Karbon Residents Committee **13th January 2026**

Erskine Board Room, Byker Community Trust

1. **Minutes of Previous Meeting**

   Agreed as a correct record.

2. **Matters Arising**

   There were no matters arising.

3. **Karbon Business Plan 2026/27**

   Two officers delivered a presentation setting out proposals for the 2026/27 Business Plan.

   In terms of context, information was provided relating to various factors that influence the business plan.

   It was advised that the volume of responsive repairs, demonstrated a year-on-year increase, as did the presumptions made for 2026/27. It is estimated that this will equate to an additional expenditure in the region of £8m in 2026/27.

   Planned investment data was discussed, along with an overview of how planned investment work is identified. It is envisaged that £52.7m of expenditure has been identified for 2026/27 and £56.9m for 2027/28.

   Performance for new homes developed was outlined, with 545 homes to be built in 2025/26. It is presumed that 381 new homes will be built in 2026/27 and 364 during 2027/28. The reduction in homes developed in future versus previous year's figures is due to current pressures on borrowing capacity. Future development will be delivered through an investor backed development vehicle, Graphite Homes. A question was asked in relation to government targets for house building. It was advised that there would need to be a potential increase required in terms of government grant, to continue building programmes to meet government targets.

   An overview was provided relating to inflation and CPI, along with some projections up until 2028. Information was provided that illustrated a 5.7% gap

between rent inflation and build cost inflation. It was advised that this related to approximately a difference of £10m.

The rent setting policy was outlined, and KRC were reminded of the formula of CPI in September of the previous year plus 1%. CPI being used. This was 3.8% in September 2025. It was advised that a 4.8% increase in rent had been discussed at the Board Away Day in December 2025.

It was advised that Karbon review the Rent Policy every year to ensure that appropriate rent levels are being set. Exceptions would be market rent properties that are excluded from the regulated rent regime. Tenancy agreements for those properties allow for rents to be set in line with market conditions. Shared ownership rents are set in line with the terms of the lease.

Graphs were provided that set out previous years rent collection performance and void loss. The information set out that rent arrears levels had reduced year on year and that previous rent increases had not impacted upon arrears levels. Various support services provided by Karbon, such as Money Matters, have benefitted customers in terms of tenancy sustainment.

Empty Homes levels were discussed, and it was advised that around 400 homes would be empty at any given time due to the void and allocation process. Void performance stands at around 35 days at present.

Rent Convergence was discussed with the formula explained. It was advised that similar properties in similar areas should share a similar rent. This is an attempt to ensure similarity between social homes in localities and existing and new tenants. The Government advised in November that guidance would be issued relating to formula rent convergence however this still has not been received.

It was advised that over 9k customer pay service charges, which generally relates to communal areas in terms of grounds maintenance, cleaning, utilities, lighting, fire safety etc. In addition, around 1.5k Leaseholders contribute to service charges, and some may also have “sinking funds”.

Various illustrations were provided setting out a forecast under collection of £2.9m in terms of service charges for next year. It was advised that this largely related to grounds maintenance costs. It is envisaged that 74% of service charge costs will be collected in 2026/27.

It was advised that service charge increases for 2026/27 would equate to approximately 19p per week for the largest proportion of customers, with the

highest average increase being £3.41, largely confined to supported and sheltered housing. Around 1500 customers will see a reductio in their service charge.

In summary, the presentation set out various external budget factors, repairs volume, rental income, employee costs and non-staff costs.

The Karbon Residents Committee were asked to comment on the following proposals:

- Rent Increase of 4.8% from April 2026.
- Rent Convergence in line with Government guidance.
- Service Charge increases.

A question was raised regarding an access system at Tom Collins House and how the cost of replacing the system would be accounted for in terms of service charge recovery. It was advised that cost recovery would be smoothed out over the life of the system and charged to tenants as part of service charge.

In response to a question on rent payments, it was advised that around 30% of customers pay rent without Government support. An overview of support services that Karbon provide for customers to assist in paying rent and sustaining tenancies was outlined.

The KRC acknowledged that Karbon have some financial challenges based upon what was set out in the presentation and understood the rationale for the suggested 4.8% rent increase in line with policy.

Following the conclusion of the discussion, the KRC made a request for a future presentation on Leasehold, Rent to Buy, Shared Ownership.

4. **Customer Involvement Update**

Scrutiny: The Chair and Vice-Chair of this Committee have been involved in the scrutiny review of Karbon's approach for vulnerable customers alongside Karbon colleagues.

The scrutiny panel has examined how customers who may be vulnerable are identified and supported across Karbon's services. The scrutiny investigation has covered how vulnerability information is shared through customer interactions, recorded on systems, and used by colleagues to inform their approach.

The panel have considered the training and guidance provided to colleagues, including communication, accessibility, mental health awareness, and the expectation of supportive conversations even where vulnerability is not formally disclosed.

It has been identified that training is embedded through induction, mandatory and role-specific learning, on-the-job practice, and ongoing manager support, with customer feedback and lived experience used to strengthen understanding.

Operational challenges such as time, funding, and workload pressures were acknowledged, alongside a strong organisational commitment to inclusive services and continued improvement in how vulnerability insight and customer voice are used.

The scrutiny review continues, and recommendations will be developed as the review moves forward.

Customer engagement group updates:

The Building Safety Panel took place on 25th November. A Director from Storm Tempest attended to take part in a discussion on Fire Safety and customer Q&A session. The session provided customers with direct access to expert insights on fire safety compliance and best practices. Customers valued the opportunity to ask questions and expressed appreciation for open dialogue.

The Leaseholder Forum took place on 25th November. A KRC member advised that the meeting had been largely dominated by leaseholders bringing personal issues and this needed to be addressed.

The Chester Le Street Area Forum took place on 3rd December. ASPIRE provided an overview of their free community support offer and highlighted the strong alignment with Karbon Homes' customer engagement and community investment priorities.

The Sheltered Housing Forum North & South took place in December. The groups received an update on the recent customer consultation regarding the Pet Policy. Customers provided clear and consistent feedback, which directly shaped the final amendments. Following the engagement exercise, the revised policy has now been formally approved.

Consett Area Forum took place on 10th December. Building Self Belief provided an overview of their work supporting vulnerable young people and communities. They highlighted their programmes aimed at reducing digital and social isolation and increasing aspiration, confidence, and community participation. The session demonstrated how their partnership with Karbon Homes has enabled meaningful community impact through various activities.

The Procurement Panel took place on 17th December. Topics covered were social value updates linked to procurement projects, the kitchen collaboration program and finally summary of 2-year procurement panel. The panel has completed two years of embedding the customer voice in procurement, improving supplier quality, governance, and transparency. Customer participation has shaped specifications, scoring, and contract expectations. Forward plans focus on expanding the panel's remit, increasing Social Value requirements in tenders, and enhancing digital procurement tools.
The panel meets regulatory standards for fairness, openness, and customer-centred oversight. Supplier engagement and contract quality have strengthened due to structured customer involvement. Planned procurement enhancements will improve accountability and service performance.

In addition to the above, the Customer Engagement Team have supported the Stanley food market and supported customers to attend the Northern Housing Consortium conference.

5. Renters' Rights Act

An officer provided a presentation covering the key details of the Renters' Rights Act and how it may extend to the social housing sector in the future.

The Renters' Rights Act received Royal Assent on the 27th of October 2025 and represents one of the most significant changes to renting law in England for decades.

Focused largely on the private rented sector, it is important for social landlords to understand it, as aspects may extend to social housing in future and will shape tenant expectations more broadly.

The key change is the abolition of Section 21, meaning landlords can no longer evict tenants without a reason.

All private sector tenancies will become periodic assured tenancies, allowing tenants to stay indefinitely unless landlords use valid Section 8 grounds with proper notice and evidence.

A Section 8 notice is used to seek possession where a tenant has breached their tenancy, most commonly due to rent arrears, property damage, or anti-social behaviour.

A key change is the introduction of the Decent Homes Standard into the private rented sector, bringing it more in line with social housing standards.

Local authorities will have stronger powers to investigate and enforce compliance.

A national landlord and property database will be introduced, alongside a new Private Rented Sector Ombudsman to help resolve disputes.

In Summary, the renters rights act will:

1. Strengthen tenant protections and security of tenure across all rented housing
2. Reduce the use of short term or starter tenancies
3. Raise maintenance and compliance expectations
4. Introduce new enforcement and dispute resolution mechanisms
5. Potentially affect housing demand and service delivery practises due to the wider rental market impact.

The KRC noted the content of the presentation and will welcome future updates on progress.

6. Karbon Resident's Committee Future Priorities

The KRC discussed future discussion priorities for the 2026/27 year and suggested the following:

- Repairs – Overview and regular performance updates, in light of the regulatory rating.
- Ongoing Finance update around reducing the financial pressures. Perhaps six months into the financial year.
- Update on Building Safety – progress with action plans and the real impact that actions have had upon customers.

- Social Challenges – what is impacting upon customers and communities?
- How do we get younger, and a greater diverse mix of people involved?
- Planning for Customer Conference.

7. **Any Other Business**

   There were no items of A.O.B.

8. **Meeting Close**

   The meeting closed at 1.00 p.m.