

Hyde Review Task and Finish Group
24 June 2015, 2.00pm
Training Room 1

Members present: Mrs A Shaxson (Chairman), Mr N Galloway, Mrs P Plant, Mrs C Apel (as Chairman of Overview and Scrutiny Committee), Mrs C Neville (as an observer) and Mrs S Taylor (as Cabinet Member for Housing)

Officers: Mr R Dunmall, Mr S Hansford, Miss L Higenbottam, Mrs B Jones and Mrs L Rudziak

1. Chairman's Introduction

- Apologies had been received from Mr Potter and Mr Ransley

2. Terms of Reference

- Terms of Reference were noted
- Overview and Scrutiny Committee (OSC) to endorse on 2 July 2015

3. Increase in housing service charges

1. Examples of service charge increases received by Hyde tenants

- 5772 out of 7890 social/affordable homes in Chichester district are Hyde properties with approximately 831 Affinity Sutton
- There is an inconsistency in rent and service charges of identical properties
- Some inconsistencies in pricing would be attributed to personal support
- The management charge for Hyde residents in 2012 was 8% and has almost doubled in three years
- The distortion in prices has resulted in some social rents working out higher than affordable rents
- Mrs Plant suggested analysing the housing status of those listed in the evidence to see how many actual tenants there are
- Mr Shaxson had spoken with a tenant who had informed all those standing for parliamentary election in his area about the increase to his service charges and has since received a reduction in charge
- Mrs Apel showed the group a poster displayed in all Hyde flats informing residents of the cleaning and maintenance they are required to carry out (which is subsequently included in their service charge)
- Many other tenants also received minimal maintenance for the service charges imposed
- The group agreed it would be worthwhile contacting the Local Government Association (LGA) to check if any other local authorities are undertaking similar work
- Members requested to see itemised service charge bills from residents

2. Analysis of Hyde rents and service charges

- Updates on appendix 3.1 were distributed showing Hyde had reduced service charges in three cases
- Hyde have started sending the Chichester District Council (CDC) Housing Benefits team weekly updates on service charge changes

- Mr Dunmall had carried out a comparison of service charges and rents since properties had last been advertised and identified increases and anomalies which had been created that needed clarification
- Mr Dunmall had also reviewed very recent corrections sent to Revenues and Benefits by Hyde and discovered a few minor reductions
- Mrs Rudziak explained that Hyde are in the process of creating a multi-tasking workforce to cut down on the number of contractors used and have a new management team
- Members agreed problems would continue if Hyde staff are not properly trained
- Mrs Rudziak offered to provide the group with the quarterly subsidy report which has a section for service charges but suggested this should wait until the full amendments to service charges sent to Housing Benefit are in place

3. Hyde FAQs on service charge increases

- Members agreed it crucial that Hyde explain the rationale behind the increases and how they are reasonable
- A download available on the Hyde website attributes the increase in charges to certain inspection tasks and administration costs
- Hyde did not discuss the sudden changes in charges with CDC and so it is unclear whether any consultation with tenants took place
- Hyde have an online document 'Your Service Charges Explained' which includes the process for appeals but do not say whether this is routinely issued to residents
- Hyde 'Frequently Asked Questions' state the service charge depends on what is reflected in the tenancy agreement
- Mr Shaxson asked if any other local authorities or organisations were discussing Hyde issues – no West Sussex authority is reviewing this
- Mrs Rudziak suggested enquiring with the Residents Assurance Committee
- Mrs Jones had seen no evidence through the Centre of Public Scrutiny

4. Citizens Advice Bureau examples of requests for help and advice due to financial hardship as a result of the increase in charges

- Mr Hansford explained that the Citizens Advice Bureau (CAB) had received two enquiries from Hyde residents regarding service charge issues which were included in the papers
- CAB had stated they had more general repair issues reported
- CAB staff will inform Mr Hansford if any Hyde residents present any further service charge queries

5. Legal review of housing statute re service charge increase

- The Landlord Tenant Act 1985 allows rent increases in line with tenancy agreements
- Tenants service charges should not be inclusive of charges to maintain the fabric of the property they rent
- Most housing associations impose service charges
- Mrs Plant asked what the overall role of the group was
- Mrs Rudziak explained that the Centre for Public Scrutiny Tenant Scrutiny guidelines which suggest two areas for the group to consider:

1. Referral of social housing providers to the regulator on the grounds of causing detriment to tenants
 2. Councillors/Scrutiny helping to support tenants to submit evidence to the Ombudsman
- Councillors can act as a representative for tenants at a tribunal but CDC cannot
 - Residents are likely to be charged approximately £500 to pursue a tribunal case however those on benefits could have court fees paid for them

6. Analysis of housing benefit increase

- Mrs Rudziak had hoped to provide the group with the quarterly Housing Benefit subsidy report which has a section for service charges but suggested this should wait until the full amendments to service charges sent to Housing Benefit are in place

4. Next meeting

Structure and format of meeting:

- A meeting will be held on Wednesday 22 July starting at 9.30am
- It will be held in private but with selected residents invited to give evidence to the group for the first half hour
- This will be followed by feedback and questions to Ms C Brown and any other representatives from Hyde
- The group requested further evidence on Chichester North & South local tenant's panels, an example of a tenancy agreement, and schedules giving a breakdown of service charges for a variety of properties. Some of this will be requested from Hyde
- Following the next meeting the group will report to the OSC on 15 September 2015 in open session
- The group agreed today's agenda papers could be released to Hyde subject to the removal of 3.1 and 4 which have personal information
- The group refined the questions which will be sent to Hyde in advance of the meeting with a request to provide a response

The meeting ended at 3.50pm