

# HRA Rents 2024-25

Tenants & Leaseholder Panel

9 January 2024

## Rent increase proposal 2024/25

- In 2022 government agreed, following a consultation, to cap rents at 7% with the option to cap again in 2024/25 should the Consumer Price Index (CPI) remain at the high levels (10.1%) seen in September 2022
- This was a suggested variation to the current government rent policy to increase by CPI+1% taking the value of CPI in the September of the prior year
- Bank of England September 2023 CPI inflation was 6.7% therefore the recommendation to cabinet is for a tenant rent and service charges increase by 7.7% from April 2024 in line with the established policy

# Revenue Expenditure 2024/25

The request to agree social rents and tenants service charges increase of 7.7% would result in circa £6.7m income increase is required to fund the growth required in six key areas:

1. To respond to the significant increase in repair requests (cica 1,500 increase per month) since the mobilisation of the new responsive repair contracts in August 2023.
2. To respond to reports of damp and mould from tenants, and the significant work undertaken to date to address these repairs.
3. Enhancing the capacity to meet the needs of The Social Housing (Regulation) Act 2023, including the changes from “Awaab’s Law”. The New rules will form part of the tenancy agreement under which residents can hold landlords to account if they fail to provide a “decent” home. To support this work, we are increasing the number of stock condition surveys we undertake each year so that we have robust stock condition data to support future budget setting for planned works.
4. To support our work to clear historic long-term voids (c120) and to ensure we complete void works in line with our new lettable standard and achieve our void turnaround target. Additionally, during 2024 we will be developing new processes and enforcing tenancy conditions linked to the condition properties are left in when tenants terminate their tenancy, or transfer to another property.
5. To tackle legacy legal disrepair cases (c500) and address new cases within 4 months. The increased budget is made with a commitment to clear the current backlog by 31 August 2025.
6. Estates caretaking & Ground maintenance – increase of resources required to manage the SLA’s, review the service provided to our tenants and increase the standard of caretaking

# Current Revenue & Capital Expenditure Pressures

## November (period 8) forecasting shows

Revenue overspend of £12m

Capital overspend of £5.7m

### Largely made up of :

- Increased responsive repair costs due to increased volume of reported repairs
- Increase in legal Disrepair & associated settlement costs
- Increase in cost of voids

# An Improved Responsive Repairs Service Provision

- The 3 contracts went live in August 2023 and to date we have noted:
- Significant increase in call volume (c2,000 additional calls per month)
- Significant increase in repair orders raised (c1,500 per month since August 2023)

Key Performance Indicator	Bigger or Smaller is better	Target	Croydon Position (Nov 2023)	Croydon Position (Oct 2023)
Average contact centre call wait time (Repair call centre only)	Smaller is better	20 secs	9mins 20secs	3mins 49s
Average contact centre call handling time (repair contact centre only)	Smaller is better	5mins 30 secs	8mins 9 secs	5mins 20 secs
% of residents that ended the call before we spoke to them (repair call centre only)	Smaller is better	5%	31%	16%
% of all Responsive Repairs completed within target times	Bigger is better	98%	88.00%	62.12%

# Tenants response to November 2023 survey: 832 Returns

- Outcome of the survey show the priorities of tenants are:

1- Repairs

2- ASB

3- Caretaking

4- Planned Maintenance

5- Ground Maintenance

6- Parking

# Commitment to support tenants claim their entitlements

- To date our Welfare Officers identified in excess of 100 residents to claim additional support
- The 2023-24 HRA Hardship Fund – a specific discretionary fund to assist households experiencing financial difficulties has made payments to 97 residents
- We will continue to collect statistical data of our tenants to allow us to directly support those not currently receiving Universal Credit or Housing Benefit
- For tenants not currently in receipt of any funding will be our priority, following which we will review the details of tenants who are already receiving housing benefit, to check that they are receiving other benefits, to which they may be entitled.
- These tenants will be contacted prior to the increase taking effect and offered support.

# Average Rents & Tenants Service Charges Increase

Bedroom Size	Average rent 2023-24	<u>7.7%</u> - Average rent 2024-25	Increase vs 2023-24
	£p/w	£p/w	£p/w
0 Bedsit	85.82	92.43	<b>6.61</b>
1	102.76	109.95	<b>7.19</b>
2	122.34	130.90	<b>8.56</b>
3	147.71	158.05	<b>10.34</b>
4	167.43	179.15	<b>11.72</b>
5	183.16	195.98	<b>12.82</b>
>5	205.10	219.46	<b>14.36</b>

Property Type	Tenants charge 2023-24	<u>7.7%</u> Average charge 2024-25	Increase vs 2023-24
	£p/w	£p/w	£p/w
Flats	11.74	12.64	<b>0.90</b>
Estate Houses	2.41	2.60	<b>0.19</b>