

APPENDIX F – RESULTS OF CONSULTATION

Section 1 – Questions raised during the Consultation meeting (13 January 2022)

<p>How is new building financed?</p>	<p>The money comes from a combination of the council's own resources (i.e. HRA funds), borrowing, Section 106 developer contributions, right-to-buy receipts and government grant (through the GLA). However there are certain restrictions on how these funds can be used in conjunction with each other. The cost of borrowing is financed through the HRA as well (of course) getting all the rent from the new-build properties.</p>
<p>For new building, is there a limit on the number of years over which the capital can be borrowed? Is this similar to private mortgages, 20, 25 years say?</p>	<p>Our borrowing is not the same as a personal mortgage. We borrow from government (Debt Management Office, formerly the Public Works and Loans Board) and we do not have a fixed date by when we have to repay the loan.</p>
<p>A question on a service-specific issue relating to a tenanted property.</p>	<p>Whilst not directly relevant to the budget and rent-setting process, this has been referred to the appropriate service director within Housing and Modernisation to provide a specific response to the questioner.</p>
<p>Will the Council publish a summary of consultation responses and provide a reply, explaining how the responses were taken into account in making final decisions?</p>	<p>A summary of the chat and the consultation hub outcomes will be provided to Cabinet at their meeting on Tuesday 18 January 2022. Final decisions regarding the report and its recommendations rest with Cabinet.</p>
<p>A resident asked for the escalation of her previous complaint with regard to district heating.</p>	<p>Whilst not directly relevant to the budget and rent-setting process, this has been referred to the appropriate service director within Housing and Modernisation to provide a specific response to the questioner.</p>
<p>A homeowner raised a specific issue relating to TMO governance.</p>	<p>Whilst not directly relevant to the budget and rent-setting process, this has been referred to the appropriate service director within Housing and Modernisation to provide a specific response to the questioner.</p>

Section 2 – Responses via the Consultation Hub (17 December 2021 – 10 January 2022)

The consultation hub received 58 responses over the weeks between the agreement of the Indicative budget report (used as the main consultation document) and the week prior to the January Cabinet meeting. This is an increase of 21 over the same exercise for 2021-22. The responses consisted of agreement (or otherwise) with each of the recommendations of the report, plus space to provide further commentary if so desired. Equalities information was also picked up by the Hub where provided and is summarised in Section 4 below.

In terms of the five main recommendations on rent and charging levels (N.B. questions 1 – 4 on the Consultation Hub relate to the personal details of individual responders and are not included):

Rent increase (Q5)				
	Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
Yes	2	1	0	3
No	43	3	1	47
Unsure	2	3	0	5
No reply	0	0	3	3
TOTAL	47	7	4	58

Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
4.2%	14.2%	0.0%	5.2%
91.6%	42.9%	25.0%	81.0%
4.2%	42.9%	0.0%	8.6%
0.0%	0.0%	75.0%	5.2%
100.0%	100.0%	100.0%	100.0%

Officer comments:

As can be seen from the table residents were against the proposed rent increase. However, without the rent increase, HRA expenditure on service provision would have to be further reduced in order to maintain a balanced budget, as required by law. As the budget report outlines, rents are the primary source of income to fund landlord services and this needs to be seen in the context of the rent reductions over 2016 – 2020 which had a profound effect on the resources available to the HRA.

Tenant service charge increases (Q6)				
	Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
Yes	4	0	0	4
No	34	5	1	40
Unsure	9	2	0	11
No reply	0	0	3	3
TOTAL	47	7	4	58

Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
8.5%	0.0%	0.0%	6.9%
72.3%	71.4%	25.0%	68.9%
19.2%	28.6%	0.0%	19.0%
0.0%	0.0%	75.0%	5.2%
100.0%	100.0%	100.0%	100.0%

Officer comments:

Tenant responses were very negative to the proposal. However, in line with government guidance, charges for these services were separated from the base rent in 2003-04, and are intended to recover the full costs of provision as these services are subject to particular contractual inflationary pressures.

Sheltered Housing service charge phased increase (Q7)				
	Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
Yes	4	0	0	4
No	23	4	1	28
Unsure	19	3	0	22
No reply	1	0	3	4
TOTAL	47	7	4	58

Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
8.5%	0.0%	0.0%	6.9%
48.9%	57.1%	25.0%	48.3%
40.4%	42.9%	0.0%	37.9%
2.1%	0.0%	75.0%	6.9%
100.0%	100.0%	100.0%	100.0%

Officer comments:

The higher level of neutral responses to this question reflects two aspects – firstly, as noted in the report itself, this charge is levied on a small number of clients, and like the tenant service charge is intended to cover the full cost of providing this enhanced housing management service. Secondly, the fact that this is the second part of a phased increase (as agreed last year) may reflect some recognition of the council's previous decision to mitigate this.

Garage increases (Q8)				
	Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
Yes	12	2	0	14
No	26	4	0	30
Unsure	9	1	1	11
No reply	0	0	3	3
TOTAL	47	7	4	58

Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
25.5%	28.6%	0.0%	24.1%
55.3%	57.1%	0.0%	51.7%
19.2%	14.3%	25.0%	19.0%
0.0%	0.0%	75.0%	5.2%
100.0%	100.0%	100.0%	100.0%

Officer comments:

Unlike previous years when there has been majority support for a garages increase from both tenants and homeowners, particularly (in the comments section) for the differential rise in the private sector charge, opinions appear more evenly split in 2022-23, with a majority not in favour of the proposed increases.

District Heating increases (Q9)				
	Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
Yes	8	0	0	8
No	33	5	1	39
Unsure	6	2	0	8
No reply	0	0	3	3
TOTAL	47	7	4	58

Tenant	Leaseholder/ Freeholder	Private/ Undisclosed	TOTAL
17.0%	0.0%	0.0%	13.8%
70.2%	71.4%	25.0%	67.2%
12.8%	28.6%	0.0%	13.8%
0.0%	0.0%	75.0%	5.2%
100.0%	100.0%	100.0%	100.0%

Officer comments:

Opposition to the first increase in heating and hot water charges for a number of years is perhaps to be expected. However, the recommended increase is capped at the same level as the proposed rent increase, despite extreme price pressures in the wholesale market (which affect many more clients than just Southwark Council).

Section 3 – Consultation Comments

More discursive comments were also invited on each of the main rent and charging recommendations, and also on the recommendation regarding the HRA budget as a whole. General observations and common themes have been summarised in the first table, with some direct examples; whilst comments by question are grouped in the second table. In addition, the council received a formal response from Southwark Group of Tenants Organisations (SGTO) and this is reproduced in full. Finally, Resident Participation received a number of direct e-mails that are relevant to this process, and they are summarised below.

Observations/Themes	Examples in feedback
<p>Level of feedback higher than the previous year’s consultation process, in terms of numbers of individuals responding via the hub (58).</p>	<p>n/a</p>
<p>The pandemic featured less prominently than last year, but was still referenced by several respondees, particularly in the context of cuts to Universal Credit.</p>	<p><i>“In light of the impact of Covid-19, it is inappropriate for any current rent increase at this stage. Further, there is already an added financial burden on the government proposed increase on national insurance. The government had also cut drastically tenants’ universal credit and other benefits.” (tenant on rents)</i></p> <p><i>“I am concerned about the Council's proposal to raise council housing rents by 4.1% at the beginning of April, especially considering the financial hardship many residents are facing. The recent cut to Universal Credit, an upcoming rise in National Insurance, and the ongoing energy crisis and the COVID-19 Pandemic (to name but a few) all impact resident incomes – now is not a good time for a rent increase.” (tenant on rents)</i></p> <p><i>“...fees are a joke. I'm working part-time and trying to keep my payments on my garage which contains my vehicles that I must use for work. I would rather the rent increase on my flat than my garage. At least I would get support from Universal Credit on housing.” (tenant on garages)</i></p>

<p>A high level of concern was expressed regarding the ability of tenants to pay, especially those now unemployed. Strong sense that the council should not be increasing rent and charges to such an extent.</p>	<p><i>"It's a, big hike to raise it by so much. I agree that some rise is likely needed, but this is one of the poorest boroughs in London as well as the most populated with regard to social housing stock. I think 2% is sufficient."</i> (tenant on rents)</p> <p><i>"A two yearly rather than yearly review period is suggested. This will allow tenants to see the need for these increments."</i> (tenant on service charges)</p> <p><i>"I do not support leaseholders having to pay such large fees on top of service charges such as buildings insurance. The council are not doing any actual work to provide this as it is provided by a private company. The fees are extortionate and shouldn't be passed on to leaseholders."</i> (homeowner on HRA budget)</p>
<p>Fairness was also referenced regularly.</p>	<p><i>"This is an unfair deal especially for residents who live on the estate. There are many families living in confined and overcrowded apartments/flats that would need the extra space to store furniture etc. alternatively Southwark council should consider the fact that people can store their vehicle 'off road' keeping our streets clear."</i> (tenant on garages)</p> <p><i>"It's wrong to look for saving by preying on the poor, weak and vulnerable."</i> (tenant on sheltered housing)</p> <p><i>"I don't think it's fair. Especially when there is so many unfinished repairs and overcrowding."</i> (tenant on HRA budget)</p> <p><i>"Our area services for heat & hot water is not up to standard we consistently have outages with no compensation. The council does attempt to manage but it's really quite frustrating."</i> (tenant on heating charges)</p>

Comments on specific recommendations:

Rent (32 comments)	Comments were almost universally about the affordability of the proposed increase. There was no recognition of the national position regarding the calculation of either rents themselves nor the annual increase.
Tenant service charges (24 comments)	As in previous years, tenant comments were principally about the standard of service provided (notwithstanding restrictions imposed by the pandemic). Homeowner comments were all anti-their (variable) service charges.
Sheltered housing service charges (8 comments)	The majority of comments expressed concerns regarding the vulnerability of clients, particularly in the context of the pandemic.
Garages (20 comments)	Whilst there were a few comments applauding the differential increase in the private sector garage charge, this was markedly less prominent than in previous years. As reflected in the tables above, the majority of comments did not support the proposed increase, which was also a shift from earlier.
Heating and hot water (25 comments)	Almost all the comments related to shortcomings in service provision and reliability. A couple acknowledged the difficult market circumstances that currently prevail.
HRA budget (24 comments)	Some comments related to repairs and refurbishment programmes (or the perceived lack thereof). The majority of others were restatements of opposition to the proposed rent increase. A homeowner complained specifically about the building insurance increase. As was the case last year a tenant complained about money spent on the LTN (which does not form part of the HRA).



Southwark Group of Tenants Organisations

Bells Gardens Community Centre,
19 Buller Close, London,

Campaigning for Housing Rights and Council Homes

SE15 6UJ

Our Response to Southwark Council's Housing Revenue Account Consultation, 11th January 2022

While we recognise the Council's need to maintain and improve services by raising rents and service charges, we are concerned that residents have not been sufficiently consulted on the 2022-2023 Housing Revenue Account (HRA) budget. Considering the financial hardship faced by residents due to rising energy and food prices, a reduction in Universal Credit and (from April) a rise in national insurance, the least we expect from the Council is a wide-ranging and lengthy consultation on their proposals and on how the borough's most vulnerable residents might be protected from rising costs.

Tenants Forum has not been given the opportunity to scrutinise the Council's proposals. It is crucial that residents are given an opportunity to provide detailed input on decisions which affect their lives – Tenants Forum would have been an ideal opportunity for this. Previously, Tenants Council was able to scrutinise the HRA Budget, and we do not see why Tenants Forum cannot do the same. We note that the Council's borough-wide resident meeting on the HRA is taking place after the consultation period is finished – we are concerned that this may limit the ability of residents to influence the proposals through this meeting. We are also distressed by the Council's insistence on using Microsoft Teams to conduct this meeting, in spite of our membership finding Zoom to be more accessible.

Part of the Council's consultation should include the presentation of an evidenced action plan on how residents' money will be used to maintain, and where possible improve, the services they receive. Our members are concerned about the quality of the repairs services they receive and if they are being asked to pay more rent and service charges, we would hope that this will lead to an improvement in services.

We appreciate that the proposed increases are necessary, particularly in light of falling Council rents between the financial years 2015-16 and 2019-20. But we are disappointed with how the Council have approached their consultation on the HRA, and we hope that in future they implement the recommendations made here.

Comments on direct e-mails:

- A tenant got in touch with the Resident Participation team regarding specific district heating issues on the Wyndham Estate. This was referred on to Asset Management.
- The vice-chair of a tenant and residents association was in direct contact with some observations and comments regarding repairs reporting, and both rent and council tax levels. The Contact Centre and Estate Cleaning service have been asked to respond. The rent increase related comments have been included in the tables above.
- A TMO resident chose to respond directly to Resident Participation rather than via the hub, and their comments have been collated alongside those in the tables above.

Section 4 – Equalities Analysis

The final questions on the Consultation Hub related to determining the equalities profile of the 58 responders, and outcomes are listed below. For the first time, respondents were asked to identify their locality within Southwark, and that table is also included.

Occupancy Type	Number
Tenants	47
Homeowners (Leaseholders)	7
Homeowners (Freeholders)	0
Private Tenant	1
Not specified	3
Total	<u>58</u>

Age	Number
Under 25	0
25 - 34	5
35 - 44	12
45 - 54	14
55 - 64	11
65 - 74	7
Not Answered	9
Total	<u>58</u>

Gender Identification	Number
Yes - same as at birth	46
No - not the same as at birth	0
Prefer not to say	1
Not Answered	11
Total	<u>58</u>

Ethnicity	Number
White British	16
White Irish	0
White English	3
White Other	1
European	0
Black British	8
Black Caribbean	6
Nigerian	3
Other African	3
Indian	1
Other Asian	1
Mixed White/Black Caribbean	1
Other Ethnic (not specified)	5
Not Answered	10
Total	<u>58</u>

Religion/ Belief	Number
Christian	16
Hindu	1
Muslim	5
Jewish	1
Buddhist	1
No religion	16
Other (not specified)	6
Not Answered	12
Total	<u>58</u>

Disability	Number
Yes	10
No	32
Prefer not to say	8
Not Answered	8
Total	<u>58</u>

Sexual Orientation	Number
Heterosexual/Straight	39
Gay Man	1
Bisexual	1
Other	1
Prefer not to say	3
Not Answered	13
Total	<u>58</u>

Locality	Number
Bermondsey	9
Borough and Bankside	6
Camberwell	4
Dulwich	0
Elephant and Castle	4
Nunhead	2
Peckham	17
Rotherhithe	2
Walworth	9
Not Answered	5
Total	<u>58</u>

Birth Gender	Number
Male	9
Female	35
Other	2
Prefer not to say	0
Not Answered	12
Total	<u>58</u>