

APPENDIX 1: Tenants' rent consultation 2022/23

The Tenants' rent consultation meetings took place on 10th November 2021 with Regenter B3 (Brockley) managed tenants and 24th November 2021 with Lewisham Homes managed tenants.

Views of representatives on rent and service charge changes & savings proposals.

	Lewisham Homes	Brockley PFI
No of representatives (excl Cllrs)	13	6
Rent Increase @ 4.1%	See Below	See Below
Savings Proposals:-		
No Savings proposed	n/a	n/a
Service Charges inc:		
Heating & Hot Water Charges	See Below	See below
Garage Rents	See Below	See Below
Tenants Fund	n/a – no increase proposed	n/a – no increase proposed

Summary of comments made by representatives;

Brockley PFI

A transcript of the meeting, meeting minutes and comments received are contained at the end of this section.

There was further feedback received from residents, sent directly to council representatives, this is also included at the end of this section.

Due to time constraints the formal responses are not available for distribution with this report but it is hoped that they will be available in time for the meeting.

Lewisham Homes

A transcript of the meeting and comments received are contained below.

Lewisham Homes
Panel

Rent increase:

Representatives at the meeting queried why there is an increase at this time as there are issues of affordability in the current economic climate, with many people having lost their jobs, pay freezes are being implemented and businesses are down.

Concern was also expressed that a wider audience should have the opportunity to consider the overall proposals and provide any comments that they may have on the proposed increases in all charges.

Officers responded that it is a legal requirement that a balanced budget has to be set and that costs are increasing. It was confirmed that Housing Benefit would also increase in line with the proposed rent increase.

In terms of invitees, there are a number of communications sent-out to inform tenants and tenant representatives that a meeting is being held, inviting them to attend.

A question was asked whether the 4.1% rent increase also applies to Temporary Accommodation (TA).

Officers confirmed that TA stock within the HRA would see an increase based on the same formula as the dwellings rents and would increase by 4.1% In April 2022.

Tenants Service Charges & Heating & Hot water Charge:

A presentation was given on the proposals.

A discussion was held on the issue of service standards and costs.

There were questions of value for money as charges are increasing but service delivery is not improving. In addition, service provision were affected by Covid and how can you justify a full charge?

Lewisham Homes officers responded by stating that services were only affected for the period April – May and all services were undertaken during this time, although some may have been at reduced hours to focus priorities to other areas.

There was concern expressed that costs are increasing but that there was no justification or evidence for this, so why is there a proposal for any increase?

Officers responded that the proposed charges are based on the 2020/21 actuals which have been audited and signed off.

	<p>Inflation is then added for contracted service supply as well as salary inflation which was 2.75%</p> <p>The proposals are estimated charges and will be followed up by an audit of actual charges and any necessary adjustment made. This will include looking at Leases to ensure that the charges are in accordance with the lease agreement.</p> <p>A discussion followed regarding service standards and issues on particular estates.</p> <p>Lewisham Homes officers responded by requesting panel members to contact them with specific service queries, that they will note and respond to specific issues.</p> <p>Garage Charges:</p> <p>There was a discussion on affordability issues, as per the rent increase proposals.</p> <p>Residents enquired what the market rate is for renting a garage and do LBL have any proposals to increase rents to this level.</p> <p>In addition residents enquired if there is to be any additional investment in the garage stock to bring them up to standard considering the rent increase proposals?</p> <p>These questions were recorded and will be forwarded to LBL's estates team to respond.</p> <p>Tenants Fund:</p> <p>n/a – no increase proposed</p> <p>Savings Proposals:</p> <p>n/a</p>
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Rent setting and service charge meeting feedback (Lewisham Homes)

GARAGES

Resident feedback

- I have a garage I'm amazed at the cost of a garage I pay £15 and I can't fit my car in there, so use it as storage, you're using RPI, you're not offering any facilities, or repairing. Why did you use RPI? I appreciate you have to maximise income, you haven't looked at it from the services perspective. I think it's expensive, it's not value for money

- The intention seems to be to get garages to commercial rent in the future
- There will be a need for more garages as more CPZs come in
- Could regeneration team do something better with garages to generate more income?

RENT and SERVICE CHARGES

Resident feedback

- Potentially £2K and £2.5K, seems expensive for a local authority (Service charges)
- Inevitable there will be a social rent or service charge increase. But could the welfare act be considered as well as people's affordability. People can't always get more work and services aren't always received that we pay for.
- I would like them to consider a different model to fill in the gap, I appreciate there has been a long time period of reductions, but there is the opportunity for parliament to understand the freeze.
- I'm urging them (M&C) to consider the conditions that everyone is facing and look at the data to consider how this could be introduced in a more appropriate way, and also to consider how things are categorised (eg sweeping could be considered as caretaking in the service charges).
- My council tax went up by 19%. It's all too much too soon, everything is going up
- I don't understand where the justification is coming from when you talked about CPI, it's quite a jump
- Leaseholders are covering a lot of the costs for service charges, some are only carried by a few properties that are leaseholders.
- Why have costs increased if there are no services due to COVID-19
- Services aren't good, no reduction in costs for bin collections for example. I know during covid. Grounds Maintenance went down and now it's nowhere near where we had it before covid and I'm having difficulty getting things done. I can understand increases but can't understand why we're not getting the services, it is concerning
- I'm concerned for the leaseholders. Will leaseholder be expected to pick up the slack for example major works?

<p>Brockley PFI Area</p>	<p>Rent increase:</p> <p>There were no direct comments relating to the proposed rent increase, but there was concern expressed that a wider audience have not had the opportunity to consider the overall proposals, as not all members of the Brockley Resident Panel had been invited to the meeting.</p> <p>It was agreed the reports would be sent to all panel members and that any further comments received by RB3 by the week beginning 22nd November 2021 would be forwarded to LBL for incorporation into the report which will be considered by M&C on 12th January 2022.</p> <p>There were no additional comments received by either RB3 or LBL regarding the proposals for increases in rents or service charges. The minutes of the meeting are attached below.</p> <p>Tenants and Leaseholders Service Charges:</p> <p>A presentation was given on the proposals.</p> <p>A discussion was held on the issue of service standards and costs.</p> <p>There was a query as to why Service Charges will increase by RPI.</p> <p>It was explained that this was a contractual obligation under the terms of the PFI contract and to ensure full cost recovery of the services provided.</p> <p>Garage Charges:</p> <p>No Comments</p> <p>Tenants Fund:</p> <p>n/a – no increase proposed</p> <p>Savings Proposals:</p> <p>n/a</p>
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Minutes of Regenter Brockley Resident Panel Meeting

Wednesday 10th November 2021

Meeting: 6.00pm - 8.00pm

Present were

1	KG Kenneth Gill - Area Housing Manager Pinnacle
2	SS Sandra Simpson – Project Manager Leasehold Pinnacle
3	SM Sam Mason – Community Development Manager Pinnacle
4	LJ Lorna Jones – Leasehold Officer Pinnacle
5	Michael Moncrief - Data & Housing Policy Analyst
6	Dawn Ecklersley - Head of Partnership
7	Tony Riordan
8	Fenella Beckman - Director of Housing Services

9	SO Stephen Owen – (Greatfield Close) Chair Regenter Brockley Residents panel
10	SR Sarah Robinson (Nuding Close) Vice-chair Regenter Brockley Residents panel
11	Michelle
12	Lisa Catlin (Shell Rd)
13	MS Martin Soong (Yew House)
14	Elisabetta Fumagalli (St Peters Court)

1	Welcome & Introductions Pinnacle staff and Lewisham staff introduced themselves and their roles Residents introduced themselves
2	Purpose of this meeting To discuss the documents which were sent out for the proposals of rent and service charge for the tenants' rents, the tenant fund, the garage rents, the service charges for both tenants and leaseholders.
3	Lewisham Council Rent Proposal The Council rent proposal impacts tenants in the Brockley area. The rent increase is based on CPI rather than RPI, and the document explains what the charges are. If anyone would like further explanation, after having read it, then SS is happy to provide this at this meeting.

In summary, CPI is 3.1% and the contract allows for an additional 1% increase, effective 1 April 2022.

SO has concerns about the meeting. He wondered whether it was a presentation or consultation process and whether the issues have already been decided on. He considers that the meeting was called at short notice and the documents arrived late. He would have liked to have a chance to have a look at them. He considers that the Chair and Vice-Chair should have been the people who selected the invitees. SO would like an opportunity to speak to other residents who are more up to date with these things, than he is. He wants to go away and discuss it with them.

SR echoed what SO said. She would like to make it clear that the papers are addressed to the residents panel, but it has not been advertised to the residents panel. The invitees have been selected by Pinnacle. However it should have been open to the residents panel. This meeting does not appear to be for the residents panel – this appears to be a sub-group that Pinnacle have selected to attend this meeting. There is a lot of information to digest.

4 Lewisham Council Garage Rent Proposal

The garages around the Brockley area are subject to a rent increase of 4.9%, effective from April 2022. The documents lays out how many garages there are and how they are looked after. SS asked if anyone had any comments or observations.

Garages are subject to an increase based on RPI
Rents are subject to an increase based on CP1.

Question: Why are they both 4.9% if they are different indexes?

TR explained that they used to use RPI and then government changed the formulas just for rent. CPI tends to be slightly lower. All long-term contracts are based on RPI until they expire, that's why there are different rates.

Rent is 4.1%
Garage is 4.9%

5 Lewisham Council Tenants Fund Proposal

This is set at 15p each week for tenants only. The Tenant's Fund is used to fund TRA's and for improvements across the estate. This year, the decision has been made not to increase it.

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Pinnacle Service Charge Proposal

The amount proposed is the September 2021 RPI 4.9% plus 1%, which totals 5.9%. This will be calculated using the actuals which have been audited and were sent to leaseholders at the end of September 2021. The change will take effect from 1st April 2022 on the estimated service charges.

SO explained that this was a good example where he does not have the understanding to question this. He considers that it would have been great to have had people on this meeting who may well understand these figures better than him who could have responded.

TR gave an explanation in the chat function of the Zoom meeting: "The difference between CPI & RPI is that CPI uses a WEIGHTED average of the cost of a basket of goods, whereas RPI using just the movement in prices for a basket of goods. This method usually means that CPI as a measure of inflation is generally lower than RPI"

SR asked if it was contractual to add 1% on each financial year. Is this a profit that is paid to Pinnacle. SS explained that all the money collected for service charge or rent is paid to Lewisham Council not Pinnacle or Rydon or Regenter. Yes, the additional inclusion of 1% is allowed within the contract between LB Lewisham and Regenter.

SR asked if the cost of providing the leasehold services will go up by 5.9%.

SS explained that the costs will increase, and it's important to keep the estimates on an even keel so the actuals do not change too much.

SR stated that there is no evidence in the paper that substantiates the increase. It appears to be a 'fait accompli'. It appears to be going up because it's in the contract.

SR asked if the customer services charge is an individual extra charge?

SS explained that it is part of the management fee, in this proposal it is separated out for clarity, but it has been included within the management fee for the past few years on the service charge breakdown sent to leaseholders.

SR stated that she does not understand the rationale behind the increase and there is no evidence.

MS stated that he always has to pay extra when he gets his 'actual' invoice but using RPI across the board, makes it a reasonable way to increase service charges.

SS stated that if it is written in the contract, then it will not change the way the increase is calculated.

7	<p>SR asked for details of the next steps so that she can share it with others and collect feedback.</p> <p>MM stated that the papers will be put before the Councils Housing Select Committee on 9th December 2021. Before this his team will put together any comments. Any other comments from the Panel need to be with them before the end of the month including details of who is providing it. After the Housing Select Committee have reviewed the comments and proposals they will be put in front of the Mayor and Cabinet where to be signed off in January 2022.</p> <p>SR said she will forward other comments and will get that to Pinnacle w/c last week in November.</p> <p>KG has asked for comments to be received by 19th November 2021.</p> <p>They will then be sent over to Lewisham Council, and then onto the Housing Select Committee. SS or KG to do presentation of the proposed increase and comments at this meeting.</p> <p>SO is happy that he has 2 weeks to collate comments. KG will schedule a date to meet.</p> <p>Any Other Business</p> <p>Nothing tabled.</p> <p>UPDATE AT 24TH NOVEMBER 2021</p> <p>It was agreed that the Chair of the residents panel will collate comments from the wider residents' group and pass those to Pinnacle Group for further discussion, no later than Friday 19th November 2021. As of 24th November 2021, no comments have been received by Pinnacle therefore it is concluded that the residents have no comments to make regarding the increase proposal.</p>
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The attached written correspondence was received by the Council on 24th November 2021. It was sent on behalf of the Brockley Regenter Resident's Panel in response to the recent rent and service charge consultation process which took place on 10th November 2021.

As well as providing feedback, the panel have asked a number of questions which the Council will provide a full response to in due course.

Due to time constraints the responses are not available for distribution with the report but it is hoped that they will be available in time for the meeting.

Regenter Brockley Resident Panel feedback

Summary

This feedback is submitted on behalf of the Regenter Brockley Resident Panel whose purpose is to represent the interests and views of Regenter Brockley residents to Pinnacle and its partners.

We would like to thank the Council and its officers for providing us with the opportunity to feedback on these proposals. In summary, we are concerned that the proposed increases will place considerable pressure on residents. Furthermore, the permanent link between rent and service charge increases and inflation +1% is going to place sustained pressure on household finances going forward. We are seeking reassurance from the Council as to how residents will be protected from rising costs should they become unaffordable. We are also concerned about the consultation process and would like a commitment from the Council that this process will be better conducted in future by Pinnacle.

The consultation process:

- We would like to bring the following concerns about the consultation process to the Council's attention.
- The Chair and Vice Chair of the Panel asked Pinnacle that the meeting and presentation on annual rent, garage and service charge increases be advertised to all panel members, thereby allowing anyone interested to attend. Pinnacle disregarded our request, and instead shared the meeting details only with a very small, handpicked group of residents selected by Pinnacle. The details of the selected attendees were also withheld from the Panel Chair and Vice Chair preventing any communications between residents in advance of the meeting.
- This appears to be directly at odds with Pinnacle's supposed commitment to resident engagement and can only be seen as an attempt to limit resident engagement on a matter that affects all residents in the area.
- We ask that the Council requires Pinnacle to conduct a more transparent and extensive consultation exercise in the future, and one that is better advertised and promoted to **all** residents, given that the Panel is only a small sub-group. We would be grateful if you would write to us to set out how you will provide some assurance that this will happen.

Rent, service charge and garage increases

- On the content of the proposals, the Panel is concerned that the proposed increases in rent and service charges are significant and will place strain on household incomes. Feedback received on behalf of some TRA members following the meeting reflected that many people have not had a real pay increase for some time, and the proposed charges may hit some hard, potentially causing hardship in some cases.
- The Brockley area is within the top 22.5% of areas in England for income deprivation and sits within the second most deprived areas in the Borough.
- The Council will be aware that the proposed increases come at a time of rising energy bills, a predicted Bank of England interest rate rise, and when peoples' real wages are not keeping pace with inflation.

- Regenter's own annual service report for 2020-21 noted that due to Covid-19 it had already seen a significant increase in residents struggling to pay their rents. At the April Panel meeting Pinnacle noted that leaseholders had also been impacted financially during lockdown.
- Furthermore, many leaseholders in the area will be facing bills of as yet unknown quantities as part of the fire door replacement programme. These rises will increase that pressure.
- The variation effective date of 4 weeks does not match tenancy agreement termination dates. Does the Council and Regenter recognise that this is a contradiction so will ensure that residents are informed of variations at least 3 months before they come into effect? How much notice will tenants get before decisions are made in order to find any alternative accommodation and provide notice, if it is deemed too expensive?
- About service charge increases specifically, we heard no evidence in the paper or the presentation as to why service charges increase at the higher rate of RPI + 1%, whereas rents are linked to the lower rate of CPI +1%. There is also no evidence presented as to why the increase in service charges is at RPI "+1%", other than we were told "it's in the contract". Why is this additional 1% required under the contract? Whilst the paper states that the charges are required to ensure full cost recovery, we see no evidence presented within the paper that evidences this statement. Where is the evidence to indicate that the costs of providing services will increase by 5.9%?
- We are concerned that, if an annual increase of RPI + 1% is indeed "baked into" Pinnacle's contract, with rising inflation, an annual increase at this rate is going to place continued and sustained pressure on leaseholders' bills. We would like the Council to write to us on this point to confirm if this is the case, and if so, what mechanisms there are for it to depart from this should rising inflation make this unaffordable for many residents.
- We note that in previous years increases have departed from the "+1%" formula and would therefore like to understand what leeway the Council has to depart from this formula now and in future.
- It should also be noted that leaseholders are also unprotected from further year on year increases that may come as part of the actual service charge costs, which can fluctuate year on year at a much higher rate than inflation +1% based on the nature and volume of works carried out in each block. Therefore 5.9% does not present the true picture of year on year rises.
- In addition, we note that there are no direct or efficiency savings mentioned in the report. Why is this?
- Residents also ask that if they are paying an extra 5.9% in charges, may we expect to see respective increases in the quantity and quality of services provided? Feedback shared with us on behalf of some residents was of the view that the quality of customer service and complaint management has certainly not improved or indeed has deteriorated.
- Another resident's view is that the Council should challenge if the costs will directly contribute to one of the Council's strategic objectives and if the mitigations are sufficient in the short to long term. More could be done to protect the most vulnerable who may be disproportionately affected by these increases. Some residents may face a triple whammy of rental, service charge and garage price hikes and the cost drivers of each do not match CPI or RPI, salary increases or benefit increases to living in a Regenter managed block so it becomes

unaffordable. The Council needs to test these proposed universal hikes against real costs that may actually be incurred by the contractor. The garage hikes and links to Council policies conflict.

Lewisham Tenants Fund Budget for the Financial Year 2022-23

We have received the following feedback and queries:

- Have residents been surveyed on the Tenants Fund?
- How many residents have benefited from specific fund projects?
- When and where are details of the Tenants Fund advertised to residents?
- 4.3 – Is that the only value for money indicator this fund has? How does Council / Regenter measure the effectiveness of this fund? How does the Council / Regenter ensure that the 15% is used efficiently? If the Council/Regenter cannot demonstrate that the 15% is being used well then it may not be value for money so this is a poor indicator. What indicators and targets have been set? Have they been met? How are needs prioritised?
- 4.4 – Section 3.1 clearly states that the fund is to promote the harmonious functioning of a multi-racial community. How can section 4.4 on Equality and Diversity state there are no specific implications to this report?
- 4.5 – Why are there no consultation implications?

Once again, we are very grateful to the Council and its officers for allowing us the opportunity to provide feedback on these proposals.

We look forwards to receiving your written response.

On behalf of the Regenter Brockley Resident Panel