| Briefing for Tenants<br>Lewisham Council Rents and Service Charge increase proposal 2026/27 and proposal for the Tenants Fund and Garage charges | | |
|---|---|---|
| **Report Title** | Housing Revenue Account (HRA) – Rent, Service Charge and Garage Rent Setting | |
| **Contributors** | Director Resident Engagement and Housing Service/Executive Director for Corporate Resources | |
| **Class** | Part 1 | Date: 2nd December 2025 |

## 1 Purpose of the Report

1.1 To set out and explain the proposed rent increase options for Lewisham Council Dwellings in 2026-27. This will reflect the Government's Formula Rent Policy and the Regulatory Rent Standard, which allows registered providers to increase rents by an annually reported uplift. Currently the proposed Rent increase will be a minimum of 4.8% which is £5.95pw, subject to a convergence element to be confirmed by government in January 2026. To confirm that the Council intends to increase rents by the maximum amount allowable to be confirmed by Government in January 2026

1.2. To Set out the proposed Service charge increase based on full cost recovery requiring an increase of £7.57 or 22.28% for 2026-27 to Lewisham Council tenants who also receive the communal heating charge, affecting 1,275 tenants. The service charge increases for residents who do not receive the communal heating charge will be £2.36 or 14.14%.

1.3. To confirm that the Tenants Fund contribution will remain at 15 pence per week.

1.4. To summarise the proposed 4.5% increase to garage rents.

1.5. Tenants are asked to note, comment, and provide feedback on these proposals. Feedback will be reported to the Housing Select Committee at its meeting on 14th January 2026 and to the Mayor and Cabinet in February 2026. The proposed Rent Increase will become effective from 6th May 2026.

## 2 Context

Dwelling rents

2.1 Lewisham Council is a Registered Provider (RP) of social housing and is required to comply with the Government's Rent Policy. The Rent Policy stipulates the maximum increase which may be applied each financial year.

2.2 The current Rent Policy permits RPs to increase rents by a maximum of CPI (Consumer Price Index) + 1%. The CPI figure is taken from the 12 months ending 30th September each year.

2.3 The Government has consulted on reintroducing Rent Convergence to bring actual current rents up to formula rent levels. Rent convergence was a social housing policy that aimed to make rents for similar properties across the country more consistent by aligning them with a national formula rent. It works by allowing rents to increase faster than inflation until they reached a target level based on property size and value and local incomes used within the formula rent calculation. This is normally implemented by allowing rents to increase by an additional factor for example +£1 or +£2 per week within the usual formula increase which is based on CPI + 1%. As part of the 2025 Autumn budget statement the Government stated that they will confirm the convergence value in January 2026.

2.4 The CPI figure for the 12-month period ending September 2025 was 3.8%. This means that the Council can increase rents for 2026-27 by a minimum of 4.8% (3.8% +1%). The table below demonstrates the average increase that would be applied based on CPI + 1%, as well as a convergence element of £1, £2 or £3 per week;

| Current Average Rent | CPI +1% Increase | CPI +1% +£1 Increase | CPI + 1% +£2 Increase | CPI +1% +£3 Increase |
|---|---|---|---|---|
| | | | | |
| £123.96 | 4.80% | 5.61% | 6.41% | 7.22% |
| | £5.95pw | £6.95pw | £7.95pw | £8.95pw |
| | £129.91pw | £130.91pw | £131.91pw | £132.91pw |

2.5 For 2023-24 financial year the Government ruled that rent increases to be applied that year should be capped at 7%, even though the CPI figure was 10.1%, during a year of exceptionally high inflation. The aim of the cap was to reduce the burden on households. The effect of this though was to move the burden to RPs, who were still impacted by high inflation in funding their service delivery.

2.6 The Government did not cap the increase for 2024-25 or 2025-26. The proposed increase for 2026-27 will be based on the Governments recommended increase in the formula calculation of CPI + 1% plus the convergence element, which will be announced in January 2026. The Council recognises the fact that tenants still face high living costs, however the Council will need to apply the maximum allowable for 2026-27, to be able to afford to continue to deliver services to residents, maintain and invest in the housing stock and make sure that the Housing Revenue Account is sustainable in the medium and long term.

Service charges

2.7 Service charges are payments made by residents for services received in connection with the occupation of their homes. Examples include the management and upkeep of communal areas, health and safety functions and repairs to/investment in the fabric of flat blocks. It also includes a range of services to estates. This may include caretaking, communal heating and lighting and grounds maintenance.

2.8 Some of these services are required to be delivered for all tenants as part of the tenancy agreement and/or the landlord's legal obligations. Where this is the case, the costs will be included as part of the weekly rent charge for example repairs. Some additional services are 'de-pooled' from dwelling rents, which means they are payable on top of the rent charge for example Heating. Leaseholders are required to contribute to the costs as set out in their individual Lease Agreement.

2.9 The Council is legally required only to pass on charges which are reasonably incurred. To make a reasonable assessment of what the charges should be, the Council calculates estimated service charges for the following year by looking at the actual charges which were incurred during the full previous year for which they have audited accounts and adding on an inflationary amount. This is to ensure that full cost recovery is maintained for services supplied.

2.10 A review of costs incurred by the authority and passed onto tenants via a service charge has been undertaken and has found that full cost recovery has not always been maintained for some of the services supplied. These mainly relate to utility charges but also include a review of Caretaking, Grounds Maintenance, Heating and Communal Lighting and Lifts.

2.11 The review has shown that there is a shortfall in recovery of these charges which needs to be addressed by the council and increased charges to tenants for 2026-27 onwards. The Council recognises the fact that tenants still face high living costs, however the Council will need to recover the shortfall in recovery which has an impact on the ability of the HRA to maintain services.

2.12 For 2026-27, it is proposed to set charges at full cost recovery based on audited accounts for 2024/25, plus an increase of 3.8%. Actual charges can only be fully determined at the end of the year once the services have been delivered. Once the actual charges are determined, Leaseholders will either receive a credit to their accounts for any overpaid monies or will receive a bill to make up the difference, where the estimated charges were less than the actual costs. For tenants, the costs will be reflected in the following years charges.

2.13 The Regulator of Social Housing does not govern service charge increases in the same way as it governs rent increases. However, its guidance within the Rent Standard is that registered providers should endeavour to limit service charge increases for tenants, whilst maintaining full cost recovery.

2.14 Where the service charges include repairs and maintenance costs for leaseholders, the Council has used an average of the past three years' costs, to help eliminate any unusual fluctuations in costs. The inflationary uplift is added to this. For services such as asbestos surveys, fire risk assessments and pest control, these costs will be charged in line with the contract values, as charged at the time.

Tenants' fund contribution

2.15 The Tenants' Fund was set up more than 20 years ago to provide financial support for residents' associations and other activities. The Fund is administered by an independent Tenants' Group which has registered as a business with Companies House. All tenants contribute 15p per week to the fund, from their rent payment. No proposals have been received to vary the current levy for the Tenants' Fund contribution. The detail is covered in a separate report.

Garage Rents

2.16 Garage rents are set by the Council's Estates Team. Garage rent increases are not included in the Regulator's Rent Standard nor the Government's Rent Policy as they are not dwellings.

2.17 It is proposed that garage rents are increased by 4.5%. This represents an average increase of £0.94 per week. The proposed increase will raise an additional £94,500.

2.18 The income goes into the Council's General Fund and not the Housing Revenue Account. The proposed increase to garage rents is covered in a separate report.

## 3 Policy Context

3.1 The contents of this report are consistent with the Council's policy framework. It supports the achievements of the following corporate strategy objective:

- Tackling the housing crisis – Everyone has a decent home that is secure and affordable.

3.2 The contents of this report also support the objectives of the Housing Strategy 2020-26 and ensuring a properly funded HRA.

- Delivering the homes that Lewisham needs
- Improving the quality, standard and safety of housing
- Supporting our residents to live safe, independent, and active lives
- Strengthening communities and embracing diversity.

3.3 In order to deliver on its Housing Strategy, the Council must produce a balanced HRA Business Plan, which by law is not permitted to go into deficit. As outlined above, it should be noted that the HRA cost base for management and maintenance, materials and capital investment will be increased due to inflationary pressures. Supply chain and labour costs remain challenging due to the difficult economic climate and the ongoing impact of Brexit and the geopolitical situation in the world. There are also additional cost pressures associated with delivering on the zero-carbon agenda and the increased regulatory burden arising from the Social Housing Regulation Act 2023 and other legislative changes such as the Building Safety Act 2022. In addition, debt interest charges will also increase based on the need to borrow for HRA investment needs and the increase in interest rates.

## 4. Proposal for rent increases

4.1 Proposals for rent increases in 2026-27 reflects the Government's Rent Policy and the Regulatory Rent Standard, which allows registered providers to increase formula/target rents by the annually reported September CPI inflation index plus 1%. Formula/target rent is the basis for setting social housing rents in England, calculated using a government formula that combines property valuation data, local income levels, and a "bedroom weight" for property size.

4.2 However, there have been two recent government consultations on changes to policy on rents and rent increases.

4.3 The first consultation was the 'Future of social housing rent policy' which related to a 5- or 10-year policy of rent increases based on the current formula of CPI + 1%. Lewisham's Forecast for rent increases within the HRA Financial Model was CPI + 0.5% from 2027/28 onwards. The consultation closed on 23rd December 2024.

4.4 Lewisham Council responded to the consultation stating that it was imperative that the Government recognise the financial pressures on Councils and provide us with additional funding. Significant financial pressures are already bearing down on local authority HRAs. Primarily these pressures have been driven by the previous policy to reduce social housing rents by 1% for four years from 2016/17 but have also been compounded by the impacts of the COVID-19 pandemic, rising inflation impacting on the HRA cost-base, and increasing demands on funding as noted above whilst continuing to achieve a balanced HRA.

4.5 Government subsequently confirmed that rents would be allowed to increase by CPI + 1% for 10 years from 2026/27. This provides certainty of rent increases for planning purposes and will generate an additional £500k per year above the forecast amounts within the HRA business Plan.

4.6 The second consultation was related to "How to implement social housing rent convergence" issued on 2nd July 2025. The deadline for responses was 11.45pm on Wednesday 27th August 2025.

4.7 The consultation had five questions related to options to allow current rent to increase and 'converge' with formula/target rent, which is higher than current rent levels due to the reductions and caps put in place for previous rent increases, for local authority HRA stock. This mainly revolved around increasing rents by an additional £1 or £2 per week for a period of 5 or 10 years.

4.8 Based on analysis undertaken the current difference between total actual rental income for dwelling stock @ £89.4m and the formula/target rent level @ £93.0m was £3.6m annually.

4.9 The authority responded to the consultation showing that at the levels of £1 or £2 the authority will not get all stock to formula/target rent within ten years and that even at CPI +1% + £3 will not bring all properties to formula/target rent.

4.10 Analysis showed that at £1 per week the additional income to the HRA after 10 years is £4.98m cumulative per year but after 10 years the model shows that 605 units would not be at formula/target rent, unless there are some relets within that period.

4.11 At £2 per week the additional income to the HRA after 10 years is £5.23m with 254 units not at formula/target rent.

4.12 Given that neither of the options put forward by the government leads to all units at formula rent after 10 years the authority modelled a £3 per week increase. Under this increase the model delivers £5.34m with 83 units not at formula rent and is a more acceptable outcome. This was put forward by the authority in its response, together with a comment that stock should be allowed to converge over a longer period than 10 years if necessary.

4.13 Government advised in the autumn 2025 budget statement that the response to the convergence consultation would be announced in January 2026.

4.14 In line with the revised formula rent calculation policy, rents for 2026-27 will rise by a minimum of 4.8% based on CPI of 3.8% (as of September 2025) + 1%, plus a potential convergence element to be announced in January 2026 as allowable under the Government's Rent Policy. London Affordable Rents, which is set by the Mayor of London will also increase by the formula of CPI + 1%.

4.15 As shown in the table below, a minimum 4.8% increase in average rents for HRA dwelling stock 2026-27 equates to an average increase of £5.95pw over a 52-week period. This will increase the full year average dwelling rent for the London Borough of Lewisham from £123.96pw to £129.91pw. The proposed increase will result in a minimum additional income of £4.268m for the HRA. The table also shows the likely impact on rents of an additional £1, £2 or £3pw depending on the convergent element the government will confirm in January 2026.

| Current Average Rent | CPI +1% Increase | CPI +1% +£1 Increase | CPI + 1% +£2 Increase | CPI +1% +£3 Increase |
|---|---|---|---|---|
| | | | | |
| £123.96 | 4.80% | 5.61% | 6.41% | 7.22% |
| | £5.95pw | £6.95pw | £7.95pw | £8.95pw |
| Forecast Rent 2026/27 | £129.91pw | £130.91pw | £131.91pw | £132.91pw |
| Additional Income | £4.268m | £4.985m | £5.703m | £6.420m |
| Convergence Amount | | £0.707m | £1.435m | £2.152m |

4.16 The rent increase for 2026-27 financial year will become effective from 6th May 2025.

4.17 The following table provides an illustration of the potential average rent rise by bedroom size for housing stock in the HRA as of 1st April 2025, subject to confirmation from government.

| Bed size | Average Rent 2025/26 | Average Rent 2026/27 4.8% | Average Rent 2026/27 4.8% + £1 | Average Rent 2026/27 4.8% + £2 | Average Rent 2026/27 4.8% + £3 |
|---|---|---|---|---|---|
| Bedsit | £92.33 | £96.77 | £97.77 | £98.77 | £99.77 |
| 1 | £109.16 | £114.40 | £115.40 | £116.40 | £117.40 |
| 2 | £122.41 | £128.29 | £129.29 | £130.29 | £153.15 |
| 3 | £143.27 | £150.15 | £151.15 | £152.15 | £153.15 |
| 4 | £160.81 | £168.53 | £169.53 | £170.53 | £171.53 |
| 5 | £183.32 | £192.12 | £193.12 | £194.12 | £195.12 |
| 6 | £191.76 | £200.97 | £201.97 | £202.97 | £203.97 |
| 7 | £204.26 | £214.07 | £215.07 | £216.07 | £217.07 |
| **Average Total** | **£123.96** | **£129.91** | **£130.91** | **£131.91** | **£132.91** |

4.18 In addition to the above, the authority will continue with its policy for void re-lets to be charged at formula rent levels once the property is brought back into use. This generally affects a few hundred units per year.

## 5 Proposal for Tenants Service Charge increases.

5.1 As stated in previous reports to tenants, the council has embarked on an assessment of full cost recovery for service charges. The results of this exercise has shown that there is significant under recovery taking place particularly around energy charges. This is shown in the table below when comparing current charges for each service together with its actual cost. The Council is therefore proposing to increase services charges to ensure full cost recovery is achieved and maintained.

5.2 This will include charges for heating which, based on full cost recovery would increase by an average of £5.21 per week for 2026/27. The Council recognises the fact that tenants still face high living costs and whilst the average increase for heating is calculated to be £5.21 per week, there will be some accounts where a higher-than-average charge was due to be implemented. Therefore, the proposal is that charges would be increased by no more than a maximum of £6 per week above 2025/26 levels. This is in an attempt to strike a balance between being fair to tenants and being able to afford to continue to deliver services to residents, maintain and invest in the housing stock and ensure that the Housing Revenue Account is sustainable in the medium and long term.

5.3 The table below sets out the actual audited service charges and unit cost for 2024/25. These are shown in the yellow highlighted cells, both as an actual cost and as a cost per unit. The current average charge applied to tenants for 2025/06 is shown in the blue highlighted cells. The estimated cost and proposed charges for 2026/27 is shown in the grey highlighted cells. This shows that there is a significant under recovery of costs. As stated above, heating costs will be limited to an overall average increase of £6 per week.

5.4 The service charge increases for residents who do not receive the communal heating charge will be £2.36 or 14.14%.

| | 2024/25 Actual | | | 2026/27 Estimate | | | |
|---|---|---|---|---|---|---|---|
| **Existing Service** | **Actual Cost 2024/25** | **Unit Cost Based on 2024/25 Actual** | **Current Average Weekly Charge 2025/26** | **Estimated Cost 2026/27** | **Proposed Average 2026/27 Weekly Charge** | **£ Increase from 2025/26 Charge** | **% Increase from 2025/26 Charge** |
| Bulk waste removal & disposal | £806,573.56 | £0.87 | £0.87 | £837,223.36 | £0.90 | £0.03 | 3.36% |
| Caretaking | £3,317,465.84 | £7.10 | £7.11 | £3,443,529.54 | £7.37 | £0.26 | 3.72% |
| Grounds maintainance | £1,431,404.00 | £2.98 | £2.98 | £1,485,797.35 | £3.10 | £0.12 | 3.93% |
| Pest control | £125,298.15 | £2.65 | £2.18 | £130,059.48 | £2.75 | £0.57 | 26.36% |
| Window cleaning | £36,402.08 | £0.12 | £0.10 | £37,785.36 | £0.12 | £0.02 | 24.81% |
| **Total excluding Energy Charges** | **£5,717,143.63** | **£13.73** | **£13.24** | **£5,934,395.09** | **£14.25** | **£1.01** | **7.63%** |
| *Heating | £1,429,715.64 | £21.67 | £17.28 | £1,484,044.83 | £22.49 | £5.21 | 30.15% |
| Communal lighting | £1,948,827.80 | £4.62 | £3.45 | £2,022,883.26 | £4.80 | £1.35 | 39.12% |
| **Total Energy Charges** | **£3,378,543.44** | **£26.29** | **£20.73** | **£3,506,928.09** | **£27.29** | **£6.56** | **31.64%** |
| | | | | | | | |
| **Grand Total** | **£9,095,687.07** | **£40.02** | **£33.97** | **£9,441,323.18** | **£41.54** | **£7.57** | **22.28%** |

***Heating Charges cover estates/blocks with Communal Heating Systems only. Approximately 1,275 tenants receive this charge.**

**Yellow Cells = 2024/25 data**
**Blue Cells = Current 2025/26 Charge**
**Grey Cells = 2026/27 Estimates**

5.4 The service charge increases for residents who do not receive the communal heating charge will be £2.36 or 14.14%.

## 6 Efficiencies & Savings Proposals for 2026-27

6.1 The Council is playing its part on giving tenants and leaseholders value for money, whilst ensuring that resources are available to meet costs and investment needs for 2026-27 and future years.

6.2 There are ongoing discussions regarding Value for Money and efficiencies that can be achieved to ensure that the HRA remains sustainable into the future. Any efficiencies that are delivered against the current financial budget will be reinvested back into the HRA.

6.3 An update of the HRA Strategy and proposed rent and service charge increases will be reported to Mayor and Cabinet as part of the HRA Rents and budget strategy report in February 2026.

## 7 Recommendation

7.1 Residents are invited to comment on the proposals. Residents' comments from the meetings held on 2nd & 3rd December 2025 and the leasehold forum on 11th December 2025 will be included in the Housing Select Committee (HSC) Report, which will be presented at the meeting on 14th January 2026. Where additional comments are received after the cut-off date for the preparation of the HSC report, the comments will be fed back through the Public Accounts Select Committee and the Mayor and Cabinet budget report. The cut-off date for these reports is the end of December 2025. Mayor and Cabinet will be requested to approve and ask full council to approve the rent increase for dwellings and an increase of 22.28% for service charges for tenants and leaseholders. This will be on the basis of the maximum allowable increase as announced by Government in January 2026.

**If you require any more information about this report, please contact Carol Hinvest via email: Carol.hinvest@lewisham.gov.uk**

<table>
<tr><td colspan="4">INCLUSIVE REGENERATION<br>Estates Team Report</td></tr>
<tr><td>Report Title</td><td colspan="3">Rental Increases for Garages from April 2026 –Lewisham Council and Regenter RB3</td></tr>
<tr><td>Key Decision</td><td>Yes</td><td></td><td>Item No.</td></tr>
<tr><td>Contributors</td><td colspan="3">Property Estates and Capital Programme Delivery Team</td></tr>
<tr><td>Class</td><td colspan="2"></td><td>Date: December 2025</td></tr>
</table>

## 1. Purpose and Summary of the report

The purpose of this report is to advise the tenants, Brockley tenants and leaseholders and the Leaseholder Forum of the proposed increase in the rent paid by tenants for domestic garages owned by the Council for the next financial year. For the past few years, the garage rents have been increased in line with the Retail Prices Index, which currently stands at 4.5% at the end of September 2025.

## 2. Recommendation

It is recommended that the Council approves, in principle, an increase in rent for the garage portfolio of 4.5%, to be effective from April 2026.

Blue Badge holders will continue to receive a 50% reduction in the weekly rent.

## 3. Policy Context

The contents of this report are consistent with the Council's policy framework and supports the corporate strategy objectives.

## 4. Background

For the forthcoming financial year from April 2026, it is intended that the increase applied is 4.5%, which is in line with the current Retail Prices Index.

There are approximately 134 Council garage sites in the borough, comprising 182 garage blocks. There are 2,379 garages in total, which are split 2,011 to Lewisham Council, 311 Brockley Regenter and 57 TMO's. The split between social tenants/ leaseholders and non- residential tenants is approximately 70%/30%

The current waiting list for Lewisham Council garages is approximately 4,596 applicants.

A Council housing tenant or a leaseholder pays the basic price for a garage (subject to any specific discounts agreed) and a private individual pays the basic price with the addition of 20% VAT. Blue Badge holders receive a 50% reduction in the weekly rent. The application of a discount is a discretionary decision on behalf of the Council, as garages are not a core social dwelling provision.

The highest rent charged is £35.80 per week and the lowest is £19.28 per week. However, some garages are charged at less than the lowest rate per week. These are discounted rates (50% of the full charge) for tenants with blue badges.

The authority continually reviews rental values across the garage stock to ensure they remain on a sound commercial footing and reflect market rents. Any additional changes are likely to be consulted on and implemented for financial year 2027/28 onwards.

**5. Financial Implications**

The current annual rent roll for the garage portfolio is £2.1M based on a basic average standard charge of £20.95 per week per garage (i.e., before discounts are applied).

If the rents are increased by 4.5%, as proposed, in April 2026, the revised annual rent roll will increase to approximately £2.2M, or from £20.95 per week to £21.89 per week per garage, an uplift of £0.94p per week on average, and a total increase of approximately £94,500 on the annual rent roll.

**6. Legal Implications**

The garages are let to tenants, Brockley tenants and leaseholders under licence agreements as opposed to tenancies or lease agreements, which means that there is no statutory obligation to consult licensees regarding rent increases.

Instead, rental increases are governed by the contractual terms in the licences agreements, Section A, Rent paragraph 6 of the Council's Garage Licence Agreement, states that the Council "*may at any time change the rent or vary any of the conditions of the licence by giving [the licensee] no less than one week's notice in writing of the increase or the variation"*

. The Council still needs to act reasonably, and the decision maker should therefore be satisfied that the increase is reasonable and justified. The general principle is that the Council should be seeking best value.

**7. Crime and Disorder Implications**

There are no specific crime and disorder implications in this report. However, levels of voids could increase in the future if there is a lack of investment. Poorly maintained garages with high vacancy rates can in turn lead to increased levels of crime and anti-social behaviour.

**8. Equalities Implications**

The proposed 4.5% increase will be applied across the portfolio to residents and non-residents. Blue badge holders will continue to receive a 50% discount on the weekly rent as existing.

**9. Environmental Implications**

There are no specific environmental implications in this report.

## 10. Conclusion

The proposed rental increase is considered to reflect market rent and be sustainable and will raise additional revenue from the portfolio of approximately £95,000 or £73,115 net after blue badge discounts have been applied.

## 11. Further Information

If there are any queries on this report, please contact Kplom Lotsu Kplom.lotsu@lewisham.gov.uk

| | | | |
|---|---|---|---|
| Meeting | **Tenants' Rent Consultation Meeting** | Item No. | |
| Report Title | **Lewisham Tenants Fund Budget for the Financial Year 2026-27** | | |
| Report Of | **Lewisham Tenants Fund Directors** | | |
| Class | **Information** | Date | **November 2025** |

**1. Purpose of the Report**

1.1 To inform tenant representatives of Lewisham Tenants Fund's budget for the financial year 2026-2027

**2. Recommendation:**

2.1 **The Tenant Levy charge will remain at 15p per week for the 2026–2027 financial year. Any underspend from the current year will be allocated to strengthening residents' engagement structures, as well as supporting tenants' training, development, and wider engagement activities.**

2.2 To note the Fund's draft business strategy for 2026-2027 **Appendix A**

2.3 To note the Fund's draft budget for 2026-2027. **Appendix B**

2.4 To note the financial statements for the year ending 31 March 2025 **Appendix C**.

**3. Background of the Report**

3.1 **Lewisham Tenants Fund (LTF)** has been in existence since 1992. It was established to provide an independent source of funding for tenant groups and to promote participation and decision-making on behalf of residents across Lewisham.

- Approve and monitor the use of the Fund, ensuring that expenditure supports the development, training, and activities of tenants' groups within the London Borough of Lewisham.
- Ensure that all groups entitled to receive monies from the Fund meet the recognition requirements set by the Fund's members.
- Enable recognised groups to achieve their objectives by participating in consultations with their registered social landlord or managing agent on housing management and policy matters.
- Promote the harmonious functioning of a multi-racial community and work towards eliminating racism and discrimination, ensuring that all tenants—regardless of nationality, race, colour, age, disability, medical condition, sex, sexual orientation, political belief, or religion—are able to participate fully in the consultation process.

The current tenant contribution to the Fund is **15p per week**.

## 4. Implications

4.1 Legal Implications

4.1.1 None specific to this report.

4.2 Financial Implications

4.2.1 Contained within the report

4.3 Value for Money Implications

83% of planned expenditure is distributed to accredited tenant groups, and 17% of expenditure is retained for administration and overheads. This compares favourably with other grant-making organisations.

4.4 Equality and Diversity Implications

4.4.1 None specific to this report

**Business Strategy 1 April 2026 – 31 March 2027** *Appendix A*

**Corporate Governance**
Lewisham Tenants Fund (LTF) is an independent company limited by guarantee. The guarantors are tenants who sign up as full members of LTF. In the event of insolvency, each member's liability is limited to a maximum of £1. Membership is open to all tenants whose landlords contribute to the Fund on their behalf.

The Management Committee is made up of up to 12 tenant directors and 4 independent directors. Tenant directors are elected by the Fund's members, while independent directors are appointed by the Management Committee.
The directors are responsible for setting the organisation's strategy and overseeing its finances, governance, and compliance with all legal and regulatory requirements. They ensure that internal financial controls are robust and that all policies, including those related to grant funding and employment, are properly followed.

All directors serve voluntarily and receive no payment other than reimbursement for expenses incurred while performing their duties as non-executive directors. They are not involved in the day-to-day management of the Fund. Administrative and audit roles are remunerated, with performance regularly monitored by the directors.
Directors are encouraged to participate in independent training sessions and webinars. In October this year, the majority of LTF directors attended a Tpas training session on the role of a director within a not-for-profit organisation.

---

**Strategic Governance**
The Fund's primary purpose is to provide grants to accredited tenant groups, enabling them to participate effectively in consultations with their landlord. Grants are also available to support the training of tenant representatives and the establishment of new groups.
The directors focus on evaluating the Fund's overall performance and measuring its impact in relation to these objectives. They also ensure that robust policies are in place to support the achievement of the Fund's aims and that beneficiaries receive the necessary training, equipment, and grant funding to build the skills and confidence required to influence housing-related consultation and decision-making.

---

**Grants to Accredited Tenant Groups**
A total of **£17,405.60** (increase of 10% on prior year budget) has been allocated to provide **Administration Grants** covering the day-to-day running costs of currently active Tenants and Residents Associations (TRAs). This allocation is based on the number of tenanted properties represented by each accredited TRA.
An additional **£56,000** has been budgeted for **Small Grants**, which may be used for the purchase of larger items such as equipment and computers, or for hosting community events designed to encourage greater tenant involvement. This allocation also includes funding for TRA committee training and marketing activities.
To qualify for funding, all TRAs are required to submit a draft budget and independently audited accounts as part of the grant assessment process.

A Kick Start budget of £1,000 will be available to pay for venue hire/refreshments/printing for groups of tenants wanting to start a Tenants Association and Tenant groups wishing to re-launch.

A budget of £7,000 has been set aside for the independent chairing of the Residents Review Panel.

**Training Grants & Tenants Travel Grants**

A sum of £12,000 has been set aside to enable tenants to attend external training courses, this includes support for the Council's tenant panel representatives to attend the Certificate in Housing Practice level 2. We will continue to fund independent mentoring and support for existing TRAs and tenants who wish to start up a TRA.

**Community Support Grant**

The sum of £8,000 has been allocated to a new grant category designed to support community projects that fall outside the scope of forming a TRA but align with the Council's values and have received Directors' approval.

**Membership Subscriptions**

The Fund has set aside £2,800 to pay for Tpas membership for all Lewisham Council Housing, and TMOs. This entitles all Tenants Associations to have free membership of Tpas in their own right. Membership benefits include reduced conference costs, low-cost or free attendance at training/events/seminars, and a regular emailed newsletter.

**Staffing**

During the current year, LTF employed one part-time worker, (17.5 hours a week) to provide governance, grant funding, and financial administration. All TRAs grant expenditure is monitored annually and each TRA is visited at least bi-annually, usually at their AGM.

LTF currently requires £50,595 in designated reserves to cover voluntary liquidation costs, redundancy costs, late grant payment, staff sickness, and replacement of office machinery.

**TRA Development & Training Salary**

The budget includes an allocation of £40,000. LTF is engaged in providing grant funding, training, support, and assistance to Lewisham Council tenants through its skilled permanent staff and independent contractors. The Consultant is suitably qualified and experienced to deliver the required services.
The £40,000 allocation for the Consultant remains unchanged from the previous year.

| | Actual Expenditure Apr 25 - Sep 25 | Apr 25 Mar 26 Budget full year | Proposed Budget Apr 26- Mar 27 |
|---|---|---|---|
| **Income** | | | |
| Tenants Levy Grant | 53,820.00 | 107,640.00 | 107,383.00 |
| Bank Interest | 1,552.00 | 2,000.00 | 3,000.00 |
| Returned Levy Grants | 40.00 | 0.00 | |
| **Total Income** | 55,412.00 | 109,640.00 | 110,383.00 |
| **Expense** | | | |
| TRA Development/Training Salary | 18,518.00 | 40,000.00 | 40,000.00 |
| Administration Grants | 3,270.00 | 16,712.00 | 17,405.60 |
| Small Grants | 14,949.00 | 66,600.00 | 56,000.00 |
| Kick Start Grants | 34.00 | 1,000.00 | 1,000.00 |
| Resident Review Panel | 2,683.00 | 5,000.00 | 7,000.00 |
| Tenant Training Grants | 408.00 | 7,000.00 | 12,000.00 |
| Tenants Travel Grants | 65.00 | 250.00 | 300.00 |
| TPAS Membership Grant | 2,670.00 | 2,600.00 | 2,800.00 |
| Community Support Grant | 0.00 | 0.00 | 8,000.00 |
| Independent Examination | 940.00 | 940.00 | 1,000.00 |
| Bank Charges | 51.00 | 102.00 | 105.00 |
| Tele/broadband | 320.00 | 550.00 | 550.00 |
| Corporation Tax | 0.00 | 500.00 | 775.00 |
| Directors Expenses | 35.00 | 200.00 | 200.00 |
| Insurance | 246.00 | 260.00 | 300.00 |
| Staff Training | 1,545.00 | 1,600.00 | 2,000.00 |
| Meeting Costs | 208.00 | 430.00 | 450.00 |
| Postage | 171.00 | 250.00 | 300.00 |
| Professional Advice/Fees | 0.00 | 200.00 | 200.00 |
| Publicity & Marketing | 310.00 | 500.00 | 1,000.00 |
| Office Rent | 3,000.00 | 3,000.00 | 3,300.00 |
| Office Equipment | 85.00 | 200.00 | 1,000.00 |
| Salary Admin | 10,102.00 | 19,600.00 | 20,500.00 |
| Stationery | 145.00 | 1,000.00 | 1,000.00 |
| Staff Expenses | 0.00 | 0.00 | 0.00 |
| **Total Expense** | 59,755.00 | 168,494.00 | 177,185.60 |

*Appendix C*

## Income Statement
## For the year ended 31 March 2025

| | 2025 | *2024* |
|---|---|---|
| | £ | £ |
| Turnover | 109,235 | *109,075* |
| Other income | 3,487 | *2,647* |
| Staff Costs | (18,695) | *(18,876)* |
| Other charges | (72,350) | *(56,419)* |
| Tax | (663) | *(503)* |
| **Surplus income over expenditure for the financial year** | £ 21,014 | £ *35,924* |

## Statement of Financial Position
## At 31 March 2025

| | 2025 | *2024* |
|---|---|---|
| | £ | £ |
| **Current assets** | | |
| Prepayments | - | *3,798* |
| Cash at the bank and in hand | 261,828 | *237,567* |
| | 261,828 | *241,365* |
| **Creditors:** Amount falling due within one year | (6,399) | *(6,950)* |
| **Net current assets** | 255,429 | *234,415* |
| **Net assets** | **£ 255,429** | ***£ 234,415*** |
| **Reserves** | | |
| Retained earnings | 255,429 | *234,415* |
| | **£ 255,429** | ***£ 234,415*** |

In approving these financial statements as directors of the company, we hereby confirm the following:

For the year in question, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit for its accounts for the year in question, in accordance with section 476,

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the micro-entity provisions and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**The accounts were approved by the board of directors on 7th August 2025**

N Bowness, Treasurer and Director
Company registered number: 03667773

| | | | |
|---|---|---|---|
| Meeting | **Tenants' Rent Consultation Meeting** | Item No**.** | |
| Report Title | **Lewisham Tenants Fund Budget for the Financial Year 2026-27** | | |
| Report Of | **Lewisham Tenants Fund Directors** | | |
| Class | **Information** | Date | **November 2025** |

**1. Purpose of the Report**

1.1 To inform tenant representatives of Lewisham Tenants Fund's budget for the financial year 2026-2027

**2. Recommendation:**

2.1 **The Tenant Levy charge will remain at 15p per week for the 2026–2027 financial year. Any underspend from the current year will be allocated to strengthening residents' engagement structures, as well as supporting tenants' training, development, and wider engagement activities.**

2.2 To note the Fund's draft business strategy for 2026-2027 **Appendix A**

2.3 To note the Fund's draft budget for 2026-2027. **Appendix B**

2.4 To note the financial statements for the year ending 31 March 2025 **Appendix C**.

**3. Background of the Report**

3.1 **Lewisham Tenants Fund (LTF)** has been in existence since 1992. It was established to provide an independent source of funding for tenant groups and to promote participation and decision-making on behalf of residents across Lewisham.

- Approve and monitor the use of the Fund, ensuring that expenditure supports the development, training, and activities of tenants' groups within the London Borough of Lewisham.
- Ensure that all groups entitled to receive monies from the Fund meet the recognition requirements set by the Fund's members.
- Enable recognised groups to achieve their objectives by participating in consultations with their registered social landlord or managing agent on housing management and policy matters.
- Promote the harmonious functioning of a multi-racial community and work towards eliminating racism and discrimination, ensuring that all tenants—regardless of nationality, race, colour, age, disability, medical condition, sex, sexual orientation, political belief, or religion—are able to participate fully in the consultation process.

The current tenant contribution to the Fund is **15p per week**.

## 4. Implications

4.1 Legal Implications

4.1.1 None specific to this report.

4.2 Financial Implications

4.2.1 Contained within the report

4.3 Value for Money Implications

83% of planned expenditure is distributed to accredited tenant groups, and 17% of expenditure is retained for administration and overheads. This compares favourably with other grant-making organisations.

4.4 Equality and Diversity Implications

4.4.1 None specific to this report

**Business Strategy 1 April 2026 – 31 March 2027** *Appendix A*

## Corporate Governance

Lewisham Tenants Fund (LTF) is an independent company limited by guarantee. The guarantors are tenants who sign up as full members of LTF. In the event of insolvency, each member's liability is limited to a maximum of £1. Membership is open to all tenants whose landlords contribute to the Fund on their behalf.

The Management Committee is made up of up to 12 tenant directors and 4 independent directors. Tenant directors are elected by the Fund's members, while independent directors are appointed by the Management Committee.
The directors are responsible for setting the organisation's strategy and overseeing its finances, governance, and compliance with all legal and regulatory requirements. They ensure that internal financial controls are robust and that all policies, including those related to grant funding and employment, are properly followed.

All directors serve voluntarily and receive no payment other than reimbursement for expenses incurred while performing their duties as non-executive directors. They are not involved in the day-to-day management of the Fund. Administrative and audit roles are remunerated, with performance regularly monitored by the directors.
Directors are encouraged to participate in independent training sessions and webinars. In October this year, the majority of LTF directors attended a Tpas training session on the role of a director within a not-for-profit organisation.

---

## Strategic Governance

The Fund's primary purpose is to provide grants to accredited tenant groups, enabling them to participate effectively in consultations with their landlord. Grants are also available to support the training of tenant representatives and the establishment of new groups.
The directors focus on evaluating the Fund's overall performance and measuring its impact in relation to these objectives. They also ensure that robust policies are in place to support the achievement of the Fund's aims and that beneficiaries receive the necessary training, equipment, and grant funding to build the skills and confidence required to influence housing-related consultation and decision-making.

---

## Grants to Accredited Tenant Groups

A total of **£17,405.60** (increase of 10% on prior year budget) has been allocated to provide **Administration Grants** covering the day-to-day running costs of currently active Tenants and Residents Associations (TRAs). This allocation is based on the number of tenanted properties represented by each accredited TRA.
An additional **£56,000** has been budgeted for **Small Grants**, which may be used for the purchase of larger items such as equipment and computers, or for hosting community events designed to encourage greater tenant involvement. This allocation also includes funding for TRA committee training and marketing activities.
To qualify for funding, all TRAs are required to submit a draft budget and independently audited accounts as part of the grant assessment process.

A Kick Start budget of £1,000 will be available to pay for venue hire/refreshments/printing for groups of tenants wanting to start a Tenants Association and Tenant groups wishing to re-launch.

A budget of £7,000 has been set aside for the independent chairing of the Residents Review Panel.

**Training Grants & Tenants Travel Grants**

A sum of £12,000 has been set aside to enable tenants to attend external training courses, this includes support for the Council's tenant panel representatives to attend the Certificate in Housing Practice level 2. We will continue to fund independent mentoring and support for existing TRAs and tenants who wish to start up a TRA.

**Community Support Grant**

The sum of £8,000 has been allocated to a new grant category designed to support community projects that fall outside the scope of forming a TRA but align with the Council's values and have received Directors' approval.

**Membership Subscriptions**

The Fund has set aside £2,800 to pay for Tpas membership for all Lewisham Council Housing, and TMOs. This entitles all Tenants Associations to have free membership of Tpas in their own right. Membership benefits include reduced conference costs, low-cost or free attendance at training/events/seminars, and a regular emailed newsletter.

**Staffing**

During the current year, LTF employed one part-time worker, (17.5 hours a week) to provide governance, grant funding, and financial administration. All TRAs grant expenditure is monitored annually and each TRA is visited at least bi-annually, usually at their AGM.

LTF currently requires £50,595 in designated reserves to cover voluntary liquidation costs, redundancy costs, late grant payment, staff sickness, and replacement of office machinery.

**TRA Development & Training Salary**

The budget includes an allocation of £40,000. LTF is engaged in providing grant funding, training, support, and assistance to Lewisham Council tenants through its skilled permanent staff and independent contractors. The Consultant is suitably qualified and experienced to deliver the required services.

The £40,000 allocation for the Consultant remains unchanged from the previous year.

*Appendix B*

| | Actual Expenditure Apr 25 - Sep 25 | Apr 25 Mar 26 Budget full year | Proposed Budget Apr 26- Mar 27 |
|---|---|---|---|
| **Income** | | | |
| Tenants Levy Grant | 53,820.00 | 107,640.00 | 107,383.00 |
| Bank Interest | 1,552.00 | 2,000.00 | 3,000.00 |
| Returned Levy Grants | 40.00 | 0.00 | |
| **Total Income** | 55,412.00 | 109,640.00 | 110,383.00 |
| **Expense** | | | |
| TRA Development/Training Salary | 18,518.00 | 40,000.00 | 40,000.00 |
| Administration Grants | 3,270.00 | 16,712.00 | 17,405.60 |
| Small Grants | 14,949.00 | 66,600.00 | 56,000.00 |
| Kick Start Grants | 34.00 | 1,000.00 | 1,000.00 |
| Resident Review Panel | 2,683.00 | 5,000.00 | 7,000.00 |
| Tenant Training Grants | 408.00 | 7,000.00 | 12,000.00 |
| Tenants Travel Grants | 65.00 | 250.00 | 300.00 |
| TPAS Membership Grant | 2,670.00 | 2,600.00 | 2,800.00 |
| Community Support Grant | 0.00 | 0.00 | 8,000.00 |
| Independent Examination | 940.00 | 940.00 | 1,000.00 |
| Bank Charges | 51.00 | 102.00 | 105.00 |
| Tele/broadband | 320.00 | 550.00 | 550.00 |
| Corporation Tax | 0.00 | 500.00 | 775.00 |
| Directors Expenses | 35.00 | 200.00 | 200.00 |
| Insurance | 246.00 | 260.00 | 300.00 |
| Staff Training | 1,545.00 | 1,600.00 | 2,000.00 |
| Meeting Costs | 208.00 | 430.00 | 450.00 |
| Postage | 171.00 | 250.00 | 300.00 |
| Professional Advice/Fees | 0.00 | 200.00 | 200.00 |
| Publicity & Marketing | 310.00 | 500.00 | 1,000.00 |
| Office Rent | 3,000.00 | 3,000.00 | 3,300.00 |
| Office Equipment | 85.00 | 200.00 | 1,000.00 |
| Salary Admin | 10,102.00 | 19,600.00 | 20,500.00 |
| Stationery | 145.00 | 1,000.00 | 1,000.00 |
| Staff Expenses | 0.00 | 0.00 | 0.00 |
| **Total Expense** | 59,755.00 | 168,494.00 | 177,185.60 |

## Income Statement
## For the year ended 31 March 2025

| | 2025 | *2024* |
|---|---|---|
| | £ | £ |
| Turnover | 109,235 | *109,075* |
| Other income | 3,487 | *2,647* |
| Staff Costs | (18,695) | *(18,876)* |
| Other charges | (72,350) | *(56,419)* |
| Tax | (663) | *(503)* |
| **Surplus income over expenditure for the financial year** | £ 21,014 | £ *35,924* |

## Statement of Financial Position
## At 31 March 2025

| | 2025 | *2024* |
|---|---|---|
| | £ | £ |
| **Current assets** | | |
| Prepayments | - | *3,798* |
| Cash at the bank and in hand | 261,828 | *237,567* |
| | 261,828 | *241,365* |
| **Creditors:** Amount falling due within one year | (6,399) | *(6,950)* |
| **Net current assets** | 255,429 | *234,415* |
| **Net assets** | **£ 255,429** | ***£ 234,415*** |
| **Reserves** | | |
| Retained earnings | 255,429 | *234,415* |
| | **£ 255,429** | ***£ 234,415*** |

In approving these financial statements as directors of the company, we hereby confirm the following:

For the year in question, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit for its accounts for the year in question, in accordance with section 476,

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the micro-entity provisions and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**The accounts were approved by the board of directors on 7th August 2025**

N Bowness, Treasurer and Director
Company registered number: 03667773