

APPENDIX X2: 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 together with the letter of response from the Council.

Lewisham Homes

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

<p>Lewisham Homes Panel</p>	<p>Rent increase:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>A question was asked whether the 4.1% rent increase also applies to Temporary Accommodation (TA).</p> <p>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.</p> <p>Tenants Service Charges & Heating & Hot water Charge:</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 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?</p> <p>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.</p> <p>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?</p> <p>Officers responded that the proposed charges are based on the 2020/21 actuals which have been audited and signed off. Inflation is then added for contracted service supply as well as salary inflation which was 2.75%.</p>
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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.

A discussion followed regarding service standards and issues on particular estates.

Lewisham Homes officers responded by requesting panel members to contact them with specific service queries, that they will note and respond to specific issues outside of the meeting.

Garage Charges:

There was a discussion on affordability issues, as per the rent increase proposals, with questions raised during the meeting. These questions were recorded and were forwarded to LBL's estates team to respond to. The questions and responses are below.

Residents enquired what the market rate is for renting a garage and do LBL have any proposals to increase rents to this level.

Response: LBL currently have no plans to raise garage rents to market rate. The current rent charged together with the inflationary rise planned for April, is considered to be an appropriate and fair rental value for LBL garages.

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?

Response: No, only the rent and inflationary rise as planned. There are no further investment works planned. Day to day repairs will continue to be carried out to garages if required. Residents can continue to report repairs to their garages through the normal repair service offered by their housing provider.

Tenants Fund:

n/a – no increase proposed

Savings Proposals:

n/a

Lewisham Homes rent setting and service charge meeting feedback

GARAGES

Lewisham Homes resident questions	LBL responses
<p>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</p>	<p>LBL are required to use an inflationary indicator and in the case of garage rent increases LBL have chosen to use RPI as it is considered to be a standard inflationary measure.</p> <p>Garage rents charged by LBL are considered to offer good value for money when compared to garage rental prices in the private sector.</p> <p>Lewisham Homes offer a repairs service including repairs to garages. Residents who rent garages can report repairs using the normal repairs reporting methods offered by Lewisham Homes.</p>
<p>The intention seems to be to get garages to commercial rent in the future</p> <p>There will be a need for more garages as more CPZs come in</p> <p>Could regeneration team do something better with garages to generate more income?</p>	<p>LBL provide garages for the benefit of their housing residents and therefore would not consider alternative options for their use in order to generate additional income.</p> <p>LBL have identified a number of garage sites that are currently under used which are being considered for potential future use including the provision of new-build housing.</p>

RENT and SERVICE CHARGES

Lewisham Homes resident questions	LBL responses
<p>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.</p>	<p>The Welfare Act which introduced Universal Credit was and is a Government policy as well as the rent formula for rent increase. Local Authorities must use the Government's formula when setting its annual rents.</p> <p>Lewisham Homes are dedicated to helping and supporting residents who find themselves in financial hardship. The Welfare Benefits Team provide a support service to residents in both secure and temporary accommodation properties. The main aim of the team is to provide assistance to those with financial difficulties and those needing advice and support to</p>

	<p>claim benefits. They can help residents check they are claiming all the benefits they are entitled to and assist with applying for grants and support funds. The team support residents with budgeting and income maximisation assistance and work in partnership with the Money Advice Service who provide residents with free debt advice. Residents are able to contact the team via phone, email or web chat and book appointments via phone. The team visit some vulnerable residents at home where required.</p> <p>From April 2020 to March 2021 the Welfare Benefits Team helped residents to obtain £875K in unclaimed benefits. The team received 1,771 direct referrals from staff, support workers and residents. Lewisham Homes' community relations team have supported the set up of three community stores that continue to support Lewisham Homes' residents with access to low cost food. They continue to support a charity in Sydenham who provide cooked meals to residents. Lewisham Homes' staff can make referrals to the community relations team for residents in need of furniture/ white goods, this project is funded by one of our contractors. The team continue to support and identify projects that can support residents in financial difficulty, they also continue to deliver their training and employment support (Lewisham Homes Academy) to young people and adults.</p>
<p>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.</p>	<p>All Social Housing landlords are required to use the Government formula of CPI+1% to determine rent increases.</p>
<p>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).</p>	<p>For clarity and transparency, all service charges are broken down and shown as separate charges. The cost of delivering the different elements of the service would not alter by grouping them together.</p>
<p>I don't understand where the justification is coming from</p>	<p>This is part of the rent formula Government has laid down as a maximum that Housing Providers can</p>

when you talked about CPI, it's quite a jump.	increase social rent by. This is CPI +1%. Local Authorities are obliged to use the Government formula to set social rents.
Leaseholders are covering a lot of the costs for service charges, some are only carried by a few properties that are leaseholders.	Leaseholders and tenants both pay service charges to cover the cost of the services they receive. Residents will be charged in accordance with the services their particular block or property benefits from. The individual's charge is calculated, depending on what services are received and apportioned according to the number of properties in a block.
Why have costs increased if there are no services due to COVID-19	Housing providers continued to provide robust services throughout Covid. Some service areas were reduced for periods to allow staff recovery time. If residents have particular concerns about the actual delivery of a service, they should raise these issues directly with their housing provider.
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	Services were provided during Covid and continue to be delivered. Lewisham Homes' grounds maintenance service stopped for a period of five weeks (April 2020) to enable resources to be redirected to the Caretaking service, whose workloads increased due to additional and more stringent cleaning regime of communal areas in order to keep residents safe.
I'm concerned for the leaseholders. Will leaseholder be expected to pick up the slack for example major works?	Leaseholders and tenants are both equally liable for the costs of service provision and service charges apply to all residents. With regards to major works, leaseholders will only have to pay the proportion of costs for works as detailed in their lease. Leaseholders will only pay for major works if such works are required. All major works are subject to Section 20 consultation which enables leaseholders to comment on any proposed works. Major works charges are proportionate in relation to the works undertaken and the number of residents benefiting from the works undertaken.

Other comments from Lewisham Homes' residents:

- Potentially £2K and £2.5K, seems expensive for a local authority (Service charges)
- My council tax went up by 19%. It's all too much too soon, everything is going up
- **Brockley PFI**

Brockley PFI

A transcript of the meeting, meeting minutes and comments received is below.

<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 contact 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.

6 Pinnacle Service Charge Proposal

The amount proposed is the September 2021 RP1 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 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.

<p>7</p>	<p>SR asked if the customer services charge is an individual extra charge?</p> <p>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.</p> <p>SR stated that she does not understand the rationale behind the increase and there is no evidence.</p> <p>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.</p> <p>SS stated that if it is written in the contract, then it will not change the way the increase is calculated.</p> <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>
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Brockley PFI rent setting and service charge meeting feedback

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 has now responded to. The letter of response from the Council is included in this appendix below.

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?

We look forwards to receiving your written response.

On behalf of the Regenter Brockley Resident Panel

LBL’s letter of response to the questions raised by Regenter Brockley Residents Panel:

Chair & Vice Chair
 Regenter Brockley Resident’s Panel
 Via email

Fenella Beckman
 Director of Housing Services
 4th Floor, Laurence House
 Catford Road, SE6 4RU
 Direct line: 020 8314 8632
 Fenella.Beckman@lewisham.gov.uk

17th December 2021

Dear Regenter Brockley Resident’s Panel Chair & Vice Chair,

Re: Resident Panel feedback from Rent & Service Charge Consultation 2022/23

Thank you for your email dated 24th November 2021 which contained feedback on behalf of the Regenter Brockley Residents Panel, in response to the rent and service charge consultation meeting held on 10th November 2021.

We appreciate you taking the time to provide us with this valuable and very comprehensive feedback. Your feedback in its entirety was included in the Rent and Service Charge Committee Report, considered by Housing Select Committee on 9th December 2021. Your feedback and a copy of the letter with responses to the points you raised will also be included in the Mayor and Cabinet report in January.

For ease of reference I have included your feedback below with my responses provide in the table below:

Brockley Resident Board Questions	LBL Responses
<p>Q1 - 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</p>	<p>We would like to assure you that the Council values resident participation. We have spoken to Pinnacle about the process and we accept that it should have been done better. We will ensure that next year a more robust and effective process is followed and LBL officers will assist Pinnacle to deliver on this commitment. We are reviewing our timetabling of the rent and service consultation process and resident meetings, together with the schedule for Housing Select Committee (HSC) so that we are better able to engage more effectively with resident next year. As Chair and Vice Chair of the resident’s panel we will expect officers at Pinnacle to</p>

<p>communications between residents in advance of the meeting.</p> <p>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.</p> <p>Response: As stated above there is no statutory obligation to consult with residents on the rent and service charge proposals.</p> <p>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.</p>	<p>work closely with you in putting in place any new and improved residents' involvement measures.</p> <p>We appreciate the tight timelines this year meant we could not consult as widely as we would like to have done. We will endeavour to address this issue in time for next year's rent and service charge consultations and have a process in place that will allow all residents the opportunity to participate in the consultation process.</p> <p>I can assure you both the Council and Pinnacle are committed to resident engagement and LBL client officers will continue to work with Pinnacle to promote and deliver effective resident engagement. I would also welcome the opportunity to meet with you and Pinnacle early in the New Year so we can agree the process that Pinnacle will use to consult with all residents for next years' rent and service charge consultation.</p>
<p>Q2 -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.</p> <p>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.</p> <p>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.</p> <p>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</p>	<p>We take on board your concerns and we do recognise that in the current economic environment, the proposed rent and service charge increase may present an increased financial strain for some residents.</p> <p>The Council has asked Pinnacle to continue to work closely with all residents who may find themselves in financial difficulty. They have a dedicated income team who can provide help and assistance with paying rent. They also work closely with our Housing Benefit Section to ensure those eligible for this benefit are receiving it. Most of the service charges applicable to tenants are covered by Housing Benefit. For those residents already in receipt of full Housing Benefit, any increase in rent and most service charge increases will automatically be covered by an increase in their Housing Benefit entitlement. Pinnacle also employ dedicated welfare advice officers who are readily available to offer financial advice and assist residents in</p>

<p>leaseholders had also been impacted financially during lockdown.</p>	<p>applying for benefits and other welfare payments.</p>
<p>Q3 - 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.</p>	<p>The Fire door programme is a legal requirement to ensure that all properties are compliant with the current fire regulations. Higgins Partnership will survey all affected properties and all leaseholders will be offered an opportunity to have a new compliant door installed with flexible repayment options, if it is deemed following a survey that their current front entrance door (FED) does not meet the required standard. Due to the large number of doors being purchased by Higgins Partnership as part of the programme, it should mean that the costs to leaseholders should they wish to buy into the programme will be significantly less than if they were to purchase and arrange their own installation on the open market. Having said that, it is entirely up to the individual leaseholder and there is absolutely no obligation on them to purchase through the Higgin's programme. There is however an obligation on all leaseholders' whose FED's are found to be non-compliant to arrange for new doors to be fitted and certified.</p>
<p>Q4 - 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?</p>	<p>Under Section 103 of the Housing Act 1985 the Council is required to give four weeks' notice of variation of rent. Secure tenants wishing to terminate their tenancies must also give the Council four weeks' notice of their intention to vacate their property.</p>
<p>Q5 - 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</p>	<p>Rent increases are based on Consumer Price Index (CPI) and Service Charges are based on Retail Price Index (RPI). CPI + 1% for rent increases is a set Government formula and is a maximum that Housing Providers can increase rent by each year. RPI + 1% increase applied to service charges</p>

<p>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%?</p>	<p>is in line with the contractual obligations in the Private Finance Initiative (PFI) management agreement. The figures are based on the last year’s audited charges. This means that residents in some blocks will receive credit whilst others may see a small increase in service charges. As a result of all elements of the service charge increasing by RPI, when the budgets are set for the coming year, it follows that the overall service charge must also be increased by this amount. It is important to note that at the end of each service charge year, all service elements are audited by an independent auditor to ensure they reflect the actual costs of the service provided. Where estimated service charges are found not to be in line with the findings of the audit they are then adjusted accordingly and leaseholders receive notification of the revised actual costs. The audit can either result in the estimated charges remaining unchanged or leaseholders receiving and increase or a credit adjustment on the amounts charged at their estimated bills.</p>
<p>Q6 - 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.</p>	<p>The PFI contract allows for an increase in service charges each year of RPI+1%. This uplift is applied to the actual audited service charges amounts from the previous financial year. These audited accounts determine the charges applied to the estimated bills for leaseholders for the coming financial year. Leaseholders are required to pay their annual service charges on receipt of their estimated bills each year, however, they will then be issued with an ‘actual bill’ at the end of the year following the annual service charge audit. Leaseholder bills will be adjusted accordingly and will reflect the actual cost of the service provided for that year. Regardless of the RPI+1% increase, leaseholders are only ever charged for the true cost of the service they benefit from.</p>
<p>Q7 - 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</p>	<p>All previous increases have been subjected to RPI +1% and this is in keeping with the terms of the PFI contract. Pinnacle will continue to apply this uplift each year.</p>

<p>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.</p>	<p>However, as a result of the audit of accounts undertaken each financial year, explained in the response to Q6 above, leaseholders will never be charged more than the true cost of the service delivered in any particular year. Bills are always adjusted to reflect the true service delivery cost following the audit each year. Any planned repairs and maintenance works valued at £250 or above to properties are classed as major works and leaseholders will always be issued Section20 notices in advance of such work and given an opportunity to comment on works proposed.</p>
<p>Q8 - In addition, we note that there are no direct or efficiency savings mentioned in the report. Why is this?</p>	<p>The Council have not requested that the PFI contractor make any direct efficiency saving.</p>
<p>Q9 - 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.</p>	<p>The services that are provided are charged and shown when the actual costs are produced at the end of the service charge year. The charging process is explained in more detail in response to Q6 above. Any additional work or enhancements to the current services by Pinnacle would result in further increases in service delivery costs which in turn would be passed on to residents through increased service charge costs.</p> <p>The PFI contract does provide a suite of key performance indicators by which RegenterB3 and their sub-contractors Pinnacle and Rydon are measured against. Lewisham client officers will take on board your concerns raised in relation to quality of customer service and complaints handling and will put in place new measures to ensure more enhanced monitoring of these services takes place. We can have a further discussion regarding these concerns when we meet with you early in the New Year.</p>
<p>Q10 - 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.</p>	<p>We do appreciate that the proposed increases may cause financial hardship for some residents.</p>

<p>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.</p>	<p>As stated in our response to Q2 above, we will ensure Pinnacle are providing the necessary help and advice that residents need to support them.</p> <p>The rent increase of CPI+1% is a Government formula for social rents that all Social landlords must adhere to. RPI is a standard inflationary index that is used by LBL in determining rent increases for garages and service charges.</p> <p>In relation to service charge costs, residents will only every pay the actual cost delivery of the service by their provider, irrespective of the inflationary index formula applied.</p> <p>Residents who are experiencing financial worries should contact Pinnacle for advice and support. They should also contact other service providers if necessary to find out if they can provide help and assistance.</p>
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Lewisham Tenants Fund Budget (LTF) for the Financial Year 2022-23

Brockley Resident Panel Questions	LBL Responses
<p>Q 1 -Have residents been surveyed on the Tenants Fund?</p>	<p>All Lewisham Council tenants have been balloted. Each year as part of the rent and service charge consultation process, residents are permitted the opportunity to feedback on the proposed tenant fund charge.</p>
<p>Q2 - How many residents have benefited from specific fund projects?</p>	<p>LTF only fund accredited tenants groups, not individuals. In 2019/20 32 tenant groups were funded £74,231.00. In 2020/21 26 tenants groups were funded £39,061.00.</p>
<p>Q3 - When and where are details of the Tenants Fund advertised to residents?</p>	<p>LTF officers attend all tenant and resident set up and Annual General Meetings (AGM's) to provide information and details on grants available from the fund. New resident involvement officers are also made aware of the fund and LTF's website provides full details. LTF also run regular publicity campaigns to publicise the fund with LTF directors visiting TRA meetings to speak about the fund. Articles have also</p>

	<p>been published in the Lewisham Life magazine.</p> <p>LTF employ a support and training officer who works closely with the housing providers and tenants to support existing resident groups and provide guidance and help to encourage the formation of new resident groups.</p>
<p>Q4 - 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?</p>	<p>The tenant charge is 15p per week. Directors set an annual budget based on tenant consultation which is submitted to Mayor and Cabinet for approval together with the funds audited accounts. LTF Directors and LBL officers receive quarterly monitoring reports showing details of grant funding and overheads.</p> <p>LTF is governed by a Board of Directors consisting of Lewisham Homes and Brockley PFI tenants who are duly elected to their positions. It is the role of the Directors to oversee the management and administration of the fund to ensure it is used efficiently and effective for the benefit of tenants and that it offers value for money.</p> <p>There are stringent regulations and financial controls in place to ensure that funds and grants provided to accredited resident associations are correctly administered and accounted for.</p> <p>LTF funds are independently audited and recorded each financial year.</p>
<p>Q5 - 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?</p>	<p>LTF do not have access to data specifying the equality and diversity of individual members of Tenant and Resident's Associations (TRAs) therefore the report is unable to report on this</p>
<p>Q6 - 4.5 – Why are there no consultation implications?</p>	<p>The entire report itself is a consultation document for the purpose of obtaining feedback.</p>

I hope the responses provided to the issues and queries raised in your feedback are to your satisfaction.

I would like to take this opportunity to thank you, in your role as Chair and Vice Chair, for the work and service you provide to the Brockley Resident's Panel. The Council values your input and the efforts your group is making to work with Pinnacle to ensure that all residents in the Brockley PFI area continue to receive efficient and effective housing management services.

Yours sincerely

A handwritten signature in black ink, reading "F Beckman". The signature is written in a cursive style with a large, sweeping initial "F" and a period at the end.

Fenella Beckman
Director of Housing Services