



# NED Network Briefing

22 November 2021

Set up by [HACT](#) and [PlaceShapers](#), with the support of [Anthony Collins Solicitors](#) and [Badenoch + Clark](#)

## **HACT- NED Network Fortnightly Meeting “Good Governance and the 2022 Rent Increase”**

Chaired by Andrew van Doorn, chief executive at HACT  
and led by Peter Hubbard, senior partner at Anthony Collins Solicitors.

This session explored how Board Members could approach discussing the 2022 rent increase. Attendees heard from Peter Hubbard, senior partner at Anthony Collins Solicitors (ACS), who lead a discussion on how Boards can make strong collective decisions in challenging circumstances that enable different views to be aired and for it to be a unifying, rather than a divisive, experience.

### Potential Issues

Many Board Members are only just returning to in-person Board meetings and many have felt isolated from decision-making during the pandemic. New Board Members may also have not yet built the depth of relationships with other Board Members that they would like.

The rent increase issue may divide people into two camps:

1. Those who feel strongly that the housing association (HA) should maximise their rents because of inflationary costs of materials, the increases in responsive repairs requests, the shortfall in Net Carbon Zero funding, and the increasing competition to retain staff; and
2. Those who consider that there should be a rent freeze – because HAs have had it comparatively easy through the pandemic with rates of poverty increasing for tenants, HA rents are a higher proportion of tenants' incomes than ever before and development activity for new homes is being funded by existing tenants through their rents rather than the government.

Unstructured discussions could lead to Board Members not listening to each other and experiencing divisive discussions.

### A Possible Model for Board Discussions

ACS held a series of roundtables with 40 to 50 company secretaries and heads of governance to explore different approaches and improve the quality of Board discussions.



# NED Network Briefing

22 November 2021

One model used was the Edward deBono Six Thinking Hats (or a similar method) as a more effective technique than an unstructured discussion. The approach revolves around the premise that effective thinking can be separated into six different, distinct functions with “six hats” as prompts.

The key benefits are:-

- Everyone looks through the same lens at the same time
- Everyone gets a chance to contribute
- It generates more factors and ideas
- Articulate first, debate later

See appendix for Peter's Slides

The group then discussed this approach and the following questions:

1. What do you see as the biggest risk to the Board in debating and deciding on rent increases?
2. As Board members how will we help overcome these issues?

## **The key points raised by attendees were:**

- The biggest risk is that all HAs are seen as the same when they are not; they will be in very different financial situations with a range of different homes and investment needs as well as different client groups and services. There is a risk that this will be overlooked in public arena debate and may pressurise some HAs to make poor financial decisions.
- Having the Board conversation and considering the question: “can we manage with less income?” is key to driving a quality debate.
- This then feeds into much better and detailed communication and engagement activities after the decision because every HA will be able to articulate exactly why they, in their circumstances, made their decision.
- HAs should take the opportunity to look in 12 months' time at what the impact of the rent increase is this year to inform future debates and to use this round of debates to plan better for future rent increases.
- HAs should consider what data they did not have this year for the rent increase decision that they, therefore, should collect for next year.
- Consider the benefits of stress-testing the impact of the rent increases on diverse groups of tenants over the year so the HA can see the impact – not just stress testing the business plan.
  - This could include the impact on a family household, on a single occupancy household, impact on BAME tenants, impact on disabled tenants, impact on female tenants; and
  - It will include getting to grips with the financial impact of the decision on a weekly and monthly basis for tenants.



# NED Network Briefing

22 November 2021

- Linking to this it will be important to look at the impact on evictions and collect data on the categories of tenants being affected if the decision to increase rent is taken.
- HAs should consider whether the business plan needs to be completely set. It will be helpful to reflect on whether there is room for manoeuvre and to plan different options for different realities.
- Is this a rent increase conversation boards can have over two sessions? Discussing it informally first before then moving to a decision would be a productive strategy.
- Looking at best practice in Scotland and Wales may be useful as different consultation processes are happening in these areas and there may be helpful practices to follow.

## Further considerations

- Is there a chance of coming to this subject twice, once to scope and then to decide? This would allow boards to consider the decision not just from an assurance angle but also take a generative approach to considering the issues.
- What else is on the agenda for that meeting? Placement next to some topics, e.g., salary increases could lead to more confrontational discussions.
- How else can you support your Chair in getting the best decision?

Peter Hubbard & Holly McKechnie  
Anthony Collins Solicitors

---

### Next Meeting: 6th November 2021 [Register here](#)

Understanding Social Value as a Board Member

We'll be joined by Dr Mary-Kathryn Adams, Director of Strategy, Simetrica-Jacobs; Non Executive Director, Abri Group

Book your free place at:

<https://us02web.zoom.us/meeting/register/tZwpfu2tpzkrHtbWrujHbYM6wuKgoviA6EbU>

---

# Edward deBono Six Thinking Hats ®



Facts



Rewards



Alternatives



Feelings



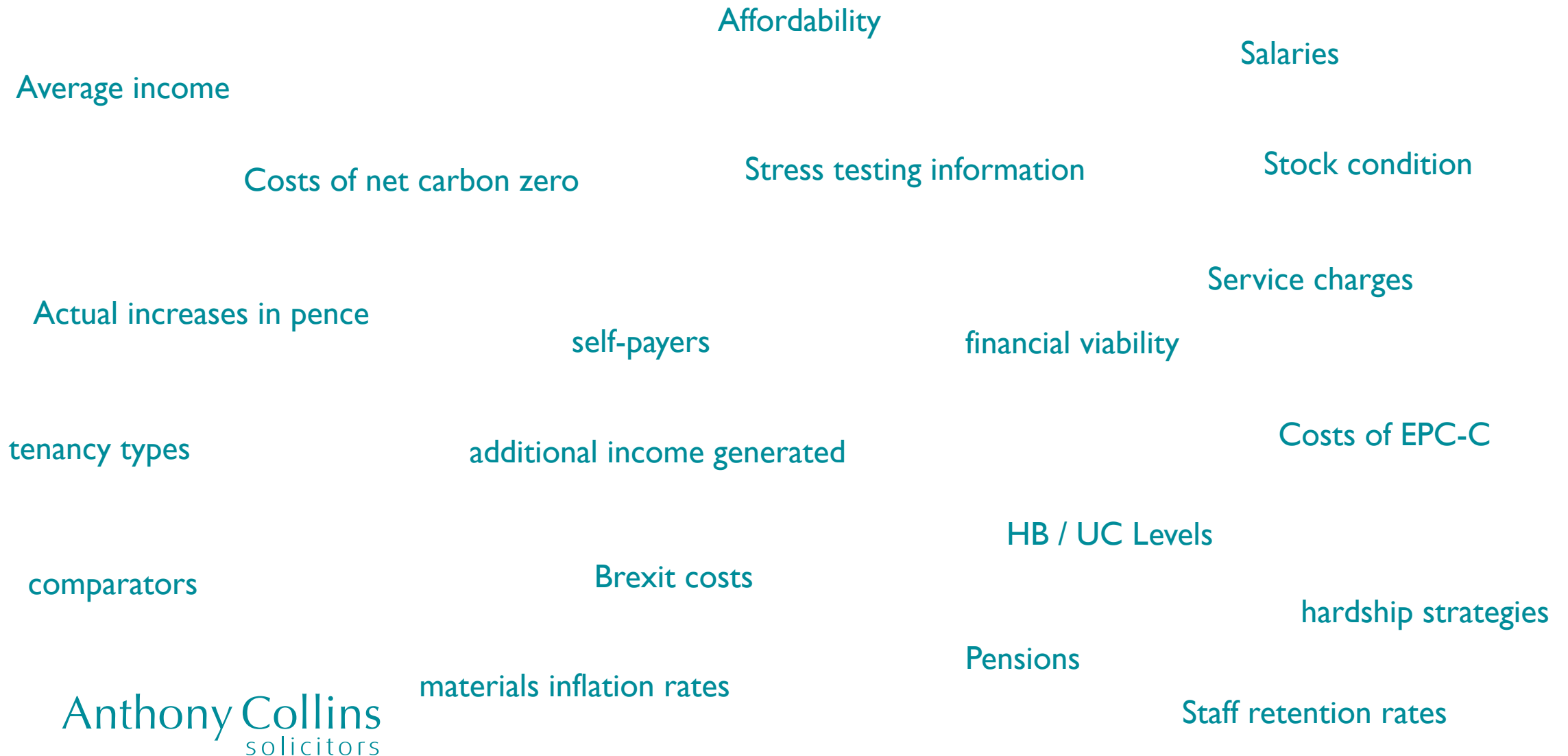
Risks



Next Steps



# FACTS



# STAKEHOLDERS / FEELINGS



# REWARDS

meet building safety

Deliver re-investment programme

Impact on future income

Optimising resources

Meet energy challenge

Deliver new development

ensure service continuity

Meet carbon net zero

Meet pension liabilities

Ensure financial viability

Meet increased costs

Retain staff

Anthony Collins  
solicitors

Deliver business plan

greater compliance

# RISKS

negative impact on self-payers

Tenants move out

against tenants' views?

Public purse impact

Increase in rent arrears

future rent restrictions

Raised tenants expectations

Reputational damage

Increased complaints

impact on safeguarding

higher support requirements

poverty / benefits trap



# ALTERNATIVES

Service reductions

cost reductions

Well-Being / Hardship fund

Reduce development programme

different rent increase

Staff restructure

# NEXT STEPS

Increased communications channels

Support customers

Engage with each stakeholder

Benchmark

Project plan

Accelerate timings

Articulate benefits eg. EPC-C

Implement hardship funds