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17 January 2024

Dear Patrick,

Woodberry Down Regeneration: Phase 3 Rents and Service Charges

We are writing to you to express our serious concern about the rents and service charges for the current stage of Woodberry Down's regeneration project: phase 3A, as well as communication processes with residents. We ask that you intervene to ensure that families are able to move into the 75 new social homes which have just been built here, as well as shared ownership and private homes.

As we're sure you know, Woodberry Down's regeneration project is a partnership between the London Borough of Hackney, Notting Hill Genesis and Berkeley Homes with plans first approved in 2005 to build some 5,500 homes in one of Europe's largest single-estate regeneration projects. Woodberry Down Community Organisation represents residents from the estate, including those in all tenures and is a key partner in the regeneration, along with Manor House Development Trust who run the estate's community centre. 2661 homes have been delivered to date, including 612 for social rent and 436 for shared ownership and there will be a further 240 homes in phase 3B.

As part of the tenant offer from LB Hackney to secure Woodberry Down tenants, they are guaranteed a new flat on the estate. Long-term residents of Woodberry Down Estate have been looking forward to moving into their new homes since the regeneration began and many of those expecting to move into phase 3A are packed and ready to move with their current homes being due for demolition this year. Updates on the project are provided fairly regularly through newsletters and other communications from the partners, and residents are well connected with others on the estate who have moved into earlier phases. Communication with residents has in general been reliable and timely, However, on the rents and service charges for phase 3, information was not provided until very late in the day and residents were taken aback and dismayed to hear for the first time a few weeks ago that the proposed rents and service charges were likely to increase their combined housing costs significantly, more than doubling for many households (up to 130% increases).

Service charges
NHG have contracted out the management of phase 3 to Rendall and Ritner, through Berkeley Homes. WDCO queried this decision from the outset. They also raised concerns throughout the design process that design choices risked higher service charges as a result of more complex servicing and management needs, for example as a result of building podium gardens.

Since residents were first given some information about the likely service charges (figures have never been finally confirmed), WDCO have been seeking to clarify the accuracy, the make-up and the necessity of each element of the service charges. Members of this representative voluntary community organisation (with the support of the independent tenant and leasehold service) have sought to negotiate the service charges, removing those which are not chargeable or not needed. As a result, and thanks to some careful work by NHG staff, and scrutiny by WDCO, the proposed service charges and have been reduced by some 30%. Some of these reductions have been a result of correcting errors, some have been a result of removing services not required. They are still significantly higher than services charges in residents' current LB Hackney homes or in NHG homes in earlier phases of the regeneration.

Rents
We accept that rents are set in accordance with the Rent Standard and are reviewed annually, although the Woodberry Down arrangements for phases 1 and 2 transferred over to NHG homes on the equivalent rents for their old LBH homes with a rent convergence policy to bring rents up to Rent Standard levels over time. That arrangement does not apply to phase 3.

Residents expected their rents to increase when they moved into new homes as NHG tenants, with an understanding that the increase might be as much as 30-40% based on their neighbours' experiences. They were shocked to be told for the first time at the point when they were being asked to sign up to NHG tenancies, that rents would increase to full formula rents, increases of up to 130%.

Affordability
The increased housing costs for residents include increased rents, increased service charges and increases in council tax and heating charges.

We are advised that NHG carry out an affordability assessment for each tenant before they are asked to sign up to an NHG tenancy. Unfortunately, conversations with residents suggest that this is not always taking place. Many residents are concerned that they will not be able to afford their new housing costs.

The heating charges are higher in the new blocks, despite being significantly more energy efficient buildings. This is, in part because the standing charges being imposed by the new provider are significantly higher than those in the old homes. Residents have not been provided with advance information that provides them with a comprehensible idea of what they can expect to pay for their heating.

Some residents have already moved into the new properties although the final service charges have not yet been confirmed and residents have not been advised of what they will be expected to pay.

Residents, particularly those not in receipt of benefits to help with housing costs, are concerned that they will not be able to afford to live in their new homes and risk falling into long-term debt. Some are considering refusing the offer of the new tenancy, others feel they have no choice but to accept.

<u>Proposed actions</u>

In summary, we are concerned that appropriate processes of assessment and the provision of full information to enable residents to reach an informed decision on whether they wish to take up the offer of an NHG tenancy in Phase 3, have not been followed. Residents are concerned that their new homes will simply not be affordable. A deadline has been set of 24 January for residents to decide whether they want to accept the offer of a tenancy in phase 3A.

As residents first heard of these increases (and even then, not of the totals) in September 2024, they have not had time to make the changes needed in their lives to prepare for significantly higher payments.

WDCO have asked for the following and we fully support these requests and ask you to facilitate this:

- **Pause the deadline for signing up to a tenancy in 3A (currently 24 Jan) until the final rents and service charges have been confirmed and shared with residents.**
- **Enter into a conversation with WDCO (supported by LBH) to consider options for reducing the rent immediately payable by residents moving into phase 3A. This could include an initial lower rent with a convergence process over an agreed period.**
- **Ensure that the service charges are finalised and approved, ensuring that residents are not paying more than they would be paying on an estate directly managed by NHG.**
- **Ensure that a full affordability assessment is carried out for every household to be offered a tenancy in phase 3 and all necessary support for accessing benefit entitlements is provided.**

In addition, please ensure that these issues are addressed well in advance of phase 3B and all future phases becoming live, including a timeline for information to be made available to residents.

Woodberry Down is an exemplary regeneration project and we all want to ensure that it continues to meet its aims of providing high quality homes for local people, creating a thriving community and ensuring that over 41% of those homes are genuinely affordable.

Please provide a response by 23rd January at the latest.

Yours sincerely

Cllr Sarah Young
Cllr Caroline Selman

Woodberry Down Ward

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