

WOODBERRY DOWN COMMUNITY ORGANISATION

Board Meeting

MINUTES

Thursday 12th December 2024
7pm Redmond Community Centre

Attendance: Donna Fakes, Tina Parrott, Geoff Bell, Hilary Britton, Oonagh Gormley, Barbara Panuzzo, Adrian Essex, Leonora Williams, Ekaterina Andreeva, Steffan Zuncke, Anwar Idris, Mina Faragalla, Phil Cooke, William Sheehy, Ann Kelly, Ann Hunte, Nicolas Attalides, Geoff Baron, Willian Martinez, Livia-Keanne Lupumba, Shifra Appich, Gloria Obiliana, Omar Villalba, Andreea Stoica, Gita Sootarsing, Kristina Zagar, Jackie Myers, Andrea Anderson, Necdet Ozturk

Partners: Neil Coils, Julian Rodriguez, Molly Perman, Carol Boye, Tom Anthony, Sarah Fabes, Sarah Young, Guy Nicholson

Visitors: Simon Slater, Ameera Hassan

Welcome / Apologies for absence: Cllr Caroline Selman, Francis McDonagh, Carlene, Dulce Lalluces Kalu Amogu,

Section 0 - Introduction

1. Acceptance of minutes of 21st November 2024:

2. Matters Arising / Action Tracker

- 2.1. Regarding Hackney's split household policy review, Molly Perman sent a written update to Simon. The scope of the review on split household policy is to review the Woodberry Down local lettings policy, specifically the split household element which is intended to give adult children of tenants who will be decanted in the course of regeneration additional opportunities to move into homes of their own and ultimately receive a secure tenancy on estate. The reason this is being reviewed is because this part of the policy is proven difficult to implement due to level of demand of split households on the estate. She also highlighted other demands on void flats, including prioritising housing repair cases that need temporary accommodation as well as the need for temporary accommodation for Homeless people. She said the review is looking at addressing the council's priorities regarding housing needs and housing pressure and will look at who is eligible for the split household element. Once a preferred option is agreed by the council, there will be a formal

consultation period, which all residents and WDCO will be able to comment and update the policies being proposed. Once this consultation finishes, this will go to cabinet for a decision on whether this update will be agreed as part of policy.

- 2.2. Simon highlighted that when the council approached WDCO years ago about the use of empty properties on the estate for temporary accommodation, they said this would be introduced with no impact on the regeneration, however Hackney's reviewing of the policy is specifically regarding such pressure and that they should consider impact on the regeneration. Simon added that Roda and the Board members made a point to Hackney that WDCO do not want to be consulted after the council have narrowed down options - WDCO want involvement not consultation. Simon also was very concerned that although Hackney mentioned out of phase split households, the written update states the Council is reviewing the whole split household policy. Simon emphasised that some tenants have been waiting since 1999 for new homes and probably only two-thirds have moved while one-third have lived in substandard accommodation for 25 years. These residents have seen their neighbours move and their neighbours' children get their own properties. If Hackney review and reduce the split household policy so that children of tenants in Phases 6, 7 and 8 will not be rehoused, tenants will feel this is unfair that their neighbours' children get rehoused but their own children do not. This is why WDCO want written involvement on the policy change to identify these issues. Simon emphasised that if Hackney were to turn around and change their mind, this could cause problems should Hackney wish to regenerate other estates in Hackney as other estates will not believe that the council will abide by the promises they make.
- 2.3. The Chair stated that Hackney need to keep promises made at the beginning of regeneration as it would feel like the council are penalising those residents who have been waiting for a long time. Elaine also spoke saying that she and her daughter have pushed the changes in policy to include out of phase children but they are no nearer to implementing the policy.
- 2.4. Sarah Young wanted to check if the whole of the split household policy is in the scope of the review as her previous understanding was that only the early split household policy was being reviewed. Hackney responded that Sarah is correct and the council are talking about a review of early split households. Within the Woodberry Down context, the intention is to make sure that these commitments are continue, that this right is not removed and remains intact. Guy Nicolson suggested that after Christmas that the Council officers to reconvene with draft policies and discuss these with WDCO.

- 2.5. One Board member felt that most young people that this policy should have helped have all moved away and found their own non-council properties. This indicates the reality of the split household policy for young people. Molly Perman clarified that the review scope is around out of phase split households, so those that are in phase splits would still be available and hence would eventually come to everybody.

ACTION: Simon will circulate the Council written response the Board.

- 2.6. Sarah Fabes updated for Berkeley regarding the wind conditions on the estate and said that RWDI, who are Europe's leading wind consultant, and Fabric, who are the landscape project architects, are currently reviewing mitigation measures as interim solutions and then permanent solutions. They are currently looking at next steps and what options are available before Berkeley speak to local business owners and the WDCO Board to discuss what options could be implemented and how this would come into play. The Board raised concerns that there is no way for café businesses to get customers in during the weekend due to wind and this was badly impacting business. Sarah responded that Berkeley consultants will review what can be put into place to work as an immediate solution before coming to WDCO with options to address concerns for businesses.
- 2.7. Regarding the solar panels in the NHG blocks, Julian updated that Jada has arranged for a survey on the solar panels for all the block, which has been completed. Jada has appointed a firm to check if the solar panels are working.
- 2.8. Simon circulated to the Board a hard copy of answers to questions WDCO had submitted to partners, including potential use of the Phase 3 community space and Seven Sisters Road which was put on the WDCO website. Adrian, Oonagh and Roda have sent emails asking follow-up questions and received a good response. All this information had been put on the website.

ACTION: Simon to email the Board feedback and answers to questions sent to NHG on Phase 3 community space.

Section 1

3. Phase 3 Rents and Service Charge presentation from NHG and Hackney by Neil Coils and Julian Rodriguez

- 3.1. Neil and Julian gave a presentation to the Board and what follows in para 3.1-3.39 is summary of what they said. The regeneration is regulated by Principal Development Agreements (PDA), originally signed in 2010, but there have been a number of variations up until 2020. This was signed by Hackney, NHG and Berkeley Homes. The agreements set out the use

of social rent for new tenants being decanted into NHG properties and how the apportionment of service charges are regulated and calculated. This forms the basis of what NHG can pay for the homes, impacts the viability of the development and forms the basis of all the approvals that have been gained by relevant organisations for the investment into the strategy. This also sets out the terms of engagement and consultation with the local community, including residents charter, estate management strategy and partnership agreement.

- 3.2. NHG have followed the PDA in the setting of the rent and apportionment of service charges. NHG also recognise that there has been a fall down in the communication and timing of information being given to respective residents in the last 6-7 months and are working to resolve it.
- 3.3. The increase in housing costs are made of 2 components: the rent, which is set by government social formula rent, and service charge costs, the cost of management of the wider estate and common services. This is a different approach to how LBH calculate the service charges.
- 3.4. In response to the concerns, NHG have worked closely with Hackney, WDCO and Berkeley and have had a few successes. NHG have managed to reduce service charges between 30-35% from those originally indicated to residents, saving between £600-£1300 per year for households. NHG have also extended the deadlines for the decant /nominee offer decisions until the end of January. NHG have also introduced enhanced drop-in sessions and affordability assessments with the housing team, and have appointed a valuer to undertake an independent January 1999 value assessment which forms an important aspect of the rent calculation formula. NHG will re-run the rent calculator, and if this results in a reduction, they will apply those reductions retrospectively as well as for those who have already moved in to Phase 3.
- 3.5. Going forwards for Phase 3 and beyond, NHG want to ensure communication and information is shared in an open and timely manner, but will have to accept because of changes in rent levels over the years, some of the early information will be estimates and subject to change until nearer to completion.
- 3.6. NHG will continue to work with all partners to review and propose design and services that limit charge to residents through service charge.
- 3.7. NHG will be reestablishing the service charge working group
- 3.8. **How are social rents calculated:** The rents are calculated using a 3-step process: 1) Formula rent level set by the government, 2) Rent flexibility 3) Social rent cap

- 3.9. **Formula rent:** Formula set by the government in 2002 looking at number of beds, local earnings and property values. These are capped at the social rent caps set by government which increase each year by CPI + 1.5%. The formula rent is applied to new incoming tenants, and thereafter increases by CPI + 1%.
- 3.10. NHG social rents are set according to these requirements set out in the Regulatory Rent Standard following this guidance.
- 3.11. **Rent Flexibility:** The set % amount that the Regulator of Social Housing Rent Standard allows to be charged in addition to the formula rent at the housing association's discretion, provided that they demonstrate a clear rationale for doing so.
- 3.12. For normal housing, this is 5% flexibility, and for supported housing this is 10%. In the case of Woodberry Down, this is 5% flexibility.
- 3.13. Each financial year, NHG review formula rent levels across their entire rented stock, looking alongside the current market rent data NHG hold from market rent valuations and consider the local housing allowance levels as a threshold for affordability.
- 3.14. NHG then consult on these factors with a residents' panel drawn from across London on whether to apply a percentage flexibility. An annual paper is submitted to NHG Executive and Group Board for consideration and approval of the proposals.
- 3.15. **Social rent caps:** The social rent caps apply as a maximum ceiling on the formula rent and depend on the size of the property, looking at bedrooms. Where the formula rent calculated is higher than the rent cap for a particular size of property, the rent cap must be used.
- 3.16. Registered providers must not allow rents to rise above the rent cap level for the size of property concerned. Where the rent calculated is lower than the social rent cap, this is the amount that will be charged.
- 3.17. Any applicable service charges are calculated separately and charged in addition to the rent.
- 3.18. **How were the rents calculated:** NHG can only change a number of bedrooms and the 1999 property value, as well as the average county earnings and local area earnings produced by the government.
- 3.19. When it comes to the 1999 property values, NHG takes the current valuation and discounts this back to the January 1999 value. The nationwide published index figures going back to January 1999 which is how NHG utilise this. NHG has asked valuer to undertake this.
- 3.20. **Service Charges:** Neil, Assistant director at NHG, provided definitions for service charges.

- 3.21. Services charges are made up of different schedules, usually an estate schedule, block schedule or core schedule. There is no uniformed rule as this is dictated by the building or area.
- 3.22. Each home pays a percentage share of the charges if they are part of this schedule, known as an apportionment. The more homes that are part of the schedule, the less percentage someone will pay. Each homes apportionment depends on size, either square footage or bedroom size
- 3.23. All service charges are recoverable from leaseholders but not all service charges are recoverable from tenants.
- 3.24. Recoverable service charges from tenants include the provision, maintenance, repair and cleaning of things in the communal areas, exterior of the building and other shared areas. Also, the cost of utilities covering shared areas, the cost of management and staff costs incurred in fulfilling obligations.
- 3.25. Anything inside the home that only benefits the occupant is not service chargeable, and this is what is covered in general needs rent.
- 3.26. Insurance costs, internal and external decoration, replacement of component parts (such as lifts and windows in the communal area), or any transfer to the reserve funds are not recoverable from tenants.
- 3.27. **Phase 3A:** It is difficult to compare service charges due to schedules - there are 5 schedules for Phase 3A. All residents will pay towards the estate and the structure schedule, and depending where their home is will guide what other schedules residents will pay towards.
- 3.28. Estate schedule set by Rendall & Ritner for the management and maintenance of the wider estate that the NHG blocks sit on and any shared services that benefit the whole of the estate. R&R are appointed by Berkeley not NHG.
- 3.29. The estate schedule is payable by all residents who live on Phase 3, not just the NHG homes.
- 3.30. The apportionment NHG are required to pay of the total estate charge is 29.41% of £383,667 which equals £112,836. This is then apportioned to the individual flats based on their percentage.
- 3.31. Leaseholders are required to pay 100% of the estate charges depending on the square foot of their home.
- 3.32. NHG pass 100% of the recoverable elements to tenants. Tenants are required to pay 100% of the recoverable estate charges depending on the square foot of their home.

- 3.33. **Structure Schedule:** This is for the whole building that makes up Phase 3A and is split between all of the leasehold homes, general needs homes and commercial units. This set by R&R instructed by NHG.
- 3.34. The total cost of this schedule is £218,821, of which only £28,337 is recoverable from tenants and includes, but not limited to the utilities, cleaning, gardening, and the management fee. The majority of costs at this schedule are for the building safety act requirements and are not recoverable from tenants
- 3.35. Calico House is split between leasehold homes and commercial units. Because of this split, 96.625% is charged back to leaseholders and 3.37% is picked up by commercial units. The internals at Calico House are only accessible by the residents that live inside Calico House, so 100% of costs are passed on to leaseholders in Calico House.
- 3.36. Eastacre House is split between commercial units and general needs units. The total cost of block costs, including exterior of the building, electricity, window cleaning etc. is £12,500 of which £9500 is recoverable from tenants. Inside of Eastacre house is only accessible by residents that live inside Eastacre House so there's no commercial units that pay into that. The total cost of the service charges for internals is £39,000 and this includes £19,731 for staff costs, which is to employ R&R to fulfil their duties. This is recoverable for tenants but NHG will not pass staff costs onto residents, so the amount charged to residents is £15,000.
- 3.37. Meadowhawk House has no commercial units so only general needs homes contribute to this schedule. NHG are not passing on staff costs for R&R to Meadowhawk, so of a total budget of £44,297 is recoverable from tenants.
- 3.38. Car park schedule: The car park is accessible from the internal areas of Meadowhawk and Eastacre and is therefore payable by residents of those homes. Anybody living in elsewhere in Block A who has a car park space will also need to contribute to this schedule. The total costs of this schedule is £11,460, with £9,060 being recoverable from tenants.
- 3.39. **Questions:** Omar said that this presentation did not give information that the Board wanted. Omar raised that during the presentation with Shifra at the November Board, they clarified there was a 75% increase for a one-bed costs from the old blocks to the new ones, 90% for a two-bed and there was only a slight reduction to service charge. However, this presentation answered that the updated offer is that the rent is a fixed formula which NHG can't change, NHG have slightly reduced the service charge, and now the increases are 65%, 80% and 100%.

- 3.40. Julian answered Omar that NHG have appointed a valuer to double-check the January 1999 values and that the formula rents are the formula rents. Omar responded that there are still chunky increases from 65-100% and while the reduction in service charge is welcomed, this is not enough to satisfy residents. Omar asked if there is potential to go further with service charge and rent costs.
- 3.41. Neil answered that NHG are still having conversations and if anything comes out of NHG meeting on Monday to reduce service charge costs, then this will be applied.
- 3.42. Ann raised the point of social cleansing and asked NHG whose idea it was to put square trees and if this is covered? Julian answered that this was adopted by LBH which does not form part of service charge.
- 3.43. Hillary raised that the fixed formula rent was designed based on averages to cover the whole country and effectively acknowledges that there is facility to make changes as every area is different. However, NHG do not mention the facility in the document to reduce figures and only mentioned flexibility upwards but not that there is also flexibility downwards. Julian answered that there is a cap on flexibility upwards and this goes through a process where the tenants forum consulted on this and put a proposal forward, which goes to NHG board.
- 3.44. Geoff recalled that at the start of regeneration, every tenant was guaranteed the right to return once decanted and moved into new homes. However, a number of tenants have already said they cannot afford these new rents and service charges. Geoff asked NHG if they accept that they are reneging on the right to return because some tenants cannot afford what NHG are insisting. Geoff believes that in this respect, NHG's promise has been broken.
- 3.45. Julian responded the whole basis of the economics of the regeneration is based on agreements signed between Hackney, NHG and Berkeley. In this agreement, social rents formulas were applied that formed the basis of agreement between partners. This impacts what NHG can pay back Berkeley on social rent units, what Berkeley can pay Hackney for the land. If NHG were to reduce the rents, this would open up the viability of the regeneration going forward. Julian understands the WDCO Board concerns being raised but answered that this is an existential question on what reducing rents does to the future of regeneration and what can be provided.
- 3.46. Molly Perman answered that Hackney are working closely with residents with affordability issues and that on a person-by-person basis, there will be support given from officers from NHG and the council.
- 3.47. Shifra raised there was no mention in the presentation that residents were only informed of prices on the day of viewing, and private tenants were given rent estimations 2 years before. This is social cleansing as

they are now moving and are not given support when they can't afford these increases. Shifra told Molly that most residents have not done affordability assessments. Molly responded that right to return is important and that partners will be working with WDCO members to scrutinise and further reduce costs because they want people to stay on the estate.

3.48. Shifra said that the miscommunication and lack of timing has not been addressed. Cllr Sarah clarified Hackney are not trying to undermine these overarching principles, but are stating that for individual cases for those who cannot afford rent, Hackney and NHG will be working with these individual people to find answers on how to support them.

3.49. The Board asked if those who are moving to Phase 3 now will have another increase in April 2025 rents? Neil answered that the rent will increase again.

3.50. Geoff mentioned that the principal development agreement has always been kept from WDCO and that WDCO are governed by a secret document. NHG are also supposed to work by the partnership agreement, which is consensus working, and this has not been mentioned. Geoff raised that the three partners have excluded WDCO from the most important element in this regeneration and that the viability of NHG, Berkeley Homes, and LBH is taken into consideration but the viability of tenants is dismissed as they are informed of prices a week before they are due to move.

3.51. Simon stated that in page 24 of NHG procurement document for Woodberry Down, there is an issue on service charges which states that NHG wish to minimise service charge and residents in the more highly service blocks should receive £2.50 a week. Simon suggested that NHG should review this document and to knock an extra £2.50 off as this is a highly serviced block. Julian answered that NHG have chosen not to charge staff costs.

3.52. Andrea why some residents will be expected to pay service charge for the car park in Meadowhawk and Eastacre if 50% of residents do not own a car. Neil responded that this is due to having access to the car park.

3.53. Guy Nicholson raised that he is conscious about Shifra's point about residents signing the tenancy and being confronted by the significant cost in rent and service charge which is completely unforeseen. There is a need for close collaboration and working to interrogate calculations of charges. WDCO are not convinced at the moment that rents that have been set are fair, and until they can understand how rent and service charges are calculated, that going forward there is good warning. Guy Nicholson raised Sarah's point that there is a support network from

Hackney on affordability criteria and for residents to build a working relationship and put in place an affordable plan.

- 3.54. One Board member asked if parents cannot afford rent in the area, will they have to move to different areas? The Chair answered that this is a possibility.
- 3.55. Omar asked what are the next steps moving forward and how will Hackney lead discussion and strategy. Molly responded that Hackney have drop-in sessions planned for residents in allocated homes on Phase 3A and they will receive letters this week. There is one drop-in session next Wednesday at Woodberry Down Neighbourhood Office. Another drop-in session is scheduled on Wednesday 8th January in the Neighbourhood Office.

Board Discussion without partners:

4. **Delegation of Powers to the Executive Committee:** Oonagh provided a revised version of what the Board agreed. Some Board members made comments and Oonagh has included their corrections.
5. The Board asked the Executive to review this proposal which they did. There was a long debate, some assertions were made on how things work which Oonagh tried to include. This proposal is a way to try and implement what the constitution requires of the Board and find a way to delegate powers from the Board to the Executive Committee.
6. The Executives tried a new scheme this month where they would take forward business of the Board between meetings. There are now vice chairs with named roles, so it felt most obvious to allocate actions to named people. Oonagh stated that this is an attempt to implement the requirements of the constitution and that the Executive Committee has no power unless the Board gives them power.
 - 6.1. Geoff mentioned that the Executive Committee has not met to discuss and agree with this proposal. The constitution states that WDCO would discuss and debate motions and decided on majority vote. However, some of the changes proposed suggests there should be a consensus, i.e. if some people do not agree with a policy this should not be adopted. Some people are proposing a WDCO Awayday where this proposal can be discussed as the fundamental changes in how WDCO has worked for 20 years is being challenged by this proposal. Geoff suggests that if people want to make changes, there should be a serious discussion of what is involved and opposes a vote on this proposal at the Board for this reason.
 - 6.2. Oonagh responded to Geoff that in addition to scrutiny at the last Board, Geoff suggested that constitutional working group should look at this to

decide if this is unconstitutional. The constitutional working group decided this was not unconstitutional. This proposal is only trying to implement something that is required by the constitution.

- 6.3. Adrian added that where consensus cannot be reached, decisions will be made by majority vote as per the constitution.
- 6.4. Adrian mentioned that this paper was discussed at the last Board and asked the Executive to amend it in light of comments made. Therefore, this paper has been put into effect as the Executive went away and amended the proposal, for example the decisions made by a majority vote as per the constitution was not made in paper at the last meeting. The Executive made the requested changes that confirmed this proposal is consistent with the constitution and that further discussion is not needed but the Board should nod this through.
- 6.5. Oonagh clarified that the constitution operates at different levels. This is an attempt to say this proposal is a different way this could work.
- 6.6. Omar asked for clarification that this does not have to change the constitution, but rather confirms the constitution process. Oonagh responded that this is suggesting a way that the Board and Executives can act in order to operationalise the constitution.
- 6.7. Simon answered that both viewpoints are correct and that WDCO have not formally delegated power in the past. What has happened is that when the Board meets and wants work done, the Executive take this and bring back information to the Board. Simon equally understands that the Board have struggled reaching consensus on processes and practicalities. As they have a WDCO Awayday coming up, this should be discussed with facilitator at the Awayday, such as on how to get the Board better at working together more broadly and about preparing for partners Awayday to influence partnerships for the year going forward. Simon felt that Board members are saying the same thing in different ways.
- 6.8. Oonagh clarified that this keeps a written record of decisions made at the Board to actually get some action. Simon suggested that after each substantive Board discussion that the Chair needs to summarise the outcome of the discussion and get the Board agree that the Executive can take this forward.
- 6.9. Geoff agreed that different opinions are being stated but there is a need for common ground. The Board should try to find a common ground and reach a consensus at the WDCO Awayday and not say they will definitely make decisions and operate this way.

7. **WDCO Awayday:**

- 7.1. The partners want to organise their Awayday and have agreed to wait for WDCO Awayday to be organised. Simon asked if it is best to host the Awayday on a weekday or weekend. The Board agreed for 11th January.
- 7.2. Simon asked for the Executive to discuss and agree which consultant will facilitate the Awayday

8. AOB:

- 8.1. Following criticism of Andrea bringing a child to the Board, Andrea mentioned that some members of the Board need to respect and understand that she was helping her daughter. Andrea felt it was important to attend the last Board meeting of 2024 and did her best under these circumstances. She does not appreciate Board members speaking directly to the child to keep quiet and did not speak to the adult.