligence from LASER for the coming year (2026-27) indicates gas prices are forecast to be lower (-3.8%), electricity prices higher (+5.2%) and SELCHP cost uprated by RPI (currently 4.5%) However, the actual rates cannot be confirmed until LASER have completed the advance purchase of the council's energy requirements over the remainder of this fiscal year. Estimates for next year based on this analysis, barring other adverse factors such as increased usage due to bad weather, it is proposed that charge rates for 2026-27 are maintained at their existing levels for a second year running. Appendix 1 Table 1 sets out the tenant heat charges for unmetered properties.

Heat Network - Metered Charges

37. The vast majority of properties on heat networks are charged at the pooled rates (for tenants), and bedroom-weighted annual service charges (for homeowners). However, all new build properties have individual heat meters installed at the point of construction, and a programme of retrofitting to older blocks is underway in accordance with government regulation. Accordingly, the council will have around two thousand four hundred heat meters operating

by April 2026.

38. Heat metered properties pay for their individual heat consumption according to a heat tariff – a combination of a daily standing charge and a variable charge so that what individual properties pay varies with how much heat they use. Heat tariffs applied to homeowners are unique to their blocks to ensure actual cost recovery for the scheme in question, in accordance with the terms of the lease, while tenant tariffs are set in a borough-wide manner for simplicity and to mirror the non-metered pooled charges.
39. Given the significant differences between heat network arrangements and energy efficiency levels of newly built properties with heat meters versus older properties which have had heat meters retrofitted, separate borough-wide tariffs are applied for these two situations.
40. For new build properties, where heat consumption is normally very low, tariffs are set on a blended cost-recovery basis. For 2026-27, a small decrease in the tariff is proposed. The net effect of the proposed changes for an average user in a one-bedroom property will be an overall reduction of c.7%. The current and proposed tariffs are shown in Appendix 1 Table 2, along with the equivalent weekly cost for an average user in different property sizes.
41. For older properties, the approach taken previously has been to recover two-thirds of the unmetered charges via a standing charge and one third via a variable charge. This approach allows low heat users to pay less whilst high users are not overly penalised and pushed into fuel poverty. The split between standing charge and variable charge will be reviewed annually to ensure it is meeting the balance of policy objectives. In line with unmetered heat network charges, it is proposed to freeze the borough-wide tenant tariffs for retrofit heat meters in 2026-27 at the current rates. This is set out in Appendix 1 Table 3, along with equivalent weekly charges for low, average and high users.
42. Unmetered heat network charges (heat with rent) are not subject to VAT, but once heat is metered it is deemed to be a separate service to the rent and VAT is applicable at the reduced rate of 5%. For the avoidance of doubt the tariffs and charges shown in Tables 2 and 3 are inclusive of VAT, to reflect what residents will actually pay.
43. An average user with a heat meter is expected to pay roughly the same as the unmetered charge, whilst lower or higher volume users will pay less or more according to their individual consumption. Those properties with historical data recorded via an installed meter already will have a unique weekly charge applied to their account to reflect their individual consumption levelled out across the year. Those properties for which no historic consumption data is available will be placed on the ‘average’ charge level initially. This will then be adjusted to an individual charge once their consumption level is established.
44. Since heat tariffs applied to homeowners are unique to their blocks and must ensure actual cost recovery for the scheme in question, the tariffs applicable to homeowners will be calculated closer to the start of the fiscal year as part of the estimated service charge construction process. This will allow tariffs to

take account of the latest energy cost information to avoid excessive changes between estimated and actual service charge bills.

Other HRA Income Streams

45. Tenant rents and service charges constitute c.83% of HRA income; the remainder comprise homeowner revenue and capital service charges, garage rents, commercial property rents, interest receivable, recharges, costs recovered and mandatory and discretionary fees and charges.
46. Homeowner service charges represent the second-largest income stream to the HRA (c.12%) and reflect the actual cost of services provided to homeowners that are recoverable under the terms of the lease. Revenue service charges represent the proportionate cost of managing and maintaining the housing stock. Capital service charges are determined by the scale and delivery of investment in the housing stock and the extent to which it pertains to homeowners' property (external and communal works) and is subject to variation year on year depending on the capital works programme. It is incumbent on the council to fully recover costs that are legitimately chargeable to homeowners to prevent cross-subsidy by tenants and vice versa.

Statutory Notification Requirements

47. Cabinet on 2 December considered indicative proposals for HRA rents and charges for 2026-27, following which a series of resident engagement meetings have taken place during December. Cabinet will now consider the outcomes of that process and make a final decision on the proposals for rents and charges for 2026-27. Following approval of the recommendations as set out, or amended by Cabinet, the Council will issue the statutory and contractual notification of variation in rents and other charges to all tenants, not less than 28 days prior to the effective date of 6 April 2026.

Policy Framework Implications

48. The proposals in this report are consistent with the council's statutory duty to maintain a balanced HRA under the Local Government and Housing Act 1989. They align with national rent policy, including the continuation of CPI +1% increases and the proposed implementation of rent convergence, guidance on which is awaited. These measures support the council's strategic objectives to maintain financial sustainability, invest in the housing stock, and deliver essential landlord services, and ensuring compliance with the Rent Standard 2020 and Regulator of Social Housing's standards.

Community, Equalities (including Socio-economic) and Health Impacts

49. The council works in accordance with the single public sector equality duty contained within section 149 of the Equality Act 2010. This means the council must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and advance equality of opportunity and foster

good relations between different groups.

50. Undertaking equality analysis helps the council to understand the potential effects that proposals for changes to tenant rents and charges may have on different groups. The analysis also considers if there may be any unintended consequences and how any of these issues can be mitigated. Analysis is also undertaken to consider any crosscutting and organisation-wide impacts.
51. Equality analysis will continue through the cycle of planning and implementation. In line with our Public Sector Equality Duty, any changes to services arising from these proposals will be implemented in such a way to not impact disproportionately on any specific section or group in our community. Where necessary, consultation will be undertaken alongside mitigating actions where necessary. In line with the process across the council, information on the equality analysis will be shared with the relevant cabinet members so it can be considered when decisions are taken. The equality analyses will be collated across the council to look for any cumulative impacts.
52. The council recognises that financial pressures can affect tenants' health and wellbeing, particularly those on low incomes. By maintaining eligibility for welfare support and providing targeted financial assistance, the proposals aim to mitigate potential negative health outcomes. Continued investment in housing services also supports safe, secure, and well-maintained living environments, which are essential for physical and mental health.

Climate Change Implications

53. The council has committed to doing everything it can to make Southwark carbon neutral by 2030, working in partnership with stakeholders, residents and staff to tackle the effects of a changing climate. How the council uses its resources has an impact on the borough's carbon emissions. The council's climate change strategy and action plan sets out five key themes to deliver on its ambition for a resilient and carbon neutral borough delivered. The first theme, 'Building and Energy' contains the key aim of significantly reducing emissions from council homes and ensuring they are resilient to the effects of climate change. Sub-themes 1.1 'Homes,' and 1.4 'Energy', include measures related to reducing emissions, adapting council homes to climate risks and delivering low-carbon heat networks. Specific areas relating to the decarbonisation and climate adaptation programme for council housing are as follows:
 - Raise the energy efficiency of council stock with an EPC rating of D or lower.
 - Replace existing infrastructure with low-carbon heat generation technologies.
 - Implement a portfolio of measures to support residents most vulnerable to overheating in their homes, including through the hot homes programme.

- Make all future council home projects low/net zero and well adapted to future climate risks such as overheating or flooding.
- Move council stock to metered energy provision to reduce gas consumption.
- Increase the amount of renewable energy we generate on council homes and buildings including working in collaboration with community energy groups.

Resource Implications

54. This report sets out proposals for increases in tenant rents and charges for 2026-27. Subject to approval by Cabinet, the additional income derived from these increases will be applied solely for the provision of landlord services to residents in the council's housing stock.

Consultation

55. Unlike matters of direct housing management, there is no statutory requirement to consult on changes to rent and charges. However, the council remains committed to engaging with residents under the terms of the Tenancy Agreement. That process started with the indicative report to Cabinet which set out proposals for rent and charges for the next fiscal year (2026-27), commencing 6 April 2026, which cabinet considered on 2 December 2025

56. Resident engagement on the proposals followed during December 2025 and the feedback/ outcomes are noted at appendix 2. Whilst homeowner representatives are unable to make recommendations in the matter of tenant rents and service charges, they can do so in respect of proposals regarding garage and other miscellaneous charges and matters pertinent to their service charges.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance (DG/18.12.2025)

57. This report sets out the Housing Revenue Account Rent and Charges recommendation for 2026-27.

Policy and legislative context

58. The Local Government and Housing Act 1989 ("the 1989 Act") sets out legal requirements in relation to housing finance, in particular a duty under Section 74 of the Act to maintain a Housing Revenue Account ("HRA"). Pursuant to Section 76 of the Act, the council is required to budget to prevent a debit balance on the HRA and to implement and review the budget.

59. Section 24 of the Housing Act 1985 ("the 1985 Act") gives the council power to "make such reasonable charges as [it] may determine for the tenancy or occupation of [its] houses". Section 24 additionally requires the council, from time to time, to review rents and make such changes as circumstances may require.

60. As referenced in this report, the discretion as to rents and charges in the Housing Act 1985 is subject to requirements, limitations and restrictions arising from legislation and government rent policy.
61. From 1 April 2020, the council must set rents in accordance with the Rent Standard April 2020 (“the 2020 Standard”). This is issued by the Regulator of Social Housing under direction (the Rent Standard Direction 2019) of the Secretary of State for Housing, Communities and Local Government pursuant to powers in section 197 of the Housing and Regeneration Act 2008. Government policy in this respect is set out in the “Policy Statement of Rents for Social Housing”.
62. Under the Housing and Regeneration Act 2008 section 194(2A) the council must comply with the rules contained in the Rent Standard and with all the requirements and expectations in the Policy Statement on Rents for Social Housing. Under the Rent Standard, the council may apply annual rent increases of up to 1% above the general index of consumer prices (CPI).

Consultation

63. Changes to rent and other charges are excluded from the statutory consultation requirements on matters of “housing management” in respect of which Local Authorities are required to consult their secure, introductory and demoted tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996.
64. The council however has undertaken in its tenancy conditions to consult with the Tenant representative body before seeking to change rent and other charges. The report confirms that consultation has taken place to comply with this term. The outcome, which must be considered by Cabinet Members when deciding on the recommendations in this report, is set out in Appendix 2.

Statutory notice of variation

65. The council is required, by Section 103 of the Housing Act 1985 (relating to its secure tenancies), and by Section 111A of the Housing Act 1985 (relating to its introductory tenancies), and further to the council’s agreement with its tenants, to notify tenants of variations of rent and other charges. The council will need to serve a notice of variation, at least 28 days before the variation takes effect.

Equalities impact

66. When considering the recommendations in this report the cabinet must give due regard to the council’s equalities duties set out in the Equalities Act 2010; specifically, the need to:
 - Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not; and
 - Foster good relationships between those who share relevant

characteristics and those who do not.

67. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
68. The report includes a community impact statement that sets out the consideration given to the equality duties in the Equality Act to which members must have regard.

Leader Delegation

69. Under Part 3 of the council's constitution the Leader may make the delegation set out in paragraph 11 of this report.

Strategic Director, Resources (PFS – Housing 25/099)

70. This report sets out proposals for increases to tenant rents and a range of service charges for the fiscal year commencing 6 April 2026. As stated elsewhere in the report, government have consulted on the implementation of social rent convergence and there was an expectation that details of the policy implementation would be available to include in this report. However, this has not been forthcoming and is due to be released in January 2026; the implications of which will be assessed and reported in the new year. Otherwise, all other pertinent information relating to the proposals is contained in this report. This will inform the position in respect of the HRA budget for 2026-27 and be reported as part of the Council's Policy and Resources Strategy Report to Cabinet in February 2026.

REASONS FOR URGENCY AND LATENESS

71. A requirement of the Tenancy Agreement is to consult with the tenant representative body, which commenced following December Cabinet and concluded with Tenant Forum prior to Christmas, the results of which have been collated for inclusion in this report at Appendix 2 meaning that it has not been possible to circulate this report five clear days in advance of the meeting. Urgent consideration of the report is required so that the statutory 28-day notice period can be met ahead of the effective date of 6 April 2026. Any further delay would risk breaching legal notification requirements and potentially result in a loss of income to the HRA.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Consumer Price Index @ September 2025 Inflation and price indices - Office for National Statistics	160 Tooley Street London SE1 2QH	Ian Young - Assistant Director Finance (Housing)
Garage Concessionary Rent Reduction and Rent Reminder Letters Charge Report (IDM) https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=8227	160 Tooley Street London SE1 2QH	Louise Turff - Head of Homeownership

APPENDICES

No.	Title
Appendix 1	Heat Network - Tariffs and Charges
Appendix 2	Feedback from Resident Engagement Process

AUDIT TRAIL

Cabinet Members	Councillor Stephanie Cryan - Cabinet Member for Equalities, Democracy and Finance Councillor Portia Mwangangye – Cabinet Member for Council Homes
Lead Officers	Clive Palfreyman - Strategic Director Resources Hakeem Osinaike - Strategic Director Housing
Report Author	Ian Young - Assistant Director Finance - Housing
Version	HRA Final Rent and Charges Report 2026-27 31-12-25
Dated	31 December 2025
Key Decision?	Yes

CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER

Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Resources	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		31 December 2025

Appendix 1: Heat Network -Tariffs and Charges

Table 1 – Current and proposed non-metered tenant charges

Heating Type	Number of Bedrooms	2026-27 weekly charge (frozen from 2025-26) £ per week
Central Heating and Hot Water	0	16.76
	1	23.54
	2	29.14
	3	34.88
	4+	37.65
Weatherfoil Heating and Hot Water	0	14.11
	1	20.24
	2	25.29
	3	30.25
	4+	32.80
Weatherfoil Heating only	0	10.65
	1	13.20
	2	15.90
	3	18.56
	4+	21.20
Central Heating only	0	13.10
	1	16.47
	2	19.76
	4+	24.73
Hot Water only	1	4.48
	2	9.44
	3	11.68
LRB Heating	0	11.37
	1	16.95
	2	18.36
	3	19.82
Partial Heating	0	8.92
	1	10.95
Underfloor Heating	0	13.38
	1	14.84
	2	16.31
	3	18.26

Table 2 – Current and proposed borough-wide metered tenant heat tariffs for new homes (including VAT at 5%)

Number of bedrooms	Current tariffs (2025-26)		Proposed (2026-27)		Equivalent weekly charge for average user (£/week)	Change for average user (%)
	Standing charge (p/day)	Variable charge (p/kWh)	Standing charge (p/day)	Variable charge (p/kWh)		
0	47.59	9.67	44.40	8.64	5.29	-8%
1	51.69		49.83		6.87	-7%
2	55.80		55.27		8.46	-6%
3	59.90		60.70		11.51	-7%
4+	64.00		66.14		14.56	-7%

Table 3 – Current and proposed borough-wide metered tenant heat tariffs for older homes retrofitted with heat meters (including VAT at 5%)

Number of bedrooms	Proposed tariff for 2026-27 (frozen from 2025-26)		Equivalent weekly charge for different users		
	Standing charge £/day	Variable charge p/kWh	Low user £/week	Average user £/week	High user £/week
0	1.52	4.54	12.80	15.98	20.07
1	2.14		17.48	21.14	24.34
2	2.66		20.46	25.08	31.56
3	2.89		28.50	34.66	43.06
4+	3.02		30.52	37.52	47.06



Housing Revenue Account (HRA) 2026-27

Rent Setting

Resident Engagement

Response to proposals in the fees and charges changes reviewed by Cabinet on 2 December 2025

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How We Engaged

Engagement with residents occurred via:

- An online boroughwide meeting via MS Teams on 10 December 2025 for all residents
- 5 Local Housing Forum meetings between 11 and 17 December 2025 – one online (South) and the other 4 in person in their usual locations across the borough.
- Tenant Forum meeting on 18 December 2025 at Tooley Street.

Publicity of Meetings

- The 7 meetings were publicised by sending out emails containing all details of meetings to be held along with links to the Eventbrite page, MS Teams links for the online boroughwide meeting, and for the South Local Housing Forum meeting.
- Meeting details were sent via emails to all council tenants and homeowners for whom a valid email address was held - circa 30,000 residents - by govdelivery. The open rate for the emails was around 52% (14,711). 250 people clicked on links within the mailout.
- Consultation event details were also included in the December Housing e-newsletter which has a circulation of around 30,000 residents.
- Resident Involvement Officers also promoted the events by sending invitations via their respective Local Housing Forum chairs and TRA membership.
- Contact details of the Resident Involvement team were included for further information and queries.
- The Eventbrite platform allowed residents to register their interest in attending the online meeting and for information to be sent out directly to them in advance of the meeting.
- Residents who registered for the online event via Eventbrite received:
 - HRA Cabinet Report by Ian Young, Assistant Director of Finance (Housing)
 - Link and QR code to the MS Forms questionnaire highlighting the proposals and the areas for resident's feedback
 - The HRA rent PowerPoint presentation from Ian Young
 - The MS Teams link for the main online event on 10 December 2025.
- The same documents were posted in the chat room of the online meetings and copies of all documents were either sent out via email ahead of the event or hard copies brought to the in-person meetings at Local Housing Forums and Tenant Forum meetings.

Themes

Across the 7 events, several themes emerged from the questions and comments of those who attended in person and online about why they agreed or disagreed with the proposed changes to rent and other tenant charges.

The themes for those who **did not agree** with the proposed changes to charges mentioned:

Reason given	Respondents
Lack of affordability	29
Cost of Living expensive	13
4.8% exceeds inflation	5
Poor service delivery	14
Low value for money	4
Poor stock conditions	5
Other	3

The majority of people who responded opposed the increase to rent and charges.

58% (42 residents) of those who did not agree with the 4.8% rent increase cited a lack of affordability and potentially struggling to pay the extra amount faced with cost-of-living increases, low or static income, financial stress and rent arrears, amongst other things.

32% (23 residents) of those who did not agree with the rent increase mentioned poor or failing service levels and delivery, little value for money and high wastage on council repairs contracts on specific items such as scaffolding, multiple repairs of the same items and compensation paid out as a result, and housing stock that was ageing and in poor condition in some parts of the borough with disrepair, damp and mould, pest infestations, etc.

7% (5 residents) highlighted that the increase was unfair because it was above the rate of inflation.

Homeowners, although not eligible to vote on all proposals, were mostly opposed to any increases in rent and service charges.

Respondents unanimously agreed to freezing heating network charges for the coming financial year.

Commented [JL1]: I would move this higher maybe to the after section on publicity and add in a sentence that the majority of people who responded opposed the increase

Rent Setting Proposals

The HRA report set out six proposals regarding rent and service charges for the coming financial year. Residents were asked to identify whether they were tenants or leaseholders to facilitate voting on the questions relevant to their tenure. Tenants were asked to vote on all six proposals, leaseholders voted on the two proposals relating to garages and district heating only. Voters were asked whether they agreed or disagreed with the proposals and why.

Local Housing forums

Rent consultation was conducted at all 5 Local Housing Forums and at Tenant Forum.

South Forum - 11 December 2025

26 Residents attended and were asked to vote using the QR code or link to the questionnaire that was posted in the meeting chat. Their responses are included in the online results above. In the room, residents opposed the rent and charges increases.

Issues raised at meeting:

- People are concerned about affordability and believe people will genuinely struggle to meet this additional cost
- They were concerned that the rent increase will lead to more arrears, failure to collect income and more evictions at great consequence for individual households. Hearing about increases but nothing about improving services, lighting, dirty blocks. We are not getting value for money and services are poor. Is there a plan for improving services?
- How good is the data on your properties as the average rents don't seem to reflect real rents being paid by tenants present at the meeting
- Properties differ across the borough. Some blocks in the same area have better services and facilities like lifts and the rent is the same and there are lots of issues like ASB. Don't mind paying more but want value for money.

- Scaffolding being up for excessive amounts of time and contractors not doing the work they are paid to do. Residents felt that the cost is passed onto residents. Better checks on contractors are needed.

Central East Forum – 15 December 2025

A special meeting was convened to discuss rent setting as the sole item on the agenda. 7 residents attended. Following the presentation, there was discussion and questions regarding how the rent was set, what target rent was and how it was calculated. 4 residents – 2 tenants and 2 leaseholders - completed the questionnaire at the meeting with 3 others agreeing to complete online. The data from the completed questionnaires is included in the section on the questionnaire results.

Residents at the meeting in the main did not agree with the proposed increases in rents and charges.

The discussions focussed on lack of affordability, poor service delivery and little value for money.

Residents felt that garages vary across the borough and that charges could not be universal as they offered different services such as water to renters, whereas other garages did not have access to a water supply. One resident queried why they were charged for heating all year round when it was turned off during the warmer months.

Residents wanted a better breakdown of charges so they could better understand what they were being charged for.

North East Forum 15 December 2025

The approach taken at this meeting was to discuss each proposal and vote as a group on each proposal. 16 residents attended, 4 were leaseholders and ineligible to vote on 6 of the 8 questions

The response:

Residents reluctantly agreed with the proposed rent increase of 4.8% providing that services flagged by the forum for action are significantly improved and that the council continues to provide advice and support to residents struggling to pay the rent and charges.

However, the meeting also raised the concerns about residents on low incomes but who did not qualify for benefits. Recommended that the council continues to support residents access advice services such as Citizen Advice Southwark, and cost of living initiatives and providing more support where possible

Residents reluctantly agreed with the proposed increase to tenant service charges.

However, there was considerable concern raised about the quality of service received across all parts of the suite of service-related charges. There was a call for:

- reintroduction of fixed penalty notices for infringements such as urinating in lifts,
- resolution of some blocks being outside the cleaning contracts specifications yet still paying for service.
- Improvements to the quality of door entry systems to improve security and safety of residents.

People commented on how the Council wastes money, identifying communal lighting and lack of control over when lighting came on as an example

No vote was taken at this meeting regarding rent convergence.

However, there was discussion about the issue. In principle people were supportive of rent increase to enable the HRA to invest in its homes and services, however wanted this rise to be linked to real improvements and investment in housing. Members referred to the previous convergence being linked to Warm Dry Safe programme and delivering decent homes.

Residents abstained from voting on the proposed increase in garage charges but raised concerns about how garages were used and the potential fire risks.

No vote was taken regarding the freezing of the heat network charges. However, people expressed concern about the cost of the networks, and highlighted the following:

- No lagging on the pipes contributing to considerable waste
- No planned maintenance
- Not optimising the use of the network.
- Breakdowns and lack of reliability

The chair of this forum sent a subsequent email to the Head of Resident Engagement regarding voting and the issues raised at the forum meeting (see below)

North West Forum 17 December 2025

15 residents attended the meeting. They voted collectively and unanimously rejected the proposed rent increases. They highlighted that for the past 4 years the rents systematically increased while the repairs services have decreased are so bad that rent increases were not justified as LBS had not delivered value for money for years while increasing costs.

No votes were taken regarding garages and heat network charges, however the same value for money comments were made.

Other issues raised in discussion:

- Rents should be means tested
- Service delivery reported as a failure a lady went in tears as her elderly neighbour was left for months without heating while rents were enforced in full with no contact from Resident Services Manager and no one to help – missed appointments, etc almost everyone around the table shared various experiences as poor service delivery and LBS totally irresponsible when reported
- Residents requested explanation and feedback on debt financing of £42.3m and a breakdown of:
 - the total value of current debt
 - the breakdown of the debt on types of reasons to raise the various rounds of debt
 - the % and amount on each of the types of debt mentioned above
- For capital financing, question were raised around why different types of financing draws different levels of interest

Central West Forum 17 December 2025

10 residents attended this forum meeting. Following the presentation, paper questionnaires were completed and collected from 5 residents – 3 tenants and 2 leaseholders. Others in attendance opted to complete their questionnaires online via the link and QR code and the feedback is included in the online section above.

Residents **unanimously opposed** the proposed rent increase of 4.8%.

Discussions focussed on:

- Lack of affordability
- Poor service delivery

- Cost of living increases
- Lack of value for money
- Conditions of some housing did not warrant a rent increase

Residents unanimously opposed increases to any of the other charges and the application of rent convergence to tenant's rents. However, they agreed with freezing heat network charges.

Other issues raised:

- lack of time for consultation on rent setting
- why consultation done during pending festive season
- residents felt that the decision was already made to increase rent
- what would be done to assist those who could not afford the increase
- Southwark Council need to look at how they are spending money and seek to properly monitor their contracts to ensure value for money.

Tenant Forum 18 December 2025

This meeting was convened to discuss rent setting and to hear feedback on rent setting from recent the Local Housing forum meetings. Panel members heard the presentation from Timothy Jones, Director of Corporate Finance, followed by a Q&A session. Jessica Leech, Head of Resident Engagement, presented feedback from the 5 local housing forum meetings. However, at point of voting on the proposals, 3 forum members left the meeting which became inquorate so no final vote could be taken.

Discussion and questions included:

- At what stage efficiencies would factor into the debt financing figures, as that figure is continually rising
- The high cost of using Plentiful and whether savings could be made
- Concerns regarding value for money in relation to poor services
- Timing of rent consultation. Residents felt there was not enough time to have proper consultation and give them a chance to prepare. Plus, right in the middle of the festive season.
- The application of rent convergence

Online Meeting

Via MS Teams – 10 December 2025

Prior to the meeting, 62 residents had registered via Eventbrite and were sent documents and meeting link details.

15 of those residents who registered joined the MS Teams meeting.

Residents were welcomed by the Chair and were given an introduction and overview by Abi Oguntogun, Director of Landlord Services followed by a presentation – Better Homes & Better Repairs – Delivering the Good Landlord Plan by Ryan Collymore, Director of Repairs and Maintenance. Timothy Jones, Director of Corporate Finance delivered a presentation outlining the proposed HRA rent and charges for 2026/27.

A Q&A session followed, where residents raised questions regarding rent charges by posting in the meeting chat. Questions about Ryan's presentation, Landlord services, personal concerns relating to individual properties and not relating to rent setting were funnelled through the resident involvement inbox resident.participation@southwark.gov.uk for subsequent response by the relevant service team.

Breakout room polling via MS Teams presented technical difficulties for some residents. Consequently, the MS Forms questionnaire link and QR code were posted in the meeting chat for residents to complete during or after the meeting. Those who had registered but did not attend were contacted by email following the meeting and invited to complete the questionnaire.

Online Responses to HRA rent and charges proposals

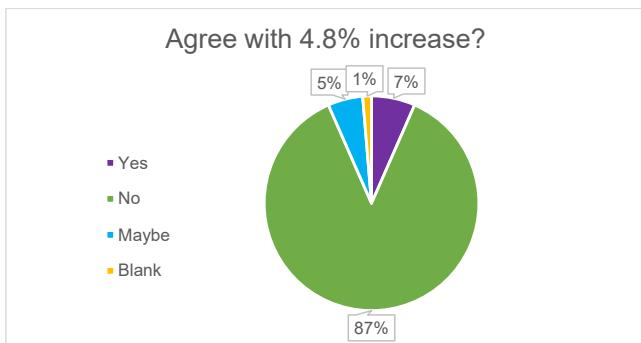
97 residents responded online – 76 (78%) tenants and 21 (22%) leaseholders. 61% of those who live in our buildings are tenants. Those who signed up to the 2 online events from the Local Housing Forums who responded individually have been added to the online responses. Tenants were asked to respond to all the 6 proposals, while Homeowners only responded to the proposals about garage charges and district heating.

Tenants were asked whether they agreed with the proposed rent increase of 4.8% for all tenants, including TMO and Shared Ownership. Of the 76 tenants who responded to the question, 87% (66 residents) said 'No' they did not agree. 7% (5 residents) said 'Yes' they agreed with the 4.8% proposed increase and 5% (4 residents) responded 'Maybe' and were undecided.

Commented [JL2]: Add as well as those who signed up to the 2 online events those from LHF who responded individually have been added to the online responses

Commented [JL3]: Can we have this after the information about each of the events.

Commented [JL4]: Maybe not the diagram. Should be noted that about 61% of those who live in our buildings are tenants



Residents were asked to summarise why they answered in the way they did. 7% (5 residents) of those who responded agreed with the rent increase and a further 5% (4 residents) were undecided. Their responses can be summarised and grouped as follows:

Some reasons given for **agreeing with rent increase**:

- Tenants should contribute to the additional expenses
- Increases although unwanted are necessary due to the rising cost of everything.
- Happy for an overall increased. And is somewhat expected with current levels of inflation, etc
- I think it's fair and they are building more houses
- Any rent rise is unwelcome however, as a tenant I need to be realistic with what the annual increase might be and 4.8 seems ok
- Rent increases for tenants have been relatively modest in recent years, particularly when compared with private renters. Council tenants already benefit from substantially lower-than-market rents and the security of tenancy. It is therefore fair and reasonable that they contribute slightly more. The proposed adjustment would strengthen the Council's financial position, enabling it to expand the supply of new affordable homes — whether through acquisition or direct delivery — for those in need.

- It should be much higher! people complaining about paying £800 to live in a 3-bed flat. Check the market rate and thank the taxpayer.

Some reasons given by the 87% (66 residents) who **disagreed with rent increase**:

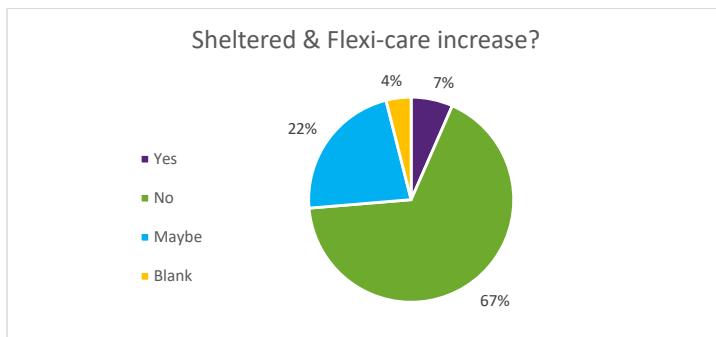


Fig. 1. Word cloud of responses.

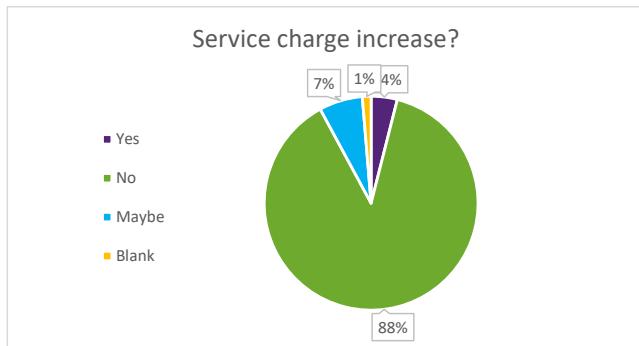
- Lack of affordability due to cost-of-living increases, inflation, etc
- Perceived poor service delivery not matching proposed increase or presenting value for money
- The increasing costs of social housing and inability of residents to pay.
- Poor housing conditions and disrepair
- Salaries not increasing but living costs continually rising
- Proposed rent increase above rate of inflation.
- The disparity of living conditions between those living in older homes and those in newer, more energy efficient homes

87% of tenants who responded did not agree with any increases in rent or service charges;

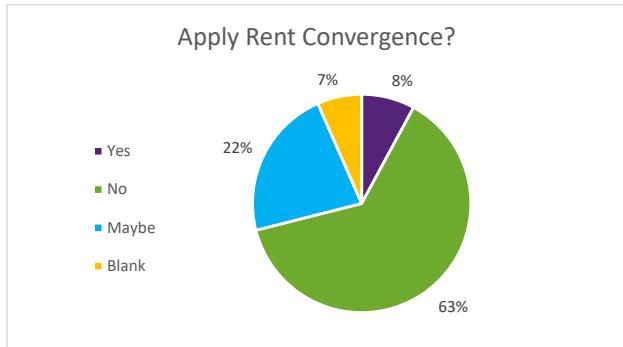
67% of tenants who responded did not agree with increases to sheltered and flexi-care housing service charges



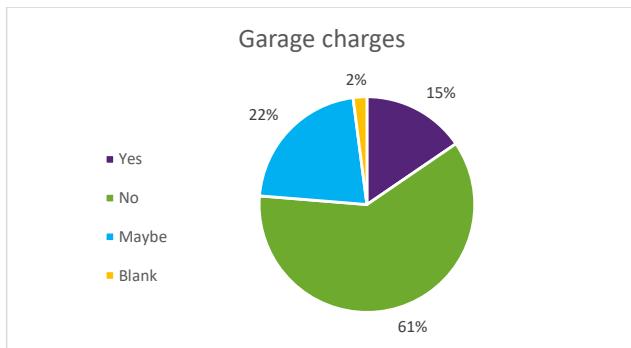
88% of tenants who responded did not agree with the increase to tenant service charges.



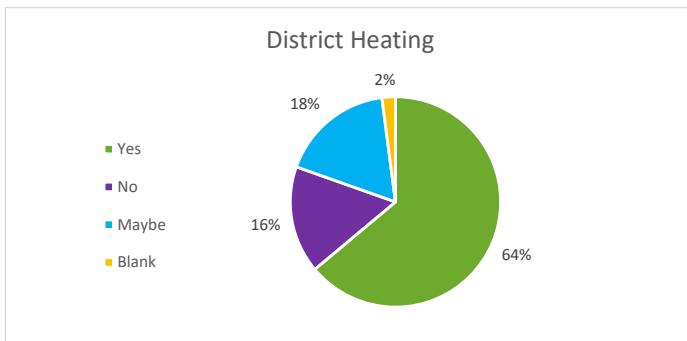
63% of tenants who responded did not want rent convergence added to existing tenants' rents.
Rent convergence had to be explained to residents.



All 97 respondents (76 tenants and 21 homeowners) could vote on garage and district heating charges. 63% of those who voted **did not agree** with increasing garage charges.



65% of respondents agreed with freezing heat network charges for 2026/27 at existing levels from 6 April 2026:



Other comments:

- Scrapping the disability part of the cost of renting a garage is not a good thought-out move. It will affect a lot of people who do not own their own cars and utilise the garage for storage purposes.
- We need to feel satisfaction we are getting value for money which we are not more increase is not fair or sustainable
- Estate buildings are not very clean most of the times as cleaners rarely turns up on the days due.
- Please do a better job at explaining target rent. I am still so confused but otherwise I do see Southwark as a good borough that is trying to make a difference.
- I would also like to highlight the importance of improving communication and transparency with tenants. Clear explanations about how rent and service charges are calculated would help residents understand the decisions being made.
- Increases in any charges to families should be an exception only and not across the board just because the statistical retail price index went up. If unavoidable specific costs and expenses to the specific building justify an increase then it is acceptable, otherwise not at all.
- I do not agree with rent convergence to existing tenants as this would imply that existing residents would be living in the same quality of those newly built properties which just isn't the case. Until all homes are brought to that standard the convergence should not apply.

- Increasing charges doesn't lead to better services they get worse. Councils always raise revenue by increasing everything maybe they should look where they could save money and stop just doing the minimum to implement a sticking plaster.

Equalities Monitoring

Residents completing the rent consultation survey online were also asked to provide demographic information. The data below was provided by the 97 residents who completed the survey online.

4 respondents (4%) opted not to provide any demographic information, but gave their views on the proposals

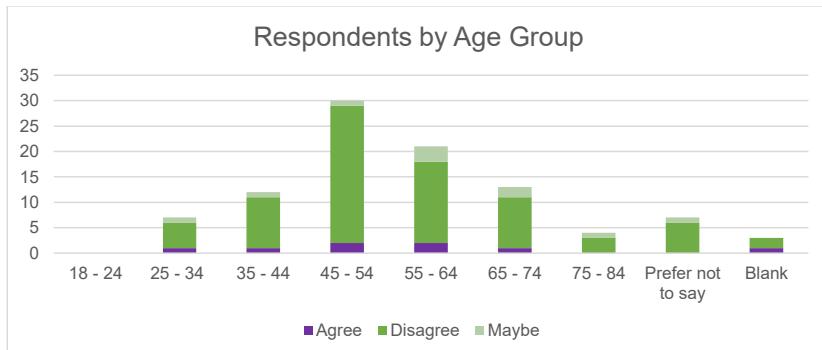
Gender

- Of the 76 tenants who responded, 44 (58%) were female and 25 (33%) were male, with the remaining 7 (9%) respondents either declining to provide their gender
- 88% of respondents disagreed with the 4.8% increase in council rents. 51% of female and 28% male respondents did not agree with the proposed rent increase.
- 7 respondents (9%) either preferred not to say or did not identify as having the same gender assigned at birth.

Gender	Agree	Disagree	Maybe	Total
Female	3	39	2	44
Male	2	21	2	25
Other		1		1
Prefer not to say		4		4
Blank		2		2
Total	5	67	4	76

Age

Age Group	Agree	Disagree	Maybe	Total
25 - 34	1	5	1	7
35 - 44	1	10	1	12
45 - 54	2	27	1	30
55 - 64	2	16	3	21
65 - 74	1	10	2	13
75 - 84		3	1	4
Prefer not to say		6	1	7
Blank	1	2		3
Total	8	79	10	97

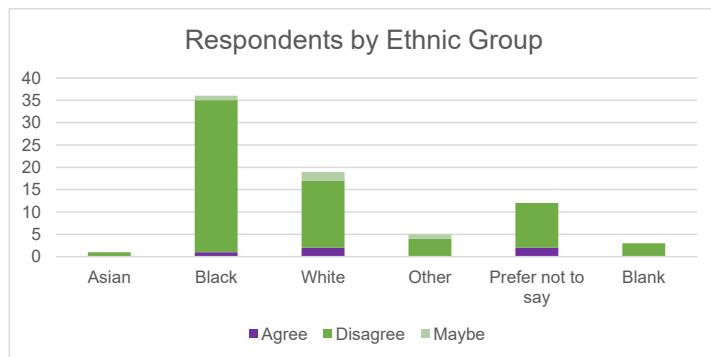


The most frequently selected age group is 45 – 54 years, which represents 31% of those who responded. Within this group 90% (27 respondents) disagreed with the Council's proposals to increase rents.

Ethnicity

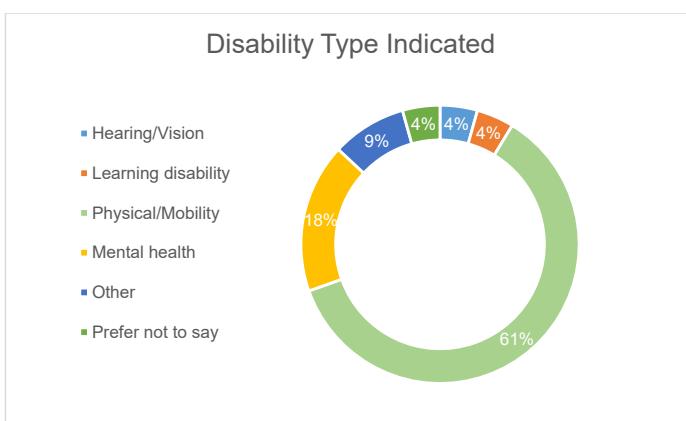
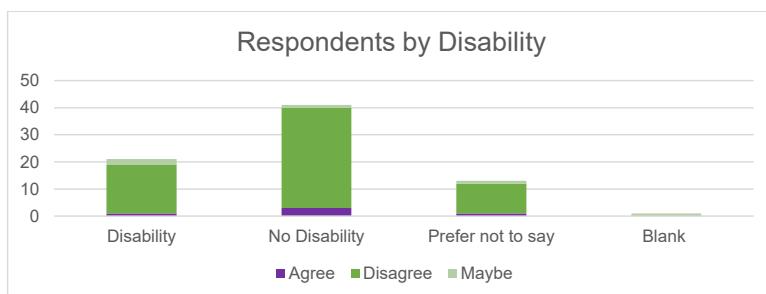
82 of the 97 respondents (85%) provided information relating to their ethnicity. 15 (16%) respondents preferred not to reveal their ethnicity and 5 (5%) respondents declined to answer the question.

76 tenants voted on the proposed rent and service charge increases. Homeowners, although not able to vote, generally disagreed with any increases in rent or charges.



Disability

97 residents responded regarding disability. 23 (24%) of all those who responded specified that they had a disability. Of the 76 tenants eligible to vote on all the proposals, 21 (28%) indicated that they had a disability and 13 (17%) preferred not to say.



Email received from Jerry Hewitt – Chair of the North East Local Housing Forum - following the rent setting meeting on 15 December 2025.

Dear Verna,
 Please see below comments from the North East Local Housing Forum.
 Regards,
 Jerry Hewitt
 Vice Chair NELHF

North East Local Housing Forum comments

Tenants Service Charges

Rent increase:

The forum reluctantly agrees the 4.8% increase provided that services our forum has flagged up for action are improved and put right, including the promises and commitments that Southwark has failed to deliver, and the council continues to provide advice and support to residents struggling to pay the rent and charges. The forum notes that Southwark council housing is now in a dire state and the forum has no confidence in Housing Department / Landlord Service director level (including acting) management responsible. Very large payments are made by the HRA to other council departments that need to be properly, thoroughly, urgently and transparently reviewed to ensure value for money. Residents are extremely concerned that Plentific will fail to deliver value for money (which includes quality) and repairs provided using this so-called "marketplace" will increase costs for the council and tenants (incl. time and hassle, lower quality). The annual rent increase now costs many residents one or two weeks income forcing many more residents to claim help from the DWP with no guarantee future Governments will continue to pay and there are threats of benefit reductions. Staff are entitled to their pay increases, holidays, sick leave, pension and fair working conditions etc which require rent increases to maintain or severe cuts in services that will only make housing services even worse. RSO's for every estate / patch are still not sorted out with valued staff continuing to leave. RSO patch sizes were increased without addressing the multiple issues that needed to be sorted out to address RSO workload and responsibilities. The excessive repairs backlog continues with some repairs ongoing for years eg leaking gutters high rise blocks and window / window frame repairs (incl. Major Works defects). Lifts must be maintained properly and not cause noise nuisance to residents thumping / scraping up and down lift shafts in high rise blocks.

Estate Cleaning:

The forum reluctantly agrees the 54p a week increase however Housing Management have repeatedly failed to ensure all blocks are kept reasonably clean which is unfair and an injustice for tenants paying the pooled charge. External balcony walkways were removed from the cleaning contract / SLA bar the flooring. Cleaning staff must be properly provided with the support, materials and equipment for the council to meet its tenancy agreement obligations. The service has delivered less every year (stealth cuts) while charging

more money and Housing Management failed to negotiate with the cleaning service to secure a reasonable agreement for all blocks and every property required to pay a charge. The council has failed repeatedly to "improve procurement and contract management to maximise value for money" when the council contracts with itself to supply the HRA. Consultation with tenants about the cleaning service / SLA is totally inadequate.

Grounds Maintenance:

The forum reluctantly agrees the 25p a week increase for grounds maintenance provided that the council stops wasting considerable time and money manually removing weeds because staff were not provided mechanical and other equipment when the council decided to stop all weed spraying leaving estates literally covered in weeds.

Communal Lighting:

The forum reluctantly agrees the 22p a week increase for communal lighting provided that the council stops wasting considerable energy leaving lights on in blocks 24/7/365 because systems never worked properly following Major Works etc. Communal lighting on some estates and for some blocks is also inadequate. There is considerable variation in lux levels provided comparing blocks. Resident representatives are also fed up having to report communal lights for repair because years ago Southwark cut the staff who check the lights. Blocks had hundreds of solar panels installed on roofs with the promise of estate communal lighting bills being reduced however the reductions never happened and the nobody knows if electricity is being produced or who benefits.

Door Entry:

The forum reluctantly agrees the 4p a week increase for Door Entry because the quality of the service is poor. Door Entry repairs take far too long and repairs carried out are poor quality.

Sheltered Housing:

The forum did not have any residents living in Sheltered Housing present at our meeting and recommends the council consults with Sheltered Housing properties. Tenants living in Sheltered Housing are best placed to provide comments about Sheltered Housing. The council should take into account that pricing out a sheltered housing resident (or other elderly residents living in general needs accommodation) may create a care home cost of over £1200 per week.

Garage Charges:

The forum notes that for many council estate residents the standard rates for our estate garages are no longer affordable. The forum reluctantly agrees the increases provided that the council takes action to inspect garages and remove items and materials that are not permitted for safety reasons. The rules are being widely flouted. Business for profit are being run using garages and businesses are also renting estate parking spaces leaving residents on opaque waiting lists. There are regularly accusations of "jumping" the waiting list. Garage blocks were built on estates for the use and amenity of the estate residents who have been priced out. These outcomes are unacceptable and made worse when estate / street parking is inadequate and estate parking allocation in need of urgent review.

Heat Network Charges:

The forum notes that all tenants will be paying to help keep heat network charges frozen and this is unfair and an injustice when tenants paying for independent heating systems receive no help from the council

whatsoever. The forum agrees to freeze the charge provided that residents who benefit repay the money use to freeze the charge back to the HRA within 36 months. The forum noted that reportedly water from SELCHP scheme comes out of the “hot” tap only warm which is unacceptable and a concern for legionnaires disease. Contracts for sheltered housing heating specify only 17oC which is well below recommended temperatures for elderly and vulnerable residents and the council repeatedly ignores this issue while residents pay again to top up their heating.

Resent Setting Consultation Questionnaire provided by the council

The forum is not keen to answer leading questions in a poorly designed questionnaire which can be taken as biased and political.

Do you agree with the proposed rent increase of 4.8% for all tenants (incl. TMO, Shared ownership); The forum is not prepared to give a “yes”, “no” or “maybe” answer to this leading question. Please see relevant comment provided above.

The proposed increase in sheltered and flexi-care housing service charges; The forum is not prepared to give a “yes”, “no” or “maybe” answer to this leading question. Please see relevant comment provided above.

The proposed increases to tenant service charges; The forum is not prepared to give a “yes”, “no” or “maybe” answer to this leading question. Please see relevant comment provided above.

Applying rent convergence to existing tenants; The forum does not agree applying rent convergence to existing tenants, we disagree and object to leading questions used for political window dressing / spin. Bringing all existing homes up to a “decent homes plus” standard (and sorting other issues too) was part and parcel of rent convergence in Southwark. Instead of ensuring all existing homes were kept in proper repair and improved the council invested millions into new council homes, maxing out HRA borrowing, while leaving existing homes to fall into very serious disrepair as Major Works schemes failed, repairs backlog continues and repair quality / outcomes on site fell. Blocks across the area are left in disrepair, run down and shabby. Decoration stopped entirely many years ago. These outcomes between existing homes and the new homes are a glaring and growing injustice and the Housing Department becomes much worse over time. Southwark reports “historically low rent” ranked around 8th lowest of London authorities without making any link to condition and the standard of services residents actually endure.

The proposed increase in garage charge rates; The forum is not prepared to give a “yes”, “no” or “maybe” answer to this leading question. Please see relevant comment provided above.

Freezing of heat network charges for 2026-27 at existing levels, with the exception of the borough-wide metered charge for new homes with effect from 6 April 2026 The forum is not prepared to give a “yes”, “no” or “maybe” answer to this leading question. Please see relevant comment provided above.

Barry Duckett & Jerry Hewitt
Chair & Vice Chair NE LHF

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