

# Camden Federation of Private Tenants

## **ANNUAL REPORT**



**April 2012 – March 2013**

**The Voice of Private Tenants in Camden**

# Camden Federation of Private Tenants

## Directors as at 31<sup>st</sup> March 2013:

- Susan Aykroyd (Treasurer)
- Carolyn Harms
- Rita Legros (Secretary)
- John McMillan
- Sarah Mitchell (Chair)
- Martin Brock
- Shirley Hafey
- Vic Seedman

## Staff team:

- Robert Taylor (Organiser, since April 2008)
- Meade McCloughan (Assistant Organiser, since April 2008)

## Volunteers:

- Michael Sarpong
- Esther Lau
- Robert Hudson
- Penny Akester

## Registered office:

11-17 The Marr  
Camden Street  
London  
NW1 0HE

Camden Federation of Private Tenants is registered under the Industrial and Provident Societies Act as the Camden Federation for Private Tenants, registration number 25086R (England & Wales).

Auditors: Simpson Wreford & Co, Wellesley House, Duke of Wellington Avenue, Royal Arsenal, London SE18 6SS



Thanks to our funder the London Borough of Camden for its financial support.



## ***Chair's Report 2013***

I'm very pleased to share with you the news that the organisation ends this year in the strongest position we've enjoyed for a long time, and with an important year of work ahead of us.

The management committee would like to say a big "thank you" to all our members and supporters this year – **THANKS** to your help and vocal support we have persuaded Camden Council of the real value of our organisation – **THANKS** to you the council has written CFPT into their upcoming work on the private rented sector - **THANKS** to you we have secured core funding for the organisation from October 2013 for another year, in what is an increasingly difficult financial climate.

For the first time ever we have been successful in obtaining a significant amount of additional charitable trust funding for the organisation. Trust for London have agreed to fund half of a three year project to set up a London-wide private tenants' forum, building on our many years experience of supporting and representing private tenants in the borough. This new project will enable us to engage with a much bigger number of tenants, and to get the voice of private tenants heard where it can really make a difference - regionally and nationally.

Our good news on funding though comes in the context of another challenging year for Camden's private tenants. With rising rents, ever-increasing demand for housing and the welfare benefit changes private tenants face stark choices about whether they can continue living in their homes. Unfortunately these high costs do not reflect an increase in the quality of Camden's rented accommodation and just getting basic repairs done by the landlord, remains a major problem for many private tenants.

Another big change we have seen is the increased interest of media and politicians in private renting. We have had several letters published in the local and regional media such as the Evening Standard and we gave our views to the Mark Forrest radio programme which has over 1.5 million listeners nationally. Local politicians too are interested in our work; and the Leader of Camden Council recently came and talked to a roomful of tenants to find out their views on how the council can best help them.

Across London private tenants have now started their own local groups in Islington, Haringey, Hackney/Tower Hamlets, Southwark and Lambeth as they realise that they too need to speak up in order to improve their rights and get their problems taken seriously. We are advising these new groups not only how to get started, but how to grow and crucially keep going in the long run.

In the year ahead we have many challenges to tackle. Foremost are ensuring that Camden Council's PRS strategy really delivers improvements for Camden's renters, securing the second half of our funding for the London Private Tenants' Forum, and increasing our membership still further, particularly amongst those people in the worst housing in the borough.

If we have worked with you in the past, we look forward to working with you in the future and to our new or potential partners and members – we look forward to working with you or welcoming you to one of our meetings or events very soon.

Sarah Mitchell

# Private Rented Sector In Numbers



2011 Census figures show that 32.3% of Camden's households now live in the private rented sector. This is a 40% increase from the 2001 figures and at this rate of growth 46% of Camden's households will rent privately by the next one in 2021.



Camden Council has calculated a family of four living in the private rented sector would need an income of £70,000 per year to "just get by".



30% of Camden's population moves every year. Most of these will be private tenants.



10% of Green Camden Helpline users are private tenants. 63% are council tenants.



There are over 819,000 privately rented homes in London, making it now the second biggest tenure in the capital.



One third of London's tenants have tried (unsuccessfully) to negotiate a rent reduction with their landlord.



One third of London's tenants say their agents is "poor" or "very poor" at responding to problems.



New research shows landlords can cope with a 25% reduction in their income "without any difficulty".



London's tenants pay more than £13.1 billion in rents to landlords every year.



Nationally, 38% of private tenants are living in poverty after their housing costs have been paid.

## **This is a summary of the main problems faced by private tenants living in Camden:**

**Unaffordable rents** - We regularly hear of demands for increases of anywhere between 5 -20%. The attitude of many landlords/agents is pay the rent increase we are demanding or leave. This creates a constant sense of fear and anxiety amongst tenants.

**More tenants than properties available** - A perennial problem in a popular place like Camden, but the impact is ever increasing rents and tenants in a weak position due to it being a landlords rather than a tenants market. It also means landlords/agents don't have to work very hard to get their tenants - so there is little or no incentive to provide high quality and well managed homes.

**Fear of eviction** - Due to the use of Section 21 notices we (and many others organisations) say that private tenants are only ever 2 months away from losing the roof over their head. A Section 21 Notice enables a landlord to seek re-possession of a property anytime after the first 6 months of a tenancy, and they only need to give 2 months notice to the tenant and do not have to give a reason why they are evicting them.

**Retaliatory eviction** - Occurs when a tenant asks for repairs and/or improvements to be made to their home and the landlord/agent responds by evicting them.

**Lack of knowledge of rights** - There is a worryingly low-level of awareness of legal rights amongst private tenants and this is particularly acute amongst vulnerable and disadvantaged groups who often don't know where to go for help and advice.

**Imbalance of power** - There is a clear imbalance of power in the tenant and landlord relationship, therefore trying to get things improved for tenants who are struggling as isolated individuals is extremely difficult. Our experience shows that having some support and back-up and being able to share their experiences gives them more confidence to tackle their problems because they feel they are not alone.

**Letting agents** - Charge high fees and provide a very poor service to tenants (hence the support from across the sector for agents to be regulated, even from the agents themselves). The additional burden of agents fees (a basic £250-300 administration fee is typical and we have heard of tenants being asked for £150 to re-new a tenancy) merely add to the financial problems already being faced by many private tenants, and because a high turnover of tenants is good for business; they exacerbate the problem of "churn" within the private rented sector.

**Poor property conditions** - Sadly, high rents do not mean high-quality and well-managed homes. Camden Council has estimated that the private rented sector contains the highest level (over 30%) of homes that fail the government's Decent Homes standard.

**Housing Benefit caps and other welfare reforms** - Increasingly means tenants on low incomes and/or benefits are faced with some very stark choices: either negotiate a lower rent (very unlikely for the reasons stated above), pay the new rent shortfall yourself or move out of the borough altogether.

**Impact on social cohesion** - Large groups of people faced with having to uproot and move from the borough to other places, undermines the development of long-term, stable and strong communities. A senior Camden councillor has said this will lead to "super gentrification and super pauperisation".



# Treasurer's Report 2013

Please see on the next page the following extracts from the audited accounts: the Balance Sheet at 31<sup>st</sup> March 2013 and the Profit and Loss Account for the Year ended 31<sup>st</sup> March 2013.

The Profit and Loss Account shows a noticeable reduction in both income and expenditure, and this on top of slight reductions the previous year. Income was reduced from the previous year by 13% and expenditure by 14%. With reduced funds, we have had to cut our cloth accordingly, and the reduction in expenditure has been achieved primarily by a reduction in staff hours, but also by cutting back on some of our activities, notably the newsletter, which we were not able to continue with in 2012-2013 (though we have been able to revive it in 2013-2014 with the help of additional funds which I will report on in next year's Annual Report). At the same time, many of our overhead costs remain the same or have even increased; in particular, we are now having to pay 20% of the business rates for the offices we use. However, the situation is sustainable, and we hope to be in a position to expand our operations next year.

Our main funding since January 2012 has been coming from the London Borough of Camden' Housing and Adult Social Care Department. This has been set at about three quarters of the level we previously received, hence the reductions noted above. This funding has been of course crucial in keeping the CFPT going, and having it maintained at this level has been helpful in terms of ensuring stability and continuity. It is also the case that we have a good working relationship with the Housing and Adult Social Care Department, which we hope to maintain and build on into the future.

The Balance Sheet shows overall reserves of £12,735. This figure includes two designated reserve funds instituted by the Management Committee two years ago. These are (i) a redundancy fund, currently standing at £6,727, and (ii) a premises fund, currently standing at £2,441. The intention is to increase these funds each year in line with the organisation's potential future liabilities.

On behalf of the Management Committee, I would like to thank once again the London Borough of Camden for its continued funding of the organisation. We have recently received the very good news that the Council's Housing and Adult Social Care Department will continue to fund us through to at least September 2014.

Susan Aykroyd

Copies of the full certified accounts are available on request from the staff.

# Camden Federation of Private Tenants

## Balance Sheet at 31 March 2013

	2013 £	2012 £
<b>Current assets</b>		
Debtors	652	506
Cash at bank and in hand	<u>39,455</u>	<u>12,335</u>
	40,107	12,841
Creditors: amounts falling due within one year	<u>(27,372)</u>	<u>(1,807)</u>
<b>Net current assets</b>	<u>12,735</u>	<u>11,034</u>
<b>Total assets less current liabilities</b>	<u>12,735</u>	<u>11,034</u>
 <b>Capital and reserves</b>		
Called up share capital	391	393
Designed reserves	9,168	6,936
Profit and loss account	<u>3,176</u>	<u>3,705</u>
<b>Shareholders' funds</b>	<u>12,735</u>	<u>11,034</u>

## Profit and Loss Account for the year ended 31 March 2013

	2013 £	2012 £
<b>Sales</b>		
Grants Received	57,890	66,530
Donations and other income	<u>1,422</u>	<u>1,596</u>
	59,312	68,126
 <b>Deduct: Expenses</b>		
- Rent and services	12,763	10,518
- Insurance	1,183	1,545
- Repairs and renewals	900	1,140
- Audit fee	1,200	1,080
- Accountancy and payroll services	145	805
- Salaries	36,778	43,537
- Telephone	1,102	1,127
- Stationery	2,199	3,681
- Equipment and IT	216	268
- Projects and events	83	323
- Subscriptions	717	787
- Publicity	-	1,699
- Sundry expenses	204	265
- Travelling	<u>119</u>	<u>193</u>
	57,609	66,968
<b>Net profit before taxation</b>	<u>1,703</u>	<u>1,158</u>

Approved by the Management Committee on the 3<sup>rd</sup> September 2013 and signed on its behalf by Sarah Mitchell and Rita Legros. This summary has been extracted from the full accounts, copies of which are available from CFPT's offices.

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