

## Public Document Pack

# Housing Select Committee Supplementary Agenda

Tuesday, 8 January 2013  
**7.30 pm**, Committee Room 3  
Civic Suite  
Lewisham Town Hall  
London SE6 4RU

For more information contact: Joseph Dunton (Tel: 0208 31 49534)

### Part 1

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# Housing Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Tuesday, 8 January 2013.

Barry Quirk, Chief Executive  
Thursday, 20 December 2012

Councillor Carl Handley (Chair)	
Councillor Vincent Davis (Vice-Chair)	
Councillor Paul Bell	
Councillor Liam Curran	
Councillor Amanda De Ryk	
Councillor Patsy Foreman	
Councillor Vicky Foxcroft	
Councillor Ami Ibitson	
Councillor Darren Johnson	
Councillor Sam Owolabi-Oluyole	
Councillor Alan Hall (ex-Officio)	
Councillor Kevin Bonavia (ex-Officio)	

HOUSING SELECT COMMITTEE		
<b>Report Title</b>	Housing Revenue Account (HRA) – Rent Setting Consultation	
<b>Key Decision</b>	Yes	
<b>Ward</b>	All	
<b>Contributors</b>	Executive Director for Customer Services & Executive Director for Resources & Regeneration	
<b>Class</b>	Part 1	Date: 8 <sup>th</sup> January 2013

## 1. Purpose of the Report

To inform members of the proposed rent, service charge, garage and heating and hot water increases for Lewisham Council Dwellings in 2013/14, based on the Rent Restructuring formula issued by Central Government and provide residents feedback on the proposals.

## 2. Executive Summary

- 2.1 Following the introduction of the new self-financing system for the housing revenue account (HRA) the Council has been considering in the round the options for how it's stock is managed and developed. This has been reported in detail to the Mayor and Cabinet on 11 July 2012.
- 2.2 The complex financial model underpinning the appraisal options is dependent on assumptions about future costs, for example for lifecycle repairs, capital investment, new build and so on. Most significantly of all it is based on an assumption that rents will rise in line with the Government's 'Convergence Formula' until 2015/16 (RPI + 0.5% + £2pw) and at RPI + 0.5% p.a. thereafter. As set out in the report, the Council is not obliged to follow this formula, but if it chooses not to do so there would be significant financial implications.
- 2.3 Following Government's rent restructuring formula would result in average increases in rent for 2013/14 of £3.54 or 4.05% over a 52 week period. This will raise the full year average dwelling rent for the London Borough of Lewisham from £87.49 to £91.03pw. The proposed increase will raise an additional £2.724m of rental income to the HRA. The increase is in line with the assumptions in the current HRA financial model.
- 2.4 The authority can raise rents by more or less than that indicated by the Government's formula calculation. However, it is important to understand that if rent is increased by less than the Formula amount then the Council suffers the full cost of the lost rent which would have a significant impact the Council's

investment plans. It should also be remembered that if rent is increased by more than the Formula amount, the Council receives only part of the financial benefit of the extra rent raised because of the way the housing benefit system operates in such circumstances.

- 2.5 Proposed changes to service charges will result in an average service and heating and hot water charge for Lewisham Homes residents are proposed to increase by £0.19pw or 2.58%, moving the average charge from £7.27pw to £7.46pw. Service charges for the Brockley PFI residents are proposed to increase by £0.11pw or 2.27%, moving the average charge from £4.84pw to £4.95pw.
- 2.6 Efficiencies/Savings of -£1.690m and growth of £1.250m are being proposed for 2013/14 as outlined in section 5. The net effect of these proposals would be an overall saving of £0.440m to the HRA which would be available for reinvestment into stock or services. Whilst some of these proposals can be achieved by efficiencies in service delivery, there are policy choices to be considered.
- 2.7 No proposals have been received to increase the current levy for Tenants' Fund which will remain at 13p per week.
- 2.8 Garage rents are proposed to rise in line with RPI inflation @ September 2012 which is 2.60%. This represents an increase of £0.30pw and would raise the average charge from £10.69pw to £10.97pw. The proposed increase will raise an additional £23k of revenue income.

### **3 Policy Context**

- 3.1 The proposals in this report support the priorities of 'Shaping our Future' – Lewisham's Sustainable Community Strategy (2008 -20), specifically 'Clean, green and liveable - where people live in high quality housing and can care for and enjoy their environment' and supports the Council's corporate priority regarding 'Decent Homes for all'.

### **4. Consultation**

#### **4.1 Consultation under tenants' compact**

Consultation has taken place in line with the tenants' compact arrangements. These arrangements provide an opportunity to engage tenants in a discussion on rent rises representatives through the Housing Panels that took place in December.

- 4.2 The reports submitted to tenants January are attached to this report in appendices 1 to 4
- 4.3 Tenants feedback is set out in appendix 5 and will be reported to Mayor and Cabinet in February.

## **5. Financial Implications**

5.1 The estimated financial implications are contained in each of the reports to tenants. In summary these are:

- Rents are proposed to increase by 4.05% which is an average increase of £3.54pw.

- Tenant service charges are proposed to increase by 2.58%, which is an average increase of £0.19pw.

- Garage charges are proposed to increase by 2.6% which is an average of £0.30pw.

- There are no proposal to increase the tenants fund levy which will remain at £0.13pw.

5.2 The proposed increase will raise an additional £2.724m of rental income to the HRA. The increase is in line with the assumptions in the current HRA financial model

5.3 Services charges are set on a cost recovery basis. Any proposal to increase the charge at a lower rate than set out in the report will have a negative impact on the Council's Housing Revenue Account and, therefore, the Council's future housing options.

## **6. Legal Implications**

6.1 Section 24 of the Housing Act 1985 provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Authority must review rents from time to time and make such changes as circumstances require. Within this discretion there is no one lawful option and any reasonable option may be looked at. The consequences of each option must be explained fully so that Members understand the implications of their decisions.

6.2 Section 76 of the Local Government and Housing Act 1989 provides that local housing authorities are under a duty to prevent a debit balance in the HRA. Rents must therefore be set to avoid such a debit.

6.3 Section 103 of the Housing Act 1985 sets out the terms under which secure tenancies may be varied. This requires –

-the Council to serve a Notice of Variation at least 4 weeks before the effective date;

-the provision of sufficient information to explain the variation;

-an opportunity for the tenant to serve a Notice to Quit terminating their tenancy.

- 6.4 The timetable for the consideration of the 2013/14 rent levels provides an adequate period to ensure that legislative requirements are met.
- 6.5 Part III of Schedule 4 of the Local Government and Housing Act 1989 provides that where benefits or amenities arising out of the exercise of a Housing Authority's functions, are provided for persons housed by the authority, but are shared by the community as a whole, the authority shall make such contribution to their HRA from their other revenue accounts to properly reflect the community's share of the benefits or amenities.
- 6.6 Where as an outcome of the rent setting process, there are to be significant changes in housing management practice or policy, further consultation may be required with the tenants affected in accordance with section 105 of the Housing Act 1985.
- 7. Crime and Disorder**  
There are no specific implications.
- 8. Environmental Implications**  
There are no specific implications.
- 9. Equality Implications**
- 9.1 Council tenants include a higher than average proportion of elderly people and black and ethnic minorities. Many tenants are unemployed or on low income. The service has specific provision for more vulnerable groups within the community. A significant proportion of new allocations are made to families and women with young children.
- 9.2 In undertaking consultation and examining potential options, the equalities impact for different groups of people will be considered, particularly black and ethnic minorities, women, disabled people and young people.

**If you require any more information about this report please contact Conrad Hall on 0208 314 8379 ( e-mail [conrad.hall@lewisham.gov.uk](mailto:conrad.hall@lewisham.gov.uk) )**

<b>Housing Select Committee</b>		
<b>Report Title</b>	Housing Matters Update	
<b>Key Decision</b>	No	Item No. 6
<b>Ward</b>	All	
<b>Contributors</b>	Executive Director for Customer Services, Executive Director for Resources, Head of Law	
<b>Class</b>	Part 1	Date: 8 January 2013

## 1. Overview

- 1.1. This report provides Housing Select Committee with the opportunity to scrutinise a draft of the report on Housing Matters that will be presented to Mayor & Cabinet on 16 January 2013.
- 1.2. This report is in two parts. This part one report provides a summary of the discussion with residents in relation to the four remaining options for addressing Lewisham's housing challenges, as agreed at Mayor and Cabinet on 11 July. This report also sets out an overview of the progress that has been made in delivering against the decisions to build 250 new homes in five years, and to continue to review the Council's approach to housing for older residents. Part two of this report more detail about that progress.
- 1.3. It is not expected that this will change in any substantial manner before the final Mayor and Cabinet report is published. The only potential change will be to set out in more detail the proposed next steps for the new housing development programme.
- 1.4. The sequencing of report dispatch dates means that the Mayor and Cabinet report will have been submitted by the time that HSC meets. This means that the comments of Housing Select Committee will not be included in the body of the Mayor and Cabinet report, but will instead be made available as a separate submission at the time of the meeting.
- 1.5. Set out from this point forward is the draft Mayor and Cabinet report on the matter scheduled for consideration on 16 January 2013.

## 2. Summary

- 2.1. In July 2012 Mayor and Cabinet received a report setting out the conclusions of a technical and financial review of the potential options available to the

Council to address housing challenges in the borough. As a result Mayor and Cabinet agreed that:

- officers should undertake further due diligence and begin a discussion with residents on the remaining options, which were:
  1. to remain within the existing ALMO structure
  2. to retain Council ownership of the housing stock but to reinstate Council management of the properties
  3. to transfer the homes to a new “resident-led” housing organisation
  4. to transfer the homes to an existing housing association
- officers should bring forward options for the delivery of new housing on infill development sites, with an initial target of 250 new homes over the next five years
- officers should continue to review the Council’s long-term approach to housing for older residents

2.2. This report updates Mayor and Cabinet about the progress that has been made in regard to each of these

### **3. Purpose**

3.1. This report is to inform Mayor and Cabinet about the findings of the discussion with residents about the remaining four options, to provide further information on the analysis of the potential options that has been undertaken on that basis, and to obtain the agreement of Mayor and Cabinet to pursue one of the two remaining possible options for continuing the conversation with residents.

3.2. This report is to inform Mayor and Cabinet about progress in identifying potential sites for new affordable housing, about which more details can be found in part two of this report, and to obtain the agreement of Mayor and Cabinet to a change to the Management Agreement between Lewisham Homes and the Council to enable Lewisham Homes to deliver new housing in the future.

3.3. Finally this report is to inform Mayor and Cabinet about progress in identifying options for improving specialist housing for older people in the borough, with further details provided in part two of this report.

### **4. Recommendations**

4.1. It is recommended that the Mayor:

4.2. Note the findings of the discussion with residents about the possible options for addressing Lewisham’s housing challenges, in particular tenants’ concerns about the impact of transfer on their rights, rents, and security of tenure, set out in section five of this report.



- 4.3. Note the potential options for continuing the conversation with residents set out at section six of this report, and the associated strengths and weaknesses of each.
- 4.4. Agree that, as there was limited support expressed among residents for the option of transfer to an existing housing association, and as there the option offers limited potential to respond to residents concerns about their rents, that this option is no longer pursued as part of this process.
- 4.5. Agree that, as residents prefer retention with the ALMO to retention with a return to Council Management and because a return to Council management at this stage would put at risk the delivery of the current Decent Homes programme, the option of a return to Council management of the stock is no longer pursued.
- 4.6. Note that therefore two possible options remain:
  1. that the Council ceases all further options appraisal activities, retains the ALMO as is, and works within the budgetary limits the Council faces as a landlord, or
  2. that the Council works alongside Lewisham Homes and residents to better understand how by changing the nature of Lewisham Homes with a view to transfer to a new resident led organisation formed out of Lewisham Homes, might attract further investment, increase resident control and deliver residents aspirations
- 4.7. Agree that, on the basis of the appraisal of the options set out at section seven and having considered the further information contained in this report including the required further financial and technical assessments set out at section eight, option 2 should be pursued.

## **5. Stock options appraisal: discussion with residents**

- 5.1. Following consideration of the 11 July 2012 report on the options appraisal that had been undertaken to that date, Mayor & Cabinet decided that officers should commence a discussion with residents about the four remaining options. This programme was not to be a formal S105 consultation, but rather a discussion to ascertain whether there was an appetite to further pursue any of the options, and to identify residents concerns.
- 5.2. Residents started this discussion from a position of little or no understanding about the options available to the Council to attract financing to address housing need. As such, the programme of discussion – which commenced in early September and ran for three months until early December – needed to be constituted in such a manner as to be able to inform residents about the issues and options as much as seek their views about the desirability of those options.

- 5.3. From a low base of understanding, significant progress has been made in reaching residents and explaining the situation. A combination of printed materials, online and postal feedback mechanisms, officer attendance at more than 60 events, and outreach activity including speaking to residents at markets, supermarkets and outside schools has raised the profile of the “Housing Matters” consultation. When the feedback process closed to enable members to receive this update, more than 10 per cent of the tenant population had engaged with the consultation.
- 5.4. A variety of engagement mechanisms have been employed, and the feedback received from each needs to be considered alongside an appreciation of the level of understanding that each group was able to reach in the time available.
- 5.5. As an example, a Resident Steering Group (RSG) of 13 residents was formed in August and met fortnightly for four months. It received a range of presentations and was able to quiz guests and officers about the options. The RSG might therefore be considered to be the most informed group of residents.
- 5.6. Alternatively, survey responses were received from more than 1,500 residents who had in the majority received only two printed publications setting out high level information about Housing Matters. These responses themselves show that residents felt that they did not fully understand the options. This is not to say that the feedback is not useful nor that it should not inform decisions about the next steps. Equally, however, it might be considered that the views of 12 highly informed residents might compare favourably to the views of 1,500 less informed residents, even though the volume of responses is smaller.
- 5.7. With that caveat in place, the following pages set out the details of each of four separate consultation activities, and the key finding of those activities. In summary, the highlights of those findings are as follows:
1. There was a high level of agreement to the Council’s priorities, residents felt that the Council was right to investigate how it could attract additional investment, and also agreed that the Council should find ways to increase their influence over decisions that affect them.
  2. Residents were concerned about the impact of change, and especially transfer of ownership, on their rights as tenants, the rent that they pay, and their security of tenure.
  3. Residents expressed strong support for Lewisham Homes. Resident satisfaction with the services Lewisham Homes provides was high, and throughout the process the option to retain the ALMO with Council ownership of the stock was the most popular.
  4. In general, residents’ understanding about the issues and options was low at the outset of the consultation. Varying methods of engagement were used to raise understanding, and as a result the responses to the different elements of the consultation are based on varying levels of understanding among the respondents.

5. Levels of understanding were particularly low among respondents to the online and postal survey, and especially in relation to the proposed options, with less than a quarter of residents saying that they felt they fully understood the two transfer options.
6. Residents preferred retention with the ALMO to retention with a return to Council management.
7. Little support was expressed for transfer to an existing housing association in any of the various consultation mechanisms.
8. Support for a resident-led option was more varied. Support was higher among tenants who had time to consider the options in more detail, such as members of the resident steering group or tenants who attended presentations about the options. However, in the online and postal survey, support for a resident led option was similar to that for a housing association.

#### Independent Tenant Advisor and the Resident Steering Group

- 5.8. It is standard practice in tenant and leaseholder conversations of this nature to establish a group of residents to oversee and ensure the fairness and independence - on behalf of all residents – of the consultation activity and the printed materials. The steering group also has the opportunity to engage in most detail with the issues at hand and the potential solutions to them.
- 5.9. It is also standard practice for residents to appoint an Independent Tenant Advisor (ITA) to work on their behalf to assist them in fulfilling their oversight role, and also to help the steering group develop the necessary skills and understanding to play a full and active role in the consultation.
- 5.10. On 19 June a presentation was made to Lewisham Homes' Combined Area Panel to inform panel members of the issues being considered by the Council. Following the decision to start a conversation with residents in July, officers wrote to all Panel members to test interest in joining a steering group to interview and appoint an Independent Tenant Advisor (ITA) for the project. Nine tenants responded and a steering group was formed. Over the course of the consultation that group grew from the initial nine members to 13.
- 5.11. The panel met for this first time on 8 August, and then on 15 August and 22 August to review tenders from ITAs and short-list those for interviews. These tenders responded to a brief which officers had compiled in order to speed the recruitment process, and six were received. The panel shortlisted the six to five for interview purposes, and following interviews which were held on Saturday 1st September the panel appointed the Tenant Participation Advisory Service (TPAS) as their ITA.
- 5.12. TPAS is a not-for-profit membership organisation with significant experience of supporting similar exercises. Its members are all local tenants and landlords. In choosing TPAS, the steering group was impressed in particular by the presentation made at interview and the organisation's clear commitment to tenant involvement and empowerment.
- 5.13. The role of the steering group was to:

- Promote awareness and encourage tenant and leaseholder involvement in the Housing Matters programme.
  - Work with TPAS to develop and deliver an effective programme of communication and engagement.
  - Support TPAS to enable residents to shape the decision-making process.
- 5.14. The Steering Group met fortnightly to fulfil this role, and at those meetings received presentations and questioned speakers from a wide range of organisations:
- A representative from Trowers & Hamlin, who has significant expertise on a variety of transfer and retention models, presented to the group on how a mutual model might work and the issues to be considered if one were to be pursued in Lewisham;
  - Representatives of Defend Council Housing presented on their understanding of the advantages of retention and a return to Council management;
  - The Chair and Vice Chair of Phoenix Community Housing presented their experiences both of setting up a tenant led organisation and of how they felt that organisation worked for tenants;
  - The Chief Executive and a tenant board member of Lewisham Homes attended to talk about the achievements Lewisham Homes had made since its inception. They also explained to the group that Lewisham Homes' ambition was to change into a resident-led organisation, in response to option three under consideration as part of the consultation.
- 5.15. The Steering Group also oversaw TPAS' own programme of resident engagement and consultation. It approved the materials that TPAS published, and approved TPAS' final report which is attached here as appendix 1. TPAS engaged with more than 3,000 residents in the main to test levels of understanding and to try to gauge views about the options.
- 5.16. In summary, TPAS found low levels of awareness about the issues and options and that residents often felt that they had insufficient information to form an informed opinion. Residents generally had no strong appetite for change, preferring instead to remain with Lewisham Homes or return to Council management. TPAS found that residents were not in favour of transfer to a Housing Association. There was significant concern among residents about the impact of change, particularly about rent, rights and security of tenure.
- 5.17. In addition to talking to residents and helping raise awareness, TPAS also led the members of the RSG through a structured exercise to test their opinions on the options, on the basis of what they had heard over the past three months. Group members were asked to assess how well each of the options achieved a series of priorities (which were agreed among the group) and also to assess how important each priority was to them.
- 5.18. This process allowed group members to score each option. Of the eleven steering group members who scored the options (two members were absent), five scored option 3 – the resident led option – most highly, three

scored option 1 – retention, with the ALMO – most highly, two scored option 2 – retention, with Council management – most highly and one member scored options 1 and 2 equally highly. To summarise this, residents were broadly equally split between retention in some form and transfer to a tenant led organisation (with a 6/5 split in favour of retention). Again, there was no support for a Housing Association.

- 5.19. TPAS also undertook an independent assessment of the financial modelling that the Council has undertaken to date, and helpfully provided commentary around some issues for the Council to consider should it wish to take any transfer option forward. These include those set out here in section 7.

#### Road shows, TRA visits and other “out-reach”

- 5.20. In order to raise awareness and understanding, and subsequently seek views, the Housing Matters programme deliberately first targeted the most engaged residents in order that those residents could play a role in taking the conversation to residents as a whole.
- 5.21. This commenced with a launch event to which tenants and leaseholders of Lewisham Homes who were active in Tenant and Resident Associations (TRAs) and TMOs were invited to hear about the Housing Matters programme, give their initial views and help shape how officers consulted with residents in the remainder of the programme. In total 56 residents attended along with TPAS representatives to promote their role on the project. Workshops were undertaken with residents to get their initial feelings on the Mayor’s housing priorities, the options and for their thoughts on how the Council should consult with residents.
- 5.22. Concerns were raised about security of tenure, rent levels and the accountability of a new landlord to its residents. Overall, the feeling was that more information was needed to be able to determine the pros and cons of each option. The residents felt that the approach to consultation should include door-knocking, information days, newsletters, drop-ins, surgeries, visits to TRAs and Sheltered Schemes.
- 5.23. Following the launch event a programme of six “road shows” was delivered across the borough. The road shows essentially mirrored the format of the launch event, with an officer presentation followed by questions and answers, and an opportunity for attendees to feed back their views by completing a short survey. The six road shows were attended by 69 residents.
- 5.24. In addition, an open invitation was made to all TRAs for them to receive the same presentation and feedback format used in the road shows. Ten TRAs took up this offer and attendance at those ten meetings is estimated (as attendees arrived at various points during the meeting) to have been more than 100. TRA residents fed back using the same short survey employed at the road shows.

- 5.25. The feedback from both the road shows and TRA meetings has been combined, as both groups fed back using the same form and both groups received similar presentations and can therefore be assumed to have reached a similar level of understanding. From the approximately 169 residents who attended these sessions, 80 feedback forms were received and the key findings were as follows:
- 68% of respondents were either satisfied or very satisfied with the services provided by Lewisham Homes
  - 91% of respondents said thought residents should be more involved in the running of Lewisham Homes
  - When asked *if they would like more information* about any of the four options, 87% of those who answered said “Yes” for option 1 (Lewisham Homes/Lewisham Council); 81% said yes for option 2 (Lewisham Council alone); 60% said yes for option 3 (a resident-led organisation) and 28% said yes for option 4 (an existing housing association).
  - In the open comments sections of the feedback forms residents raised concerns about the impact of change on their rights, the security of their tenancy, and about the impact on rents.
- 5.26. A similar format was employed for a programme of visits which saw similar presentations provided in all 18 of the Council’s Sheltered Housing schemes. Again, residents received a presentation, had the opportunity to ask questions and raise concerns, and were left with a survey to complete and return. In total 144 residents attended these sessions and 93 feedback forms were returned, the findings from which were as follows:
- 90% of respondents were either satisfied or very satisfied with the services provided by Lewisham Homes
  - When asked *if they would like more information* about any of the four options, 78% of those who answered said “Yes” for option 1 (Lewisham Homes/Lewisham Council); 56% said yes for option 2 (Lewisham Council alone); 33% said yes for option 3 (a resident-led organisation) and 29% said yes for option 4 (an existing housing association).
  - Again, the open comments sections saw concerns about rights, rents and security, as well as a desire for more social activities to be held in communal areas, and some desire for a return of the warden service.
- 5.27. Following this stage of the consultation, which targeted the most engaged tenants, the programme then sought to engage with tenants more broadly. This started with an all-resident newsletter mailing with the purpose of ensuring that all tenants had the same information and could engage in the programme.
- 5.28. A programme of drop in events was sequenced to take place immediately after the release of the newsletter. Officers staffed eleven half-day events at a range of locations across the borough, in order to respond to residents concerns and encourage them to take in the online survey (as below). More than 90 residents attended these events.

### Online and postal survey

- 5.29. The online and postal survey was designed as the main focal point for the conversation with residents. From the point at which it was launched on 23 October the focus of the consultation switched from talking to residents at events to encouraging residents to read the information that they had been supplied with and register their views through the survey.
- 5.30. The survey sought to test three key aspects of residents views. First, it asked residents how important they thought each of the five priorities the Council had set for investment were, and offered the opportunity to suggest other priorities. Second it tested residents' understanding about the financial situation the Council faced, and asked if residents thought the Council was right to pursue options to attract additional investment. Finally the survey tested residents understanding of the options under consideration and asked if they thought they should be pursued further.
- 5.31. Initially the response rate was low, with 137 responses received in the first three weeks. As a result a centre page spread was placed in Lewisham Homes *Home* magazine, along with an paper copy of the survey and a return envelope as inserts. An incentive of entry into a draw for one of three prizes of £50 was offered to encourage responses.
- 5.32. The magazine and survey were supplemented with a concerted programme of awareness raising and encouragement for residents to have their say. Over a period of three weeks Council officers and Lewisham Homes staff knocked on more than 1,800 doors, ran information stands in both housing offices, spoke to residents outside of schools, in Deptford Market and at the Sainsbury's supermarket New Cross. Finally, a telephone research company was employed to telephone residents in areas in which it was less practical to cover with door knocking, principally street properties.
- 5.33. The result of this activity was that the volume of responses increased significantly. In total 1,561 survey responses were received at the point at which the survey closed on 10 December, with a breakdown of responses as follows (note that as a result of rounding the percentages do not always total 100%):
- 52% were female, 40% male and 7% chose not to say
  - 46% stated they were White British, Irish, or "Any other white background", 45% stated another ethnicity and 10% chose not to say
  - Most responses were received from residents aged 65+ (29%) which is likely to be reflective of the higher proportion of older tenants and the survey methodology.
  - The highest number of responses (37%) were received from the north of the borough, defined as Evelyn, New Cross and Telegraph Hill wards.
- 5.34. It is important to note the level of understanding that residents were able to attain in the time available when considering the results that this exercise generated. Certainly a proportion of the responses received would have been from more engaged and highly informed residents who may well have

engaged in other aspects of the programme. However it is clear – because residents said as much in their responses – that the general level of understanding was quite low among respondents. The level of understanding of some aspects of the survey was higher than others, as is drawn out below.

5.35. On the first section of the survey, in relation to the Council’s priorities for investments, understanding was relatively high with 59 per cent of respondents stating that they felt that they had enough information to understand what the Council’s housing priorities were. The survey also asked for views in relation to those priorities, the results of which were as follows:

Table 1: Based on what you have heard so far, how well do you feel that you understand each option and how it might affect you?

	Very important		Important		Less important		Not important		Did not answer	
	No.	%	No.	%	No.	%	No.	%	No.	%
Improving tenants' homes	1,098	70%	311	20%	48	3%	26	2%	78	5%
Improving estates and the areas around your home	877	56%	458	29%	57	4%	14	1%	155	10%
Increasing the supply of affordable housing	841	54%	409	26%	91	6%	25	2%	195	12%
Better housing for older people	944	60%	395	25%	62	4%	18	1%	142	9%
Giving residents more control	527	34%	522	33%	235	15%	67	4%	210	13%

5.36. One means of simplifying this table is to look at what percentage of residents felt the priorities were either important or very important. The following sets out the result of that analysis, excluding those who did not answer the question:

- Improving tenants' homes: 95% of responses
- Improving estates and the areas around your home: 95%
- Increasing the supply of affordable housing: 92%
- Better housing for older people: 94%



- Giving residents more control: 78%
- 5.37. More residents felt that improving tenants' homes was very important than any other priority. In addition fewer people left this question blank when compared to the other priorities. It is therefore fair to say that residents thought that this was the most important priority. Nonetheless these findings show that residents do agree with the Council's housing priorities, and although it had the lowest percentage of the five, nearly eight in ten respondents still felt that it was important to give residents more control.
- 5.38. Additional comments made by residents regarding the priorities included the need for new homes to be affordable and for the Council to tackle homelessness. Other priorities suggested by residents included the need to focus on ensuring disabled and older people were appropriately housed. Concerns were raised about the enforcement of tenancy conditions and resolving issues such as noise nuisance, dog-handling, fly-tipping and water penetration. Many comments related for the need to improve caretaking standards, to clean the estates more thoroughly and to improve the overall décor internally and externally of blocks.
- 5.39. Comments from leaseholders included the need to ensure value for money with any improvements and to keep service charges affordable and fair, while a number felt that their service charges were already too high. They also wanted to be kept informed of any potential changes and for their views to be considered when works were anticipated.
- 5.40. In the second section of the survey, which related to the situation the Council faced, understanding was also relatively high. Of 1,421 responses to the question, 801 (56 per cent) stated that they felt they had received enough information to understand why the Council is looking at options for the future management of its homes. Residents were also asked if they thought that the Council was right to seek further investment and of 1,031 responses, 797 (77 per cent) responded answered yes. It is important to note that a large number of people (530) either chose not to answer this question or did not notice it.
- 5.41. The final section of the survey tested understanding about the four specific options, and asked residents what they thought about those options. The results in relation to this question are presented in the table on the following page<sup>1</sup>:

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<sup>1</sup> Option 1: The Council continues as your landlord, and Lewisham Homes continues to manage your home

Option 2: The Council continues to be your landlord but it manages your home instead of Lewisham Homes

Option 3: The ownership of your home transfers to a new "resident-led" organisation

Option 4: The ownership of your home transfers to an existing housing association

Table 2: Based on what you have heard so far, how well do you feel that you understand each option and how it might affect you?

	Option 1		Option 2		Option 3		Option 4	
	No.	%	No.	%	No.	%	No.	%
I fully understand the option and how it might affect me	936	60%	629	40%	337	22%	364	23%
I understand a little about the option but there are some things I would like more information about	331	21%	384	25%	322	21%	305	20%
I don't understand this option or how it might affect me	162	10%	219	14%	492	32%	465	30%
Did not answer	132	8%	329	21%	410	26%	427	27%
<b>Total</b>	<b>1561</b>	<b>100%</b>	<b>1561</b>	<b>100%</b>	<b>1561</b>	<b>100%</b>	<b>1561</b>	<b>100%</b>

5.42. Compared to the other questions which tested residents' understanding, the understanding levels for this question were lowest. More than 300 people (one fifth) chose not to answer the question "How well do you feel you understand each option and how it might affect you?" in relation to options 2, 3 and 4 (i.e. the three options that involve a change from the current situation) and this in itself might be inferred to be a sign that respondents did not understand. Understandably, the level of understanding was highest option one, which involved no change, with 60 per cent of all surveys received saying that they understood this option. This compares to 40 per cent for option two, 22 per cent for option three and 23 per cent for option four.

5.43. These levels of understanding should be considered when assessing the responses to the final question, which asked residents for their view of each option from a selection of: "I think this option should be considered further", "I am undecided about this option" and "I do not think this option should be considered further". The results in relation to this question are presented in the table on the following page:

Table 3: Please tick the box that best matches your views in relation to the options (all surveys received)

	Option 1		Option 2		Option 3		Option 4	
	No.	%	No.	%	No.	%	No.	%
I think this option should be considered further	911	58%	565	36%	200	13%	182	12%
I am undecided about this option	279	18%	455	29%	394	25%	350	22%
I do not think this option should be considered further	198	13%	200	13%	538	34%	604	39%
Did not answer	173	11%	341	22%	429	27%	425	27%
<b>Total</b>	<b>1561</b>	<b>100%</b>	<b>1561</b>	<b>100%</b>	<b>1561</b>	<b>100%</b>	<b>1561</b>	<b>100%</b>

- 5.44. The first point to note is that 58% of all surveys received (including those who chose not to answer) indicated that they thought the option of retaining Council ownership and Lewisham Homes management should be considered further. This compares to 36% for a return to Council Management, 13% for a resident led option and 12% for a Housing Association. On that measure, clearly the status quo option was favoured most strongly.
- 5.45. It should also be noted here that the proportions of responses in favour of each of the options closely reflects the proportions who understood that option. Most respondents understood what was meant by Lewisham Homes continuing to manage the homes and the Council continuing to be the landlord, and most respondents thought this option should be considered further. This pattern is also maintained for the other options, with the two transfer options (options 3 and 4) having the lowest level of understanding and the lowest proportions in favour of pursuing them further.
- 5.46. It can be concluded from these results firstly that respondents felt more able to provide an opinion about the options they understood, secondly that few residents understood the two transfer options, and thirdly that therefore any subsequent iteration of the consultation with residents should focus on raising understanding and explaining in more detail the consequences of change.
- 5.47. Comments made by residents on the options included a range of perceptions about housing associations - that they charged higher rents, did not manage

their properties as effectively as the Council, had stricter procedures in relation to evictions and were less democratic. General comments made by residents regarding the transfer options included the concern about losing tenancy rights, such as the Right to Buy and succession and being levied with higher rents. Many comments given by residents stated their satisfaction with Lewisham Homes and that services had improved since the ALMO was established. Those that made comments about going back directly to the Council were either dissatisfied with Lewisham Homes, felt that it was the Council's duty to retain its housing or that money would be saved.

5.48. More often than not, comments were about the need for more information on the options – more explicit detail on the implications, the pros and cons of each option including the financial impact before an informed view could be given. This concern was specifically raised with the 'Resident Led' option.

5.49. With the caveat that respondents to the survey understood the general problem and the Council's priorities better than they understood the options themselves, the overall results of the survey might be summarised as follows:

- There was agreement that the Council's priorities were important
- Satisfaction with the services supplied by Lewisham Homes was high, at 75%
- Most respondents felt they had enough information to understand the situation the Council faces
- Most respondents agreed that the Council was right to look at options to attract further investment
- There was a poor level of understanding about the options themselves
- More residents favoured option 1: "The Council continues as your landlord, and Lewisham Homes continues to manage your home"
- Residents again voiced concerns about rights, rents and security of tenure

#### Focus Groups

5.50. In order to augment the consultation findings, IpsosMORI undertook five focus groups to test views and to reach beyond the people which had engaged with the Housing Matters programme to date. These groups were recruited by IpsosMORI to quotas on age and reported familiarity with the options under consideration.

5.51. Two of the groups were made up of tenants who felt they were familiar with the options, and two of the groups were made up of tenants who did not. For each of these categories, one focus group was convened of younger people, that is people aged 39 and under, and another was convened of people aged 40 and older. Finally, a fifth group was recruited, of people who already had had their Decent Homes works completed, so as to test the opinions of tenants who had already benefitted from investment in their homes.

5.52. The focus groups took place between the 4th and the 13th of December, and the key findings are summarised below:

- The early discussions amongst the groups were characterised by a general dissatisfaction about current living arrangements and issues such as draughts, leaks, damp and mould
- Concerns were also raised about length of time taken to repair these problems
- Participants who had been tenants for longer recalled previous shortcomings in the relationship between tenants and the Council prior to the introduction of the ALMO
- Most participants felt Lewisham Homes communicated with them well, but some concerns were raised about occasional inconsistency of service
- There was a marked difference between the views of younger and older residents identified by the focus groups.
- Older people tended to be generally opposed to the idea of transfer and were especially concerned about the impact of transfer on the affordability of rents, security of tenure, accountability of the landlord and the opportunities that would exist to exercise choice and control, especially the right to buy.
- Younger people shared those concerns and initially were equally opposed to the idea of transfer or change. However, as the discussions developed, opposition loosened and participants became more curious and wanted more information on possible changes

### Summary

- 5.53. The conversation with residents that has taken place to date has been at a high level and has focussed as much on increasing residents' understanding of the issues and options as on testing their views about them. Residents were very largely unaware of the issues at the start of the process, and the feedback from the focus groups shows that this remains the case for a number of residents. Furthermore, when assessing the findings of the conversation for the purposes of decision making, the level of understanding that residents had reached needs to be considered. In summary, the findings presented here provide a snapshot of residents' views at an early stage in the process.
- 5.54. Nonetheless the feedback that has been received does provide evidence to inform decision making. The very clear message from the consultation was that residents are satisfied with Lewisham Homes and want Lewisham Homes to continue to manage their homes. As the one aspect of this programme that all respondents can be assumed to have had some experience of, this level of satisfaction with the services provided by Lewisham Homes might be considered to be the strongest finding from the whole exercise.
- 5.55. In addition, it has been possible to gather a sense of what residents want and fear when considering these options, and that this also might inform decision making. There is a high level of agreement that the priorities set by the Council are important. Residents generally agree that the Council is right to consider options which may offer more investment in their homes and estates. Equally, residents are very concerned about the impact of change on their rights, rents and security of tenure, and in fact the most favoured

option throughout was to not change at all and retain Council ownership and Lewisham Homes management. On the specific options, there was no support for transfer to a housing association but there was some emerging support for transfer to a resident led organisation – particularly among residents who had more time to engage with the options. Finally, residents preferred retention with Lewisham Homes management to retention and a return to Council management.

## **6. Potential options for continuing the conversation**

- 6.1. The conversation with residents to date has shown a high level of satisfaction with Lewisham Homes and a residents' preference for Lewisham Homes to continue to manage their homes and for the Council to continue as the landlord. However, residents do agree with the Council's priorities and do think that it is right that the Council considers options which attract more investment for their homes and estates.
- 6.2. With this in mind, the following section details each option in turn and sets out the implications of the new evidence compiled here, in addition to that presented in July.

### Option 1: Retention with Lewisham Homes management

- 6.3. As noted, the strongest message from the consultation was a high level of satisfaction with Lewisham Homes and a preference, overall, for this option. This was the option that most residents wanted to pursue further in the online and postal survey. In addition, residents voiced significant concerns about the impact of change on their rights, rents and security of tenure, and as this option does not involve change, those concerns would not be realised.
- 6.4. As noted in the report to Mayor and Cabinet in July, this option provides the ability to finance:
- improvement to the Council's housing stock sufficient to bring it to the decent homes standard by 2016/17 and thereafter maintain it at that standard
  - building 250 units of housing at social market rents on in-fill sites at the Savills estimated average cost of £150,000 per unit
  - investment of £14m in the Council's sheltered and extra care housing stock, against an assessed need of £17m.
- 6.5. This option, however, is limited by the fact that the borrowing cap of £44m will continue to apply. In the consultation residents agreed that all of the Council's priorities were important and that the Council was right to investigate options to attract further investment. The previous report to Mayor and Cabinet estimated that the full cost of meeting the Council's priorities for addressing housing challenges in the borough was £125m, or £86m more than would be available under this option.

### Option 2: Retention with a return to Council management

- 6.6. There was some support among residents for this option, although of the two retention options there was stronger support for option 1. The online survey

showed that less than half of people who answered the relevant question felt that this option should be considered further, compared to 60% who felt that option one should be considered further.

- 6.7. It should be noted though, that residents were supportive of Lewisham Homes in general as well as in their preferences for the specific options. More than seven in ten people who responded to the survey said they were either satisfied or very satisfied with the services they received from Lewisham Homes, and this option would mean ceasing provision by a service provider with a high level of satisfaction.
- 6.8. The financial aspects of this option are largely the same as for option 1. It is possible that under this option management costs could be lower, as management costs could be streamlined if the service was brought back in house. The initial assessment provided in July was that that annual savings of up to £1m might be achieved this way, once one-off redundancy costs had been met. However it should also be noted that whilst reducing these costs might free up more investment capacity, it would also increase the risk that services might not continue to improve, or might even decline. In summary, like option 1 this option cannot attract more than £44m to invest in homes and therefore has the same £86m shortfall as option 1. It may open the possibility of annual savings on management costs but it would do so at the risk of worsening standards of service and by changing a provider in whom residents have expressed satisfaction.
- 6.9. The final consideration is the impact of change at this stage of the Decent Homes programme that Lewisham Homes is currently delivering. The successful delivery of the Decent Homes programme requires the effective marshalling of nearly £100m of capital investment to improve tenants homes, and Lewisham Homes has already built up the governance and management process – including resident involvement – to do this. Change may put the programme at risk because of potential changes to management structures and the potential loss of key expertise. The consultation has shown that tenants first priority is improvements to their home, and this is the most important investment programme to achieve that.

#### Summary of the two retention options

- 6.10. Options one and two are similar in a number of ways. Both options would see retention of Council ownership and so resident's fears about changes to their rents, rights and security of tenure would be assuaged. However neither is able to attract further investment, beyond the possibility of some savings of management costs for option two, and residents agree the Council is right to pursue additional funding and think its priorities for improving housing are important.
- 6.11. The main differences between the two are that residents are satisfied with Lewisham Homes and preferred option one to any of the four potential options. Pursuing the second option would involve a change to provision and a shift away from a service provider with a high level of resident satisfaction in pursuit of management savings which are may, in themselves, result in

some loss of service quality. Lewisham Homes is currently delivering an investment programme worth nearly £100m and pursuing the second option would also put that programme at risk.

- 6.12. Given that residents preferred option one to all of the others, the high level of satisfaction with the services provided by Lewisham Homes, the risk to service quality from change to Council management and also the risk to the effective delivery of the Decent Homes programme, it is recommended that the option of a return to Council management is no longer pursued.

Option 3: Transfer to a new "resident-led" organisation

- 6.13. There were low levels of understanding among residents about what this option involved and what the implications would be for them. It is therefore notable that interest in further pursuing this option was higher in those settings where residents had more time to engage with the issue, question officers, and understand the nature of the changes involved.
- 6.14. This higher level of interest was noted in particular in the residents steering group and among residents who received a presentation from officers and had an opportunity to question them on the details. At the Resident Steering Group, TPAS led residents through a structured process to rank the four options and five of the 11 residents who took part in the process preferred this option, the highest number for any option (although more residents preferred retention generally, with six residents preferring one of the two retention options). At road show and TRA events, where residents were able to question and engage the detail, more than half of residents who responded said they would like to receive more information about this option.
- 6.15. It is right to note, however, that among respondents to the survey generally support for this option was less clear. 13 per cent of all survey responses said that they thought this option should be considered further, but a further 25 per cent they needed further information. Furthermore at Sheltered Housing schemes resident support for this option was lower than at the road shows and TRA meetings conducted using the same approach.
- 6.16. The defining element of this option is the level of resident engagement and ownership that might be possible, and the consultation showed that residents thought improved control over decision making was important to them. More than nine in ten residents who responded to the consultation after attending road show events or TRA meetings stated that they wanted residents to be more involved in the running of Lewisham Homes and the decisions that it makes. More than seven in ten respondents to the online and postal survey stated that it was either important or very important to give residents more control.
- 6.17. Residents were very concerned about the impact of change on their rights, rents and security. Because this option involves the creation of a new organisation, it would be possible to constitute the organisation in such a way as to provide some guarantees to residents about these issues. This is also usually the case for any stock transfer, in that the transfer agreement sets



legally binding constraints which apply for a set period (usually five years) for *existing* tenants. However the very nature of a resident led organisation in which tenants are in the majority on decision making boards, means that there is significantly greater likelihood of protections remaining in place for rents (after five years) and for the rights and tenure options being made available to *new* tenants, the rights of whom are not normally protected in a transfer to an existing organisation.

- 6.18. The financial appraisal has shown that, in principle, the two transfer options provide the opportunity to access further investment to improve homes and estates. Residents agree that this is important to them, and they also agree that the Council's priorities are important. Were this option to be pursued further, additional due diligence could take place to identify with greater precision how much additional investment would be available, and the options for allocating that investment could also be developed in conjunction with residents.
- 6.19. Finally, the July report to Mayor and Cabinet noted that Lewisham Homes, would not be precluded from participating in a process which would lead to the transfer of the housing stock to another organisation and from evolving into one of the vehicles detailed in the variants of the options above. Residents expressed satisfaction with Lewisham Homes and for that reason it has already been recommended that the option of a return to Council management is not pursued. Likewise, it would be possible were this option to be pursued further, to base this option on the evolution of Lewisham Homes. That is, a next stage of this process could, if it was agreed to be appropriate, investigate with residents the ways in which Lewisham Homes might be retained but also evolved so as to attract further investment and provide greater control for residents.

#### Option 4: Transfer to an existing housing association

- 6.20. There was little appetite expressed to pursue this option expressed. None of the residents in the resident steering group preferred this option, and at the road show and TRA meetings – at which some support for a resident led option was expressed – again there was little interest expressed in finding out more about this option.
- 6.21. As noted above, the key differentiator between this option and that of a resident led organisation is the level of resident involvement available. Housing Associations are able to engage residents and ensure that they are involved in decision making, but this would not be a defining aspect of the organisation as would necessarily be the case with a new resident led organisation. As set out above, residents said that increased control was important.
- 6.22. Throughout the consultation it has been emphasised that rents are normally protected for five years as part of any transfer, although residents remained sceptical. Residents were also concerned about the loss of security that would come from transfer to a housing association. It is set out above that the option of a new resident led organisation allows for the possibility that

residents could be involved in creating an organisation in such a manner as to protect the rights of current and future tenants, and this is an opportunity that does not exist to the same extent with transfer to a Housing Association.

#### Summary of the two transfer options

- 6.23. The first issue to note about both transfer options is that residents expressed concern about the impact of transfer on their rights, rents and security of tenure. At no point was there any substantial (in terms of number of people) support for either transfer option and it remains the case that in order for either of these options to be finally implemented, a formal ballot would be required.
- 6.24. The July 2012 report set out in detail the key similarities and differences between the two transfer options in relation to the extent to which they could finance further investment. The summary of this was that, in practice, there was little difference in the scale of total financing that would be available. The key determinants of the level of finance are the number of properties – the asset base – and rent levels – the income the transfer recipient might expect. As these would necessarily be the same, the total level of investment would be very similar between both options. Likewise, economic circumstance is a key determinant of borrowing capacity, and this is also clearly the same for both options.
- 6.25. There are however some differences. Established Housing Associations might potentially benefit from favourable terms when accessing additional finance, as a result of their track record of delivery and established relationships with lenders. Conversely, a newly created organisation might potentially benefit from having a lower level of existing debt than an existing organisation which has already utilised a portion of its borrowing capacity. Furthermore, and to reiterate, these differences are marginal in comparison to the main influences on borrowing capacity which are the income and expenditure associated with the stock.
- 6.26. It is clear from the results of the consultation so far that there is not currently sufficient support to suggest that one of these options might be favoured by residents were this process to proceed to a ballot at some point in the future. Equally, however, it is also clear that the level of understanding about the implications of the two options is low and that it seems to be the case that as understanding increases – for the resident led option at least – so does support for the option.
- 6.27. Furthermore it should be noted here that previous stock transfers to existing ALMOs have resulted in very positive ballot results. In Rochdale, for example, 76 per cent of residents who voted (on a 56% turnout) voted for transfer to a new mutual housing association formed out of the ALMO. In Oldham 86 per cent of residents who voted (on a 66% turnout) voted for stock transfer to the ALMO. Of course this will not necessarily be the case were such a transfer to be pursued in Lewisham, but it is evidence that residents elsewhere have favoured such an option when it has been fully developed.

- 6.28. There are therefore similarities and differences between the options in terms of how their ability to finance investment, but overall the two options are comparable in terms financially. However there are key differences in the way the two options have been received by residents. There was emerging support for a resident-led organisation among those residents who had more time to engage with the detail of the option, whereas there was less support for the housing association option. Residents were concerned throughout about the impact of change on their rights and rents, and the resident led option offers the greater *potential* that the new organisation could be created in a manner which addresses those concerns. Overall residents favoured retaining Lewisham Homes and were satisfied with the services it provided. The resident led option retains the possibility that Lewisham Homes might evolve to become a new organisation, which necessarily wouldn't be the case were transfer to a currently existing Housing Association be pursued. Finally, evidence from elsewhere suggests that residents have strongly favoured transfer to an ALMO when the option has been fully developed.
- 6.29. With consideration for all of these similarities and differences, it is recommended that the option of transfer to a housing association is no longer pursued as part of this process.

## **7. Summary of the options appraisal and possible next steps**

- 7.1. As a result of the findings set out previously, it is proposed that there remain two practicable options which are for the Council to either:
1. cease all further options appraisal activities, retain the ALMO as is, and working within the budgetary limits the Council faces as a landlord, or
  2. work alongside residents, Lewisham Homes and other bodies to better understand how, by changing the nature of Lewisham Homes, it might attract further investment, increase resident control, deliver residents' aspirations and address their concerns.
- 7.2. Retention of Lewisham Homes was the preferred option in the consultation. Residents were concerned about the impact of change and as a "no change" option this would address that concern. However it also true that residents agreed in general that the Council should explore options that provide greater investment in their homes and they agreed that all of the Council's investment priorities were important. In its current format it cannot meet all of the investment demands required in the next ten years as it will continue to be subject to the current borrowing cap.
- 7.3. If option one is pursued there will still need to be a period of engagement and explanation to residents about what has happened and what was decided. Following that officers would work with Lewisham Homes to bring proposals back to Mayor and Cabinet about how much of the planned priority work could be delivered within the investment constraints that apply, and how the Council would prioritise spend given residents feedback to this exercise.

- 7.4. The alternative option is to continue to investigate the possibility that the sole remaining alternative option (transfer to a new resident led organisation) provides. This, again, would not be a statutory consultation with residents and not a ballot or a formal vote. Instead it would be a means by which residents, officers and others could work together to further understand how it might be possible to change the nature of Lewisham Homes to give residents more control, protect residents rights and rents as far as is possible, and attract greater investment. Key to this would be to further develop the financial parameters of any transfer option that might emerge, in consultation with government bodies and as a result of a full stock condition survey.
- 7.5. This option would mean that the prospect of additional investment is given further consideration, and that residents were involved in assessing whether that investment could be directed in such a way as to achieve their (and the Council's) priorities while giving due regard to residents concerns about the impact of change on their rights and rents. Were it to prove that it were not possible to develop such an option, then the Council could return to option 1 and proceed on that basis.
- 7.6. As such, it is recommended that option 2 is further pursued.
- 7.7. If option 2 is to be pursued, it is anticipated that Lewisham Homes, alongside Council officers, would recommence the consultation activity that has supported this report. The purpose of this would be to provide more opportunity for residents to understand what a resident led housing organisation is in general, and to help shape proposals for what one would look like in Lewisham in particular. This would include enabling tenants to lead a discussion around their expectations for:
- the nature and structure of the organisation, the role that tenants would have and the level of their control over decision making;
  - the types of guarantees that the organisation might make to tenants, particularly in order to satisfy their concerns about their rents, rights and security of tenure;
  - the most appropriate use of any additional investment, were it to be available, in order to improve homes, estates and communal areas and to improve and add to the services that tenants receive.
- 7.8. An important element would be the re-establishment of the Resident Steering Group in a capacity sufficient to address the matter at hand. This may require extension of the group so that other residents can be involved. It may also require the creation of sub groups or task groups to focus on specific issues, such as for instance the options for constituting a changed Lewisham Homes, or for prioritising investment spending. This would also require the appointment of an ITA to again provide assurance for tenants and to further build tenants capacity to engage with and shape the options under consideration.

- 7.9. In addition, if option 2 is to be pursued, officers would work closely with officials at CLG and the GLA to provide greater clarity about the potential Governmental terms for a transfer and the extent to which additional financial support might be available to improve services and investment for tenants. Officers would also work closely with Lewisham Homes to identify the opportunities to optimise running costs and investment planning, focussing on management and maintenance costs and undertaking a thorough stock condition survey on which to properly base long term investment decisions, also to ensure that maximum resources could be directed to achieving more investment in tenants homes, estates and the provision of new affordable housing.
- 7.10. To summarise, if option 2 is pursued officers will work with residents, with Lewisham Homes and with Government agencies to establish in more detail the extent to which a possible transfer of ownership to Lewisham Homes, newly constituted as a tenant-led organisation, might enable greater investment whilst protecting tenants rights. It is proposed that progress in doing so is reported back in July 2013, or sooner if it is practicable to do so.

## **8. Key factors for further determination**

- 8.1. The Mayor and Cabinet report of July 2012 presented the findings of a detailed appraisal process into the two principal options under consideration: retaining the current ALMO structure, with Council ownership of the stock, and transfer of ownership to enable greater borrowing.
- 8.2. That appraisal process found the two transfer options presented greater capacity to borrow and therefore invest in housing priorities because they would not be subject to the borrowing cap of £44m imposed on the Council.
- 8.3. In the period since the July report the principle focus of Housing Matters programme has been to engage residents on the basis of that detailed appraisal. In undertaking that process, however, key factors have emerged which will need to be fully appraised in the next stage of this programme, before any decision to engage in a formal consultation on a specific option can be pursued. Those factors are:

### The availability of a "VAT shelter"

- 8.4. The Council is exempt from VAT, and typically transfer organisations are able to access a VAT shelter which enables them to benefit from the transferring local authority's advantageous VAT position for a specified period (normally fifteen years) after transfer. The availability and precise terms of a VAT shelter play a significant role in shaping the level of investment available to a transfer organisation, and before any formal process could be pursued these factors would need to be determined in detail.

### The potential for debt write off

- 8.5. The availability of debt write off would have significant implications for the investment capacity of a transfer organisation. Historically it has been possible to write off existing debt as part of the stock transfer process, but this is subject to Government policy and at present that policy has not been set.
- 8.6. The Government's Stock Transfer Guidance Manual is expected to be published in February 2013 and is anticipated to contain confirmation of whether the Government intends to continue both to support both overhanging debt write off and to support the continued availability of VAT shelters.
- 8.7. At this early stage, therefore, it is not possible to confirm whether either a debt write or a VAT shelter would be available to enhance the capability of a transfer organisation to invest in meeting residents' housing priorities. However further clarity will be available in the near future, and officers will work closely with Government agencies to further investigate how these factors might deliver further investment capacity, while the conversation with residents continues.

#### Management and investment costs

- 8.8. To date the planning assumption has been that management and maintenance costs would be the same for a transfer organisation as would be the case were the Council to retain the stock.
- 8.9. It is not an unreasonable assumption that management costs might be lower for a transfer organisation, for two reasons. First, the transfer organisation would not need to support a proportion of the Council's central overheads, as is the case under retention. Second, the transfer organisation would enjoy greater freedom to negotiate its own contracts for services and supplies and thereby potentially to achieve further efficiencies.
- 8.10. The cost of investment in the stock, both for maintenance and for capital works, is the biggest single factor in the current modelling. A full stock survey was undertaken in 2008 and it would be necessary were any possible transfer to be supported by a full stock condition survey. This has not been undertaken to date in order to avoid abortive cost, but officers will work with Lewisham Homes to commission this while the conversation with residents continues.

#### Summary

- 8.11. There are presently unquantifiable variables that have the potential to impact on the precise level of funding available to a transfer organisation. However, it remains the case that both the stock transfer options under consideration (i.e. transfer to an existing housing association or transfer to a new resident led organisation) offer the potential for additional investment in Lewisham's housing stock, and potentially for the write off of existing historic debt.

- 8.12. If an option to proceed is agreed, officers and Lewisham Homes will establish, in as precise a manner as is practicable, the financial benefits that would accrue to Lewisham's tenants and leaseholders of transfer.

## **9. New build housing**

- 9.1. In July 2012 it was reported to Mayor & Cabinet that an initial review of capacity for new housing on the Council's current housing land had identified the capacity for an estimated 600 new homes. It was noted that there were likely to be planning and other technical difficulties in bringing these new homes forward and that as such 250 new homes represented a more feasible assessment of the level of new housing that might be delivered. On that basis Mayor & Cabinet set a target for the delivery of 250 new homes over the next five years.
- 9.2. Following a selection process, PTEa architects was appointed to assist in site selection and technical appraisal of the capacity of sites to sustain new housing. PTEa was selected on the basis of its experience of working with other local authorities on infill housing schemes, and of designing those schemes in such a manner as to minimise the loss of amenity for existing residents. PTEa was joined in its bid to support this work by Drivers Jonas Deloitte which has provided initial assessments of the financial implications of new building.
- 9.3. Part two of this report provides further details of the progress that has been made to date and possible next steps.

## **10. Older People's Housing and Extra Care**

- 10.1. In July Mayor and Cabinet noted the estimated investment need of £17m to improve the Council's sheltered and extra care housing stock, which included an estimated sum of £6m for a new 40 unit extra care scheme. Mayor and Cabinet also resolved that officers should continue to review the Council's long-term approach to housing for older residents.
- 10.2. Since July officers have been searching for potential sites that could accommodate a new minimum 40 bed extra care unit. The search involved evaluating land currently in the Council's ownership or in the ownership of other Registered Providers with whom the Council might work.
- 10.3. The search identified six sites that officers believed might have had the capacity to deliver a new 40 unit scheme. As the size of the site provides only a general indication of the possible capacity, officers embarked on a process to commission initial capacity studies to determine which of the six sites would best meet the requirements for the new scheme.
- 10.4. On 26 October 2012 the Mayor of London launched his new Care and Support Specialised Housing Fund of up to £60 million. The fund is aimed at encouraging the development of new homes that provide specialised housing for London's older people and disabled adults. The announcement of the

fund offered the potential to attract subsidy towards what was expected to be an expensive scheme to deliver.

- 10.5. However one of the main qualifying criteria for a bid to the fund is a requirement to achieve a start on site for building works by the end of the March 2014 and as such officers focussed on reviewing the potential sites to assess which might be deliverable within the timescales set by the GLA.
- 10.6. That review revealed that only two of the sites could achieve a start on site in this timescale, and further details of these are provided in Part 2 of this report.

## 11. Financial implications

- 11.1. This main purpose of this report is to inform Mayor and Cabinet about the findings of the discussion with residents about and to obtain the agreement of Mayor and Cabinet of the next steps in considering stock options. As such this report in itself has no financial consequence beyond the cost of further consultations, professional advice and managing the options appraisal process.
- 11.2. As agreed at Mayor and Cabinet in January, £500k was allocated to cover the costs stated in 12.1. To December, £257k has been spent. Details of the spend can be summarised thus:

	£
Staff costs	23,000
Professional advice	143,000
Consultation support (ITA, IpsosMORI and phone survey)	67,250
Other costs (e.g. transport, printing & postage, room hire)	24,000
<b>Total</b>	<b>257,250</b>

- 11.3. This report is also to inform Mayor and Cabinet about progress in identifying potential sites for new affordable housing, about which more details can be found in part two of this report. Details of the financial implications relating to this issue are contained within part 2.

## 12. Legal Implications

- 12.1 The Council has a wide general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. The existence of the general power is not limited by the existence of any other power of the Council which (to any extent) overlaps the general power. The Council can therefore rely on this power to carry out housing development, to act in an “enabling” manner with other housing partners and to provide financial assistance to housing partners for the provision of new affordable housing.



- 12.2 Section 105 of the Housing Act 1985 provides that the Council must consult with all secure tenants who are likely to be substantially affected by a matter of housing management to which the section applies. The section specifies that a matter of housing management is one which relates to the management, maintenance, improvement or demolition of dwelling houses let by the authority under secure tenancies and that such consultation must inform secure tenants of the proposals and provide them with an opportunity to make their views known to the Council within a specified period. The section further specifies that before making any decisions on the matter the Council must consider any representations from secure tenants arising from the consultation.
- 12.3 Section 106 and Schedule 3A of the Housing Act 1985 set out the formal consultation requirements for stock transfer. Schedule 3A applies in place of Section 105. Essentially, the required process has two stages, requiring a Stage 1 and Stage 2 Notice. There is only a statutory requirement to undertake a ballot in the case of stock transfer.
- 12.4 At this stage in the process, the Council has been carrying out non statutory informal discussions with tenants and their representatives on the various options. Formal consultation will need to be carried out at the appropriate stage of this process, the nature of which will depend upon which of the remaining two options the Council finally decides to take forward.
- 12.5 The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 5 April 2011.

The duty consists of the 'general equality duty' which is the overarching requirement or substance of the duty, and the 'specific duties' which are intended to help performance of the general equality duty.

The duty covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 12.6 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.

These are often referred to as the three aims of the general equality duty.

- 12.7 As was the case for the original separate duties, the new duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 12.8 The Equality and Human Rights Commission (EHRC) have issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
  2. Equality objectives and the equality duty
  3. Equality information and the equality duty
  4. Meeting the equality duty in policy and decision-making
  5. Engagement and the equality duty

All the guides have now been revised and are up to date. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

- 12.9 The EHRC guidance does not have legal standing. Unlike the statutory Code of Practice on the public sector equality duty which was due to be produced by the EHRC under the Act. However, the Government has now stated that no further statutory codes under the Act will be approved. The EHRC has indicated that it will issue the draft code on the PSED as a non statutory code following further review and consultation but, like the guidance, the non statutory code will not have legal standing

### **13. Equalities Implications**

- 13.1. An EAA has been undertaken as part of the Housing Matters consultation exercise with tenants and leaseholder managed by Lewisham Homes and has shown that the ‘retention’ options could have potential negative impacts, specifically on older people, vulnerable people and those with disabilities. The reason for this is related to the delay in which investment could be undertaken to the Sheltered Schemes and into the wider estates and areas to improve security and lighting. In order to mitigate this, should the Council retain ownership, it will continue to explore ways to maximise its resources to carry out improvements beyond the Decent Homes Standard.
- 13.2. All options carry positive benefits for the community including the commitment to build as a minimum 250 new affordable homes. The Council has a large waiting list of approximately 7,000 households and this will

contribute to resolving some of these households needs, particularly those that are overcrowded as the Council is aiming to deliver more family sized accommodation.

- 13.3. In terms of the consultation exercise, the Council worked with Lewisham Homes to develop its consultation and communications strategy for the project. In order to hear from as many tenants and leaseholders as possible during this consultation a number of methods were employed including drop-ins, road-shows, established tenant & resident association meetings, Sheltered scheme visits, newsletters and an online presence. The Council received over 1,500 surveys and in terms of responses, 33% were from Black households, which is a slight under-representation of our tenant population where 40% are from Black households. There was an over-representation from people aged 65 plus who responded to the survey with 29% compared to just 16% of our tenant population being 65 plus.
- 13.4. Therefore, if transfer was pursued, the Council would need to ensure its outcomes are reflective and representative of its community. The Council would develop a new Consultation and Consultation Strategy should this step be taken, It would need to reach beyond those the Council and Lewisham Homes traditionally find it easier to engage with by offering a range of more informal ways for tenant and leaseholders to get involved and to be able to express their views. The ballot stage would be critical as the turnout would need to demonstrate solid tenant engagement in the process as well as demonstrate that all sections of the tenant population had the opportunity to participate.

#### **14. Environmental Implications**

- 14.1. Bringing homes up to the Decent Homes standard will lead to greater energy efficiency, reduced maintenance costs and lower fuel bills for residents. It will also reduce the level of harmful gases being released into the atmosphere. The proposals set out here introduce the possibility that new, energy efficient, housing might be added to the Council's stock. As part of any further design assessment on new build schemes, officers will investigate the potential for creating new homes that are more efficient in terms of both construction and their use.

#### **15. Crime and Disorder Implications**

- 15.1. As part of the consultation exercise a number of residents suggested that the Council should focus on reducing anti social behaviour in addition to the five priorities it set out. If the option of continuing the conversation with residents is pursued, then this issue will be discussed in more detail, including by potentially focussing any additional investment that might be available on addressing those issues.

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## PROVIDING VALUED SOLUTIONS



**London Borough of Lewisham**

**Independent Advisory Services**

**Draft Report**

**December 2012**

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## Acknowledgements

TPAS would like to put on the record their thanks to the Council, and their officers, for providing information to assist us in our role. TPAS would also like to extend our thanks to members of the Residents' Steering Group who assisted us and the residents of Lewisham who participated in the programme.

## Executive Summary – Key Findings

- There is a low awareness level amongst residents that we spoke to, of the Housing Matters project.
- There is no real appetite for change amongst the residents that we spoke to.
- There is real concern about increased rent levels particularly around transfer to a Housing Association.
- There are real concerns about security of tenure and maintaining existing tenancy rights.
- The majority of the residents that we spoke to expressed the desire to remain with Lewisham Homes or return to the Council.
- Many of the residents that we spoke to expressed concern about the short time frame of the project.
- Residents that we spoke to often felt that they had insufficient information to give an informed opinion.
- Our financial analysis shows Lewisham to be in a more favourable position than many councils find themselves, and one which enables an “unpressurised” choice between the proposed options.
- Careful consideration needs to be given to ensure appropriate consultation when dealing with residents living in Sheltered Housing Schemes. Any consultation must be well planned and timely due to the vulnerable nature of many of the residents living in these schemes.
- The Resident Steering Group were evenly split in terms of preferred options, between retention (both options 1 & 2: **Option 1** – The Council could continue to be the landlord and Lewisham Homes could continue to manage the homes. **Option 2** – The Council could continue to be the landlord and would manage the homes directly instead of Lewisham Homes.) and transfer (**Option 3** – The Council could transfer ownership to a new ‘resident-led’ organisation that would own and manage the homes.)
- There was little or no appetite from the Resident Steering Group for **Option 4** (transfer – The Council could transfer ownership to an existing housing association that will own and manage the homes.)
- Lewisham Homes have stated that their preferred option is to become a Mutual Organisation.

TPAS challenged the short timeframe of the project and the impact it would have on achieving a valid test of opinion. This resulted in a change of focus to:

- raising levels of awareness,
- capacity building,
- seeking residents' views and priorities and
- engagement about the options in general.

In total, we engaged with approximately 3000 residents, which included:

- 1760 doors knocked, and factsheets/questionnaires distributed
- 413 email surveys issued
- 337 completed surveys
- 151 website hits
- 102 residents attending TRA meetings
- 85 calls to our freephone advice line

Generally, we found that those residents who completed and returned the questionnaire were more aware of Housing Matters, felt they understood Lewisham Council's priorities and were supportive of them being the right priorities. We also found that a significant majority felt they understood the options, with feelings being split as to whether the Council was right to look at other options for the future management and ownership of the homes. This could reflect the fact that they had had more time to read the information or are more generally active/involved residents.

In contrast, TPAS found that there was a general lack of awareness amongst those tenants that we were able to speak to through our door-knocking exercise, with the focus leaning more towards general awareness raising and promoting the importance of the project and the need for residents to read all literature they received on the subject of Housing Matters.

We carried out a test of the options with the Resident Steering Group (RSG), which demonstrated that members preferences were split fairly evenly between options 1 and 2 (retention) and option 3, transfer (mutual), but there was no appetite for transfer to a housing association. The test of opinion also highlighted the RSG's collective view of the most important factors to consider, the top four being:



1. Preserve key tenants rights
2. The chosen option must be supported by residents
3. Deliver and maintain decent homes
4. Maintain service standards at least at current levels

Throughout the project, we also had a broader focus on wider housing issues across the borough with a view to seeking residents' aspirations and priorities for their homes and neighbourhoods. This was a preliminary and relatively informal stage, in which there were no substantive decisions for residents to make (i.e. no ballot).

We have set out the full details of our work, along with our observations and those of participants, and conclusions below.

## Background

TPAS was appointed by a Residents' Steering Group (RSG) on 1<sup>st</sup> September 2012 as the Independent Tenant Advisor (ITA) for Lewisham Council's Housing Matters Project. The remit was to provide independent advice to tenants and leaseholders about the Mayors' housing priorities; the different housing options under consideration by the Council to achieve them and to work with the RSG to understand and examine the proposals and produce a final report to the Council.

The Housing Matters programme commenced on 3<sup>rd</sup> September requiring the ITA to mobilise the project efficiently. Our core role was to gather as much information from the Council as possible, validate it and produce and distribute impartial information to residents to raise awareness of the proposals.

## Aims

The Housing Matters programme of communication and engagement was intended to ensure that all Lewisham Homes residents (13,442 tenants and 5111 leaseholders approximately) are aware of what the Council was considering, why, and how they could contribute to the decision making process.

## Objectives

Our specific objectives were:

- To be a visible source of independent information and advice for residents.
- To make this advice and guidance available and accessible to residents through appropriate channels.
- To advise the Council on the appropriate design and delivery approach for the engagement programme, drawing on our expertise and knowledge of best practice across the sector.
- To scrutinise the financial information and assumptions underpinning the proposed options

## Methodology

Our brief required that we provide some or all of the following types of activities:

- Advice through provision of a free phone and email response service to tenants and leaseholders.
- Help to structure and deliver Area Panel meetings, TMO Committee meetings and possible Tenant & Resident Association meetings to provide advice and information.
- Help to structure, attend and present at the launch of the Housing Matters Project on 8<sup>th</sup> September to promote our role during the engagement exercise and provide advice and information to attendees.
- Help to structure and then attend the Council 'road show' activities to support awareness raising and capacity building.
- Provide information in publications circulated by the Council and its partners, such as Lewisham Homes.
- Attend Council committee and planning meetings, where required.
- Facilitate sessions with specific groups to be identified by the Council.
- Inform the Council on best practice approaches relevant to the project.
- Provide a Summary Report of the findings of our informal consultation to inform the Council's understanding of residents views prior to their report to the Mayor and Cabinet.

TPAS undertook a (non-scientific) survey, alongside an extensive door-knocking exercise, in order to gauge residents' understanding of the project, seek their views on the proposals and to engage as many residents as possible while raising project awareness.

## Lewisham Options and Context

Lewisham Council owns more than 18,000 homes across the borough; currently managed by Lewisham Homes. Lewisham Homes was established as an Arms Length Management Organisation (ALMO) by the Council in 2007 to manage the homes and obtain Government funding to deliver the Decent Homes Programme. At the time of writing, just over half of the Council homes meet the Decent Homes Standard.

Lewisham Council is looking at the housing challenges across the borough. The population of Lewisham is increasing, bringing increased demand for all types of housing. Resulting house price rises make it even more difficult for people to buy their own homes, with average house prices now being 11 times the average wage in the Borough. Lewisham faces a range of housing issues including:

- More than 7000 households in priority need for social housing on the Councils waiting list;
- 3,500 households living in overcrowded homes and the population is still rising and;
- The condition of some homes for older people failing to meet expected modern standards with some residents living in bedsits and sharing bathrooms.

The Council outlined that over the next 10 years, they would like to:

- Continue to improve tenants homes, by completing the upgrade of all homes in Lewisham, to meet Lewisham Homes standard in the next four years;
- Improve estates and their environment by providing better security, improved lighting, the installation of door entry systems, improving estate roads, paths, play areas and landscaping;
- Increase the supply of affordable housing by seeking to build 250 new homes over the next 5 years;
- Empower residents to influence the decisions that affect them;
- Provide better housing for older people by ensuring that all sheltered schemes meet tenant needs and provide a new extra care scheme.

In order to meet these priorities the options being considered by the Council are;

- Option 1** – The Council could continue to be the landlord and Lewisham Homes could continue to manage the homes.
- Option 2** – The Council could continue to be the landlord and would manage the homes directly instead of Lewisham Homes.
- Option 3** – The Council could transfer ownership to a new 'resident-led' organisation that would own and manage the homes.
- Option 4** – The Council could transfer ownership to an existing housing association that will own and manage the homes.

## Resident Involvement in Housing Matters

### Resident Steering Group

As an ITA we worked for and on behalf of tenants and leaseholders of Lewisham Council. One of the ways that we are able to protect our integrity and impartiality is to work closely with a Residents' Steering Group. It was agreed that we would operate strategically through the Residents' Steering Group that appointed us. This group was established purely for the purposes of the Housing Matters consultation.

The aims of the Residents' Steering Group were:

- **To promote awareness and encourage tenant and leaseholder involvement in the Housing Matters project**
- **To work with TPAS to develop and deliver an effective programme of communication and engagement**
- **To support TPAS in enabling residents to shape and inform the decision making process**

TPAS facilitated the meetings of the Resident Steering Group; keeping them informed and updated on how the Housing Matters project was progressing and building their knowledge and understanding of the options/process. This group consisted of tenants, leaseholders and TMO representatives. The Resident Steering Group met fortnightly throughout the period of the project. Average attendance has been good at 11 resident members per meeting out of a membership of 15.

The Residents' Steering Group members became particularly well informed about the options under consideration, a handful of members had strong opinions about one of the options in particular and most members actively participated in the development of our programme. The programme of meetings with the Residents' Steering Group included;

- The development and monitoring of the ITA Consultation Plan
  - Financial training and awareness with supplementary briefings
  - Contributions into our Frequently Asked Questions (FAQ)
  - Contributions into our newsletters
  - Presentation from Defend Council Housing
  - Presentation from Phoenix Housing (Mutual example)
  - Presentation from Lewisham Homes
- Fortnightly updates on consultation and ITA findings

- Final test of the options to form the conclusions to this report
- Input into and sign off of this report

TPAS would like to thank members of the Residents' Steering Group for their time involvement and valuable input.

### **Promote awareness and encourage tenant and leaseholder involvement in the Housing Matters project**

TPAS attended, as Independent Advisors, as many of the Council's planned events as possible to support residents and to ensure accurate and consistent information was given to tenants and leaseholders attending the local meetings and drop-ins and to provide independent and impartial advice. TPAS also carried out an independent engagement and awareness programme.

The programme that was drawn up gave specific regard to the brief issued by the Council which required time spent by the ITA working and engaging with non active tenants and leaseholders as well as developing and establishing the work of active residents through appropriate training and capacity building.

Activity was developed, discussed and agreed with both the Resident Steering Group and the Council, initially to engage with tenants to raise awareness and understanding of the different priorities and housing options for the future, and encourage and enable tenants who might not normally get involved, to do so and then begin to influence the future of the housing service and the outcome of the Housing Matters process.

Our programme, is shown in Annex 1 and included;

- Attendance at Council's Information drop ins and meetings at sheltered schemes;
- Production of two TPAS Newsletters;
- Production of a Factsheet of frequently asked questions and answers;
- Freephone telephone information line;
- Twitter account and Facebook pages;
- Email access;
- ITA led sheltered meetings and local meetings;
- Provision of a dedicated information website page as well as provision of information for Lewisham Homes and Council website;
- Estate visits to canvass views;
- Market attendance;



- Offer of personal visits as required;
- Attendance at Tenant and Resident Association and Tenant Management Organisation meetings;
- Sheltered Scheme visits;
- Finance briefing sessions.

## **Develop and deliver an effective programme of communication and engagement**

### **Independent Information material**

In order to provide independent information on the options proposed, we reviewed the financial assumptions made by the Council; this analysis can be found in summary below. We provided residents with information in various formats so that they could understand and then form their own opinion. It was difficult to adapt a standard approach for supplying large amounts of detailed written information in formats that pleased everyone.

The factsheet developed at Annex 2 was given to all of the residents we engaged with and made available on our website. A copy was also put through all of the letterboxes of residents homes who were out when we door-knocked.

We produced two newsletters, shown in Annex 3, distributed to all tenants and leaseholders. The first newsletter was produced and distributed in October to:

- Introduce TPAS and our contact information
- Inform residents of the Housing Matters project
- Inform residents of the priorities and options proposed by Lewisham Council

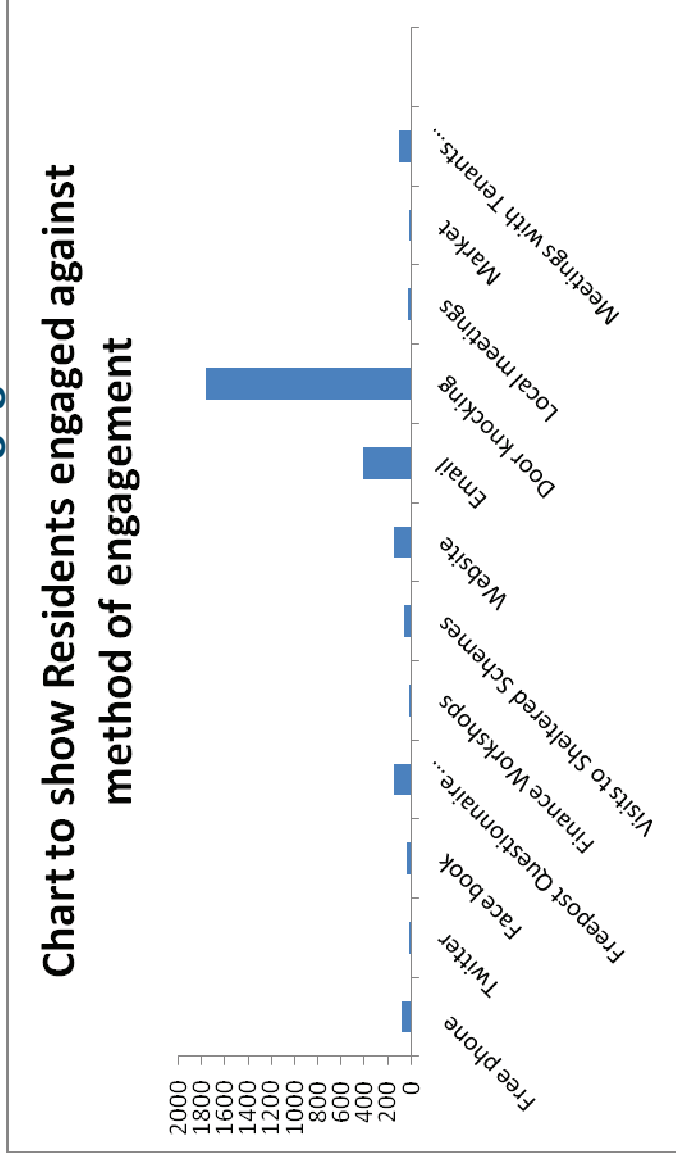
The second newsletter was produced and distributed in November, to:

- Provide independent information about the options, the finances behind each option and the impact of each option for residents to consider.
- Provision of finance information sessions for residents to attend.

The newsletter gave tenants an independent summary of information on the options and background and encouraged tenants to contact us if they wanted to know more and how they could get involved. Issues with the incorrect addresses for the delivery of our first newsletter impacted negatively on our first stage awareness raising and resulted in complaints to our free phone number and some duplication of material in our second newsletter.

Delivery of our second newsletter coincided with the delivery of Lewisham Homes' newsletter containing the Council's own survey on the Housing Matters project. We did notice an increase in general levels of awareness when talking to residents and the Council reported an influx of survey returns.

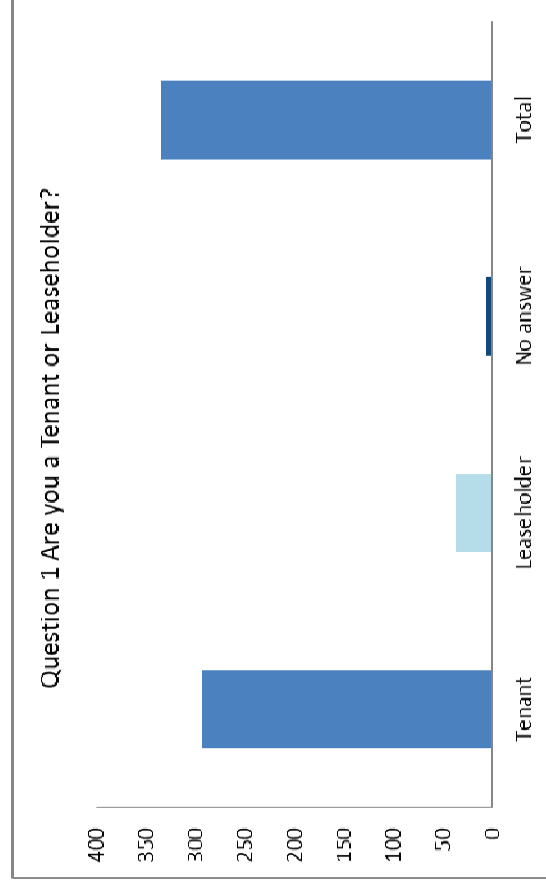
### Methods and Level of Resident Engagement



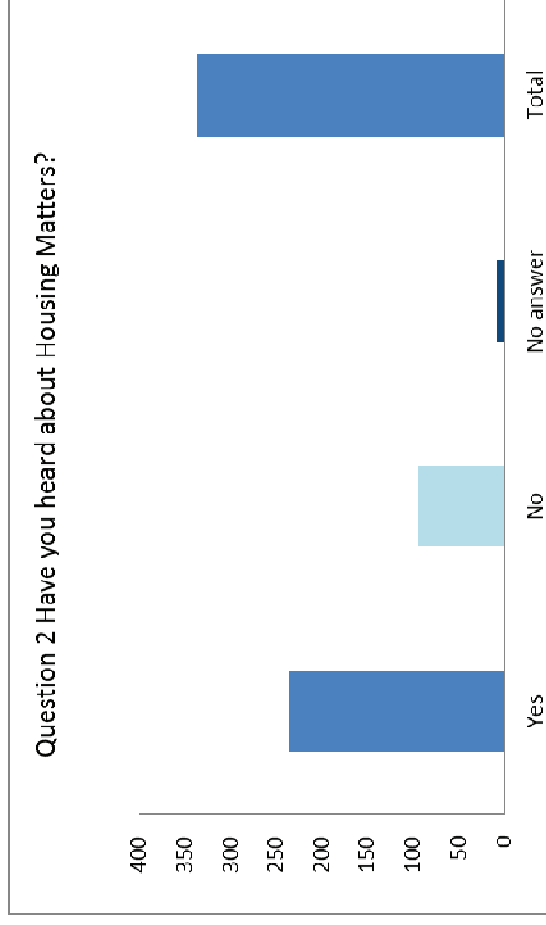
Total	2819
Freephone	85
Twitter	5
Facebook	39
Freepost Questionnaire Survey	148
Finance Workshops	10
Visits to Sheltered Schemes	64
Website	151
Email	413
Door knocking	1760
Local meetings	22
Market	20
Meetings with Tenants and Residents Associations	102

### Survey

The survey TPAS used can be seen in Annex 4. Residents were asked, during later stages, to give their views on the future of their Council homes and also what their level of understanding was on the different options available to the Council. Residents were offered a variety of ways to complete a survey. TPAS received a total of 337 completed surveys.

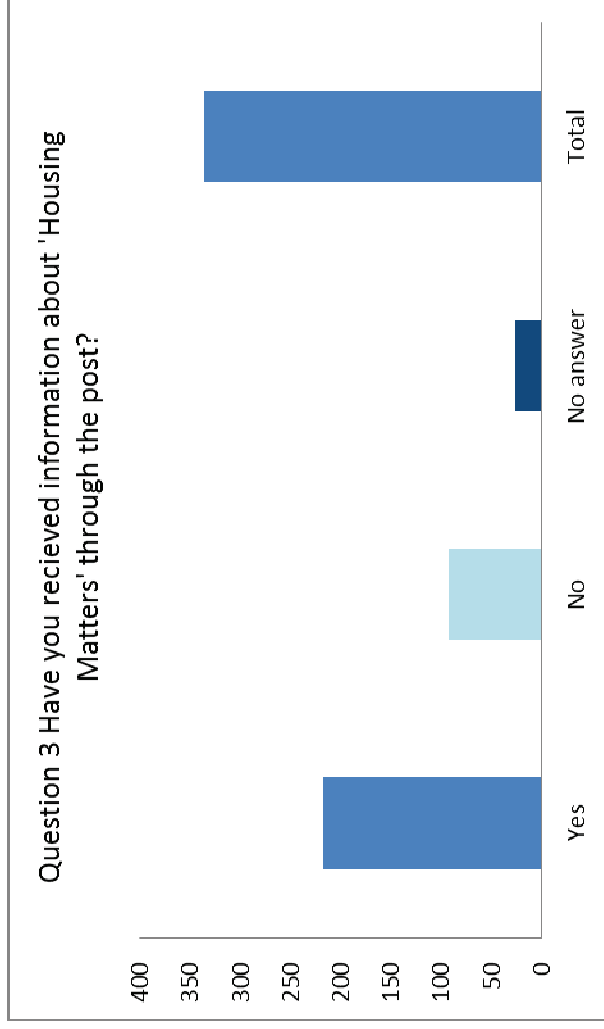


Total: 334  
 Tenant: 292  
 Leaseholder: 37  
 No Answer: 5



Total: 337  
 Yes: 235  
 No: 93  
 No Answer: 9

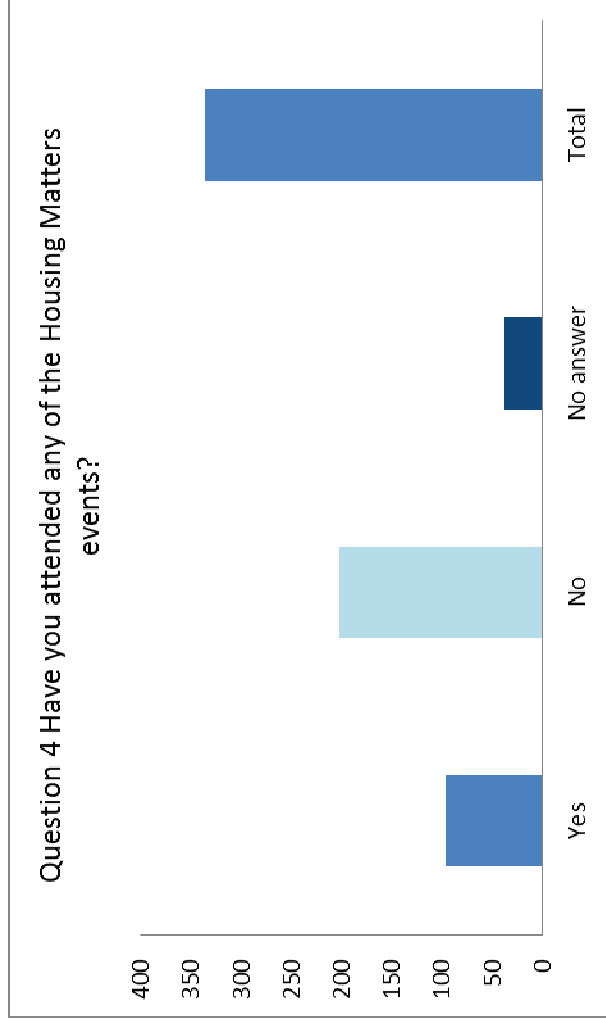




Residents had mixed views about the quality and clarity of the information they had received. Some residents commented that the information was 'fairly clear' and 'fairly informative', whilst others commented that there was 'not enough detail', with one resident stating that the information they had received was 'very much a broad overview. Not enough depth of information to be able to make a fully informed decision.' (Common Themes Identified)

**When asked what additional information was needed residents' feedback was for information around updates:**

- How the programme progresses, with an appetite for more involvement in the future,
- How repairs and maintenance can be improved and Decent Homes achieved,
- How short or long term tenant's rights are affected,
- How any potential changes will impact at Estate or scheme level,
- Some service specific feedback was forwarded onto the correct service team.



Total: 336  
 Yes: 96  
 No: 202  
 No Answer: 38

The majority of the 96 respondents who had attended Housing Matters events completed their survey at an event (e.g. TRA meetings, Sheltered Scheme Meetings, Drop-ins etc.)

The majority of residents who we spoke through door-knocking had not attended events and told us that this was due to:

- A lack of time
- A lack of awareness/information about events
- A sense that resident opinion would not count
- Barriers including working, childcare, disability, language

TPAS worked hard to ensure that all residents that we spoke to were informed of the importance of Housing Matters, and encouraged all residents to read all information they received. We also promoted our Freephone advice line and encouraged residents to contact us if they received any information that they were unable to understand or had questions about.

Analysis of the completed surveys and feedback was undertaken on a weekly basis, and after analysis of diversity information we realigned our door knocking and remaining programme to engage with a more representative sample of residents.

TPAS visited the following sheltered housing schemes:

- Commodore Court
- Welland Court
- The Vineries
- Guardian Court SE12
- John Penn House SE 14
- Croften Park SE4
- Whitehouse SE14
- Lawrie Park SE26
- Lewis Silken House

There was a mix of tenants at these schemes and, in the main, we found that residents wanted to remain tenants of the Council. Some residents were very elderly, vulnerable or appeared to be quite isolated expressing that they had little social contact; while others still worked.

At Guardian Court we spoke, in depth, with some very articulate and able residents which in fact led to a revision to a section of wording in our Frequently Asked Questions fact sheet. Concerns were raised about the vulnerability of some of the residents and that the process may cause people unnecessary worry at this stage. This led TPAS to conclude that a careful, considered and well planned approach will need to be taken to any further consultation with residents at these schemes. Consideration needs to be given to the way residents are approached and whether carers and/or family members need to be informed about future plans to regenerate any of the schemes. A mechanism of support for tenants of these schemes, will need to be put in place for any future consultation process.

Many residents expressed satisfaction with their homes albeit some issues regarding getting repairs done, lack of natural light and simple things, for example, one resident had a new front door, which while she was very happy, the spy hole was too high for her to see through. Again, this highlights the need for careful planning and good quality consultation when undertaking work at these schemes.

A few residents just stated that they were happy and did not want to be involved in any of it, they wanted to be left alone.

The schemes that we visited were all independent flats, so the issue of shared facilities/bedsit accommodation did not arise. Although at Guardian Court the only communal space (room) was very small with no real facilities.

Several residents suggested that more social activities could be organised to bring a sense of community and help people get to know and interact with each other. Some said that as the flats are independent, people come and go and don't really have much to do with each other.

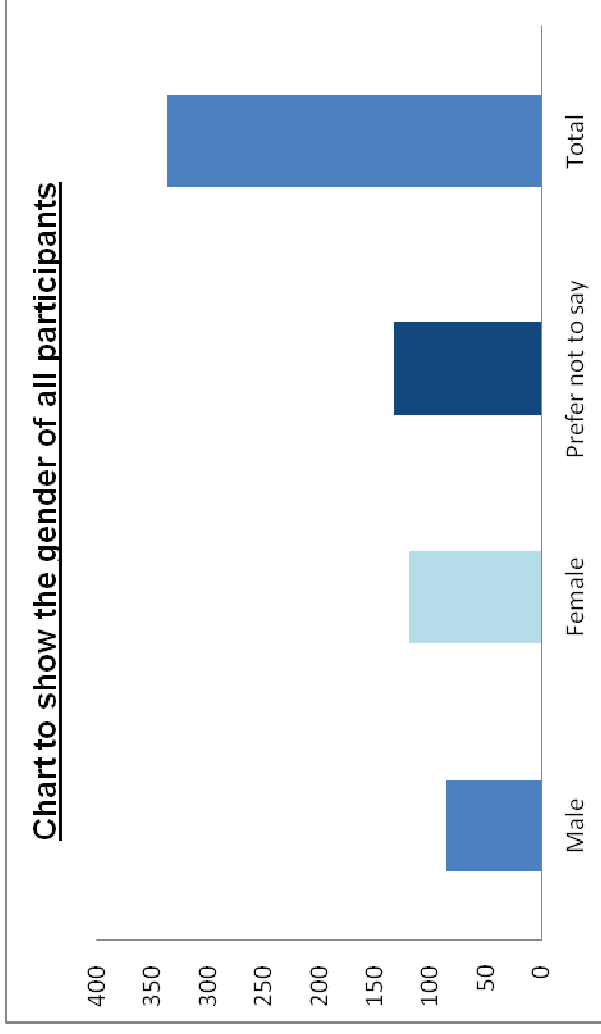
**We also tried to engage with other groups and stakeholders who could potentially assist with our engagement strategy:**

**The Brockley Youth Forum** held a "Launch" event and TPAS were unable to attend during the timeframe, information was requested and provided.

TPAS attended the **Young Advisers Committee** with approximately 30 young people in attendance. There was a lively discussion about housing in Lewisham and the group was quite political in their views. Concerns were expressed about how their potential lack of access to housing, either through not being able to afford to buy a house in London or being able to access social housing. Some felt that living at home beyond their early twenties was not desirable. There was the perception that people could come to this country and quite easily get housed, which they articulated was unfair (this is why a debate in the future may be useful). Many stated that they wanted to stay in Lewisham and that there should be enough homes available (and affordable) to allow them this choice. We discussed the historic issues surrounding the Right to Buy and the loss of council homes and lack of building replacement homes as well as briefly how Government policies drive decisions about social housing and councils ability to build new homes. Some asked what the point of going to university is and then not being able to get a job or afford a home. This discussion was restricted due to time limitations but it could form the basis of a further debate with the Mayor of Lewisham at a later date.

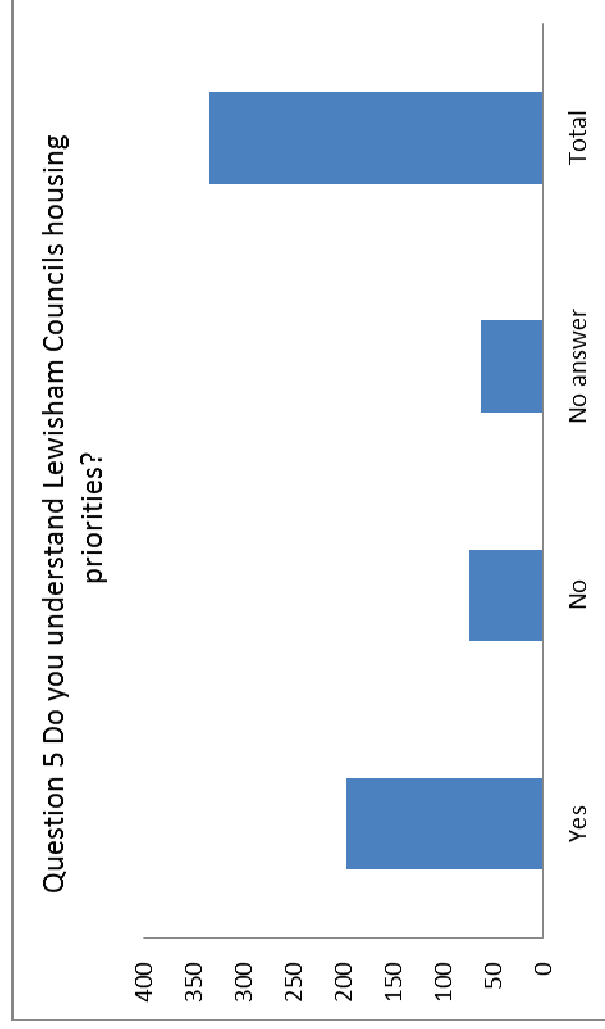
**The Lewisham Ethnic Minority Project (L.E.M.P)** was contacted and requested all of the consultation information via email. They agreed to forward the information to their member groups.

**The Federation of the Vietnamese Community in Lewisham** was also contacted however their meeting schedule is full until after Christmas. The information was sent via email.

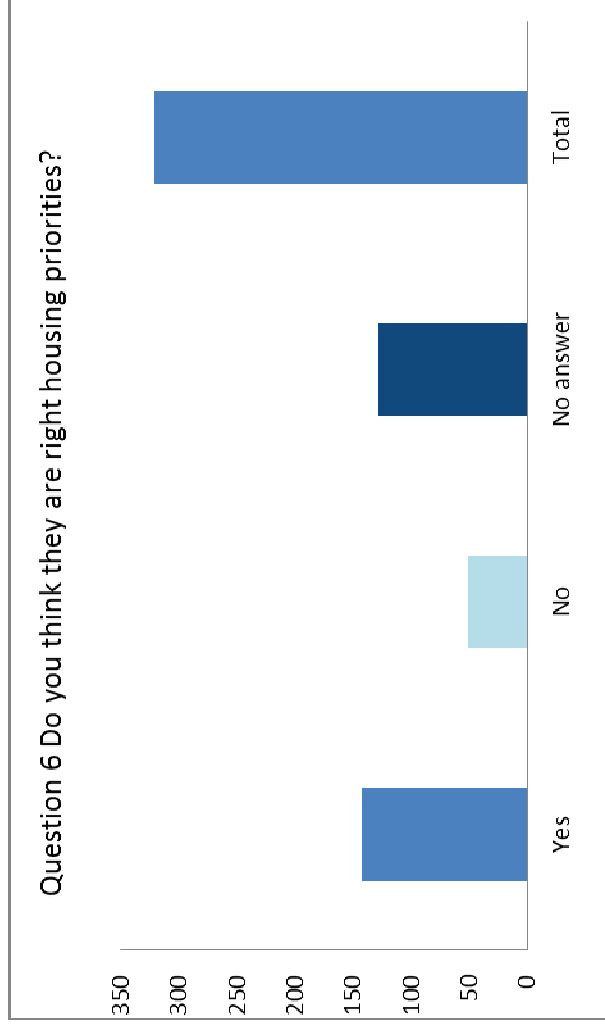


Total	306
English/Welsh/Scottish	5
Gypsy or Irish Traveller	0
White & Black African	1
White & Black Caribbean	2
White and Asian	0
Indian	2
Bangladeshi	0
Any other Asian background	1
Caribbean	30
Black/African/Black/British/Caribbean background	5
Arab	1
Any other ethnic group	1
Prefer not to say	129
Irish	5
Any other white background	7
White and Black African	1
Any other mixed/multiple ethnic background	1
Pakistani	0
Chinese	4
African	31
Any other	1

## To support TPAS in enabling residents to shape and inform the decision making process



Total: 335  
 Yes: 198  
 No: 74  
 No Answer: 63



Total: 321  
 Yes: 142  
 No: 51  
 No Answer: 128

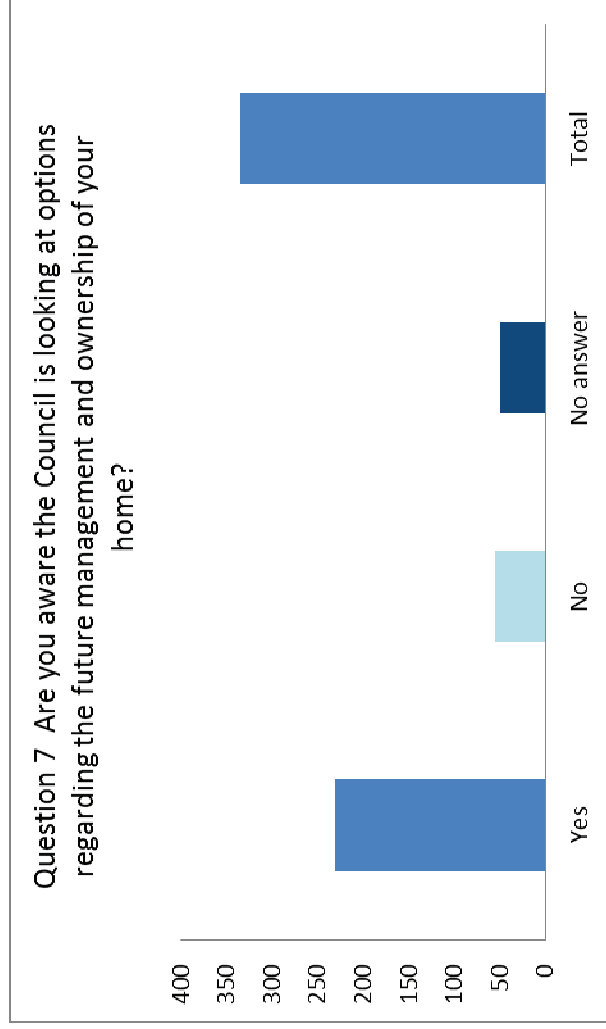
Generally, the residents that we engaged with had a good understanding of the housing priorities and were supportive of them, sharing a range of views about what was important to them.

There was good awareness of the Decent Homes Programme, although some residents expressed concern about when improvements would be undertaken to their homes. Residents also expressed the view that the focus should be on improving existing homes, rather than investing in new homes:

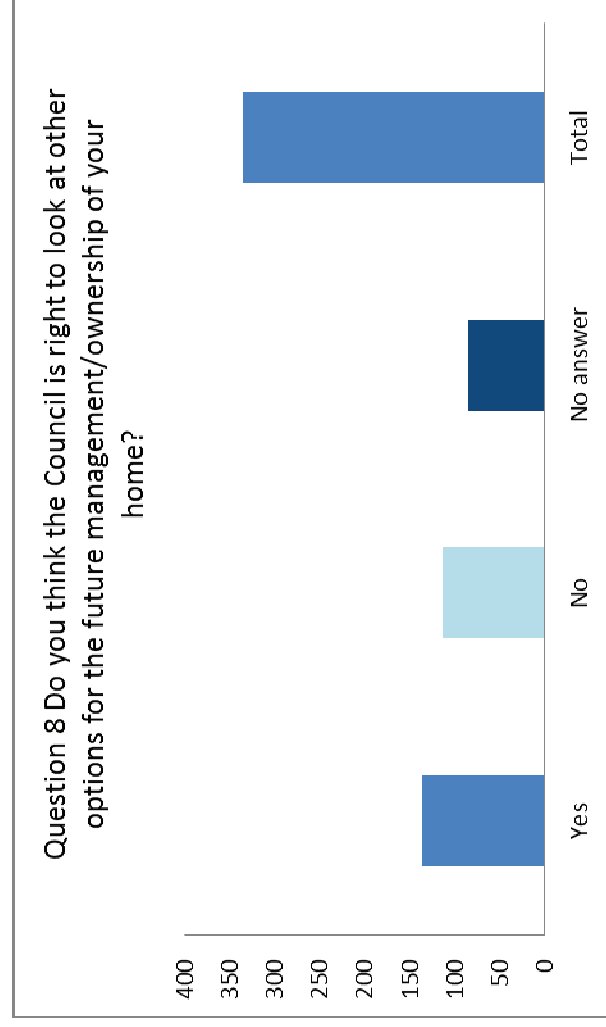
*'I'm unsure of what previous leaflet said as was a lot of information, I feel the priorities should be to improve the properties to the required standard before even considering spending the budget to build new ones.'* Tenant SE23

We also noted numerous concerns relating to allocations and perceived over-crowding:

*'Instead of building more properties ensuring current stock is allocated properly and according to the tenants needs.'* Source information not supplied.



Total: 335  
 Yes: 230  
 No: 55  
 No Answer: 50



Total: 335  
 Yes: 136  
 No: 114  
 No Answer: 85



Whilst the survey results show a high degree of awareness of consideration of the options, some of this is attributable to our conversations at the doorstep and TPAS noted a high degree of cynicism and lack of awareness of the process leading up to a decision.

There were mixed views about whether the Council was right to be looking at the options and generally, residents expressed the view that they wished to remain with the Council as their landlord:

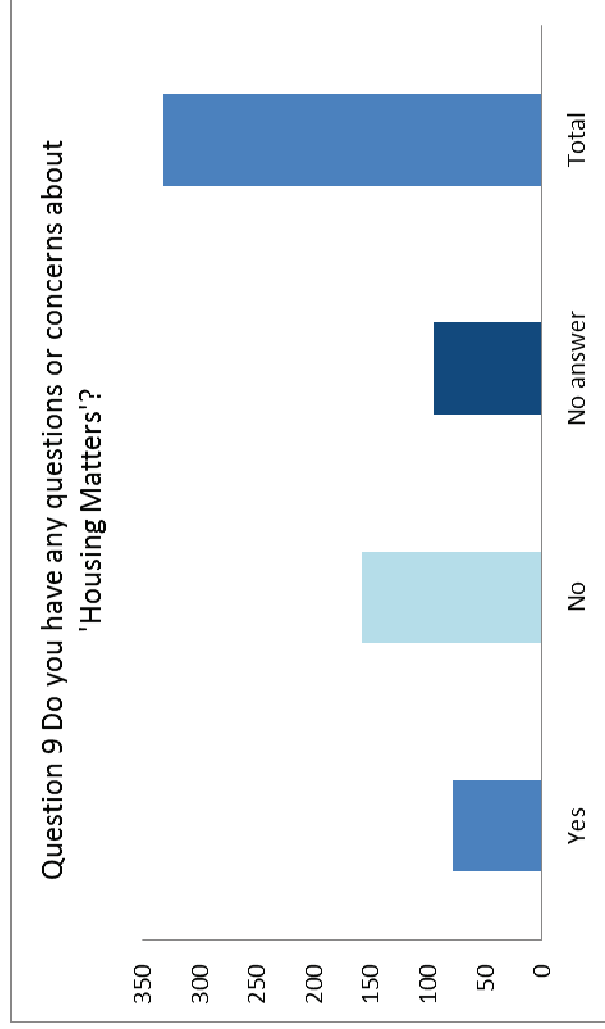
*'I would like Fairfield's to stay as it is. We get all done what we need and are well looked after' Tenant SE6*

*'Dear Sir or Madam, It is important that Lewisham Homes stay with Lewisham Council and are not transferred. As stated this Council have the money to bring all Lewishams homes up to the decent homes standard by 2016. To pay for maintenance and necessary lifecycle works as well.'*  
*Source information not supplied*

Whilst TPAS spoke to some residents who had experienced difficulties with the service provided by Lewisham Homes (pre-dominantly in terms of re-housing and repairs', the majority of residents expressed satisfaction with the service provided by Lewisham Homes, as a pre-cursor to stating a desire for things to remain as they are:

*'Whether to remain with the Lewisham Homes or transfer to Housing Association. I think we should remain with the Lewisham Homes as it is now. Lewisham Homes have been very good (repairs) would be interested to see how the reconfiguration of Homes could achieve the priorities.'* Tenant SE 26





Many residents used the opportunity provided in this question to reaffirm their satisfaction with Lewisham Homes, their desire to remain with the status-quo, or to raise concerns that decisions had already been made. One of the overriding concerns was that increased investment would result in increased rent and service charges:

*'The councils throughout the UK are obviously a government concern, and as far as I know the government have been more than capable at looking after their own housing. Why should people be uprooted and changed now? No at the moment most tenants living in Housing Association controlled homes seem unhappy, why not leave Housing Association out of this entirely and let the council take direct control and management of social housing like it used to do. Not yet this is a debate and requires many considerations. To accept any other considerations/options e.g. a new landlord who will bring in more money does not make sense as the government is on a road to austerity. To raise money would mean higher rents and speaking as a pensioner I do not have it. Whilst I understand their reasons they don't necessarily suit the tenants' Tenant SE 14*

### General findings on Resident Involvement in Housing Matters

During the initial stages of appointment three things became clear:

- There is a very active, knowledgeable and thriving resident involvement body i.e. Combined Area Panel and a number of existing TRA's
- The need to protect existing participation activities and ensure they were not marginalised by the 'Housing Matters' process
- The RSG should be at the heart of monitoring the activity of the ITA.

One of the issues which needed to be addressed with tenants by TPAS throughout this process was the need to combat the low level of understanding and awareness which was the prevalent starting point of the majority of tenants.

Once residents had received newsletters from both TPAS and Lewisham Homes. We saw a marked increase in awareness levels during November, but still poor levels of understanding. While several residents said that the Council was right to look at their options, this was more in a business sense (good practice to review things) rather than any expressed desire for any major changes. There were no real expressions of interest for stock transfer. Some residents expressed satisfaction with Lewisham Homes and some expressed a desire for the Council to take back management of services. Most concerns raised were around tenant rights and were addressed by us;

- What happens to rents if homes are transferred?
- What happens to tenants rights if homes are transferred, in particular the Right to Buy and Right to Succession?
- How does The Council Secure Tenancy differ from an Assured Tenancy?
- Would there be a vote with the transfer option?
- Why can't the Council sell land to housing associations and use the money to deliver the Mayors priorities?
- How and when will the decision be made?
- How much weighting would be given to tenants and leaseholders views by the Mayor when they make his decision in January.
- What would be the effect on leaseholders with regards to their leases and service charges if there is a transfer?
- How many survey responses are allowed per household?
- What is the effect of affordable rents on all the options?

We found that most additional information was required around the potential impact for residents, concerns over loss of security and implications of key rights with a stock transfer.

## Resident Steering Group Test of Opinion

Members of the Resident Steering Group were asked to complete an objective test of opinion in order to support the conclusions of this report. This exercise is intended to provide an objective and evidenced conclusion to this report. Members were asked to complete a grid (Table 1) by:

1. Agreeing the criteria along the top. TPAS added in a number of criteria which we felt reflected the necessary tests. Members were able to suggest additional criteria that they felt should be included for scoring against each option.
2. Individually scoring each option according to their views of how well each option meets each criteria (1 – not very well to 5 – very well).
3. Rating the importance of each criteria (1 – unimportant to 5 – essential)

TPAS facilitators were on hand to support group members through the process as required.

Indicative preferred options were then established by totalling the scores, multiplied by the importance. The results of which can be seen in Table 3. Three members added additional criteria (resulting in higher potential maximum scores) as follows:

- Homes for young people at low rent
- Improving community infrastructure
- Investing in tenant engagement
- Preserving affordable living costs
- Social cohesion/stability of neighbourhoods
- Value for money
- Accessibility to future options
- Political influence i.e. change in Government

One member provided additional comments against the tests as follows:

- Maximise tenant control and influence: *'Accountability via democratic process if back in-house'*
- Supported by Central Government: *'Too broad a statement so cannot answer in a valid way'*

This member chose not to complete the test of opinion.

**The conclusions from the Test of Opinion undertaken by Resident Steering Groups members can be found in the section 'ITA conclusion'.**

**Table 1 – With Average Scores of ‘Top 4’ by Importance**

Factor (rate 1-5) <b>Options</b> (score 1-5)	4.7		4.2		3.9		4.9		4.6		4.0		TOTALS
	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	
1. Retention Arms Length Management Organisation (ALMO) Lewisham Homes	3.5	3.5	3.1	3.1	3.4	3.4	2.5	2.5	3.3	3.3	4.0	4.0	
2. Retention Transfer back to Council	3.1	3.1	3.1	3.1	3.1	3.1	4.9	4.9	4.7	4.7	4.0	4.0	
3. Transfer Tenant and community led (e.g. Mutual – could still be LH)	3.4	3.4	3.4	3.4	3.4	3.4	3.8	3.8	4.5	4.5	4.0	4.0	
4. Transfer To an existing Housing Association (could still be LH)	1.6	1.6	1.6	1.6	1.6	1.6	2.5	2.5	3.3	3.3	4.0	4.0	



### Rank Order of Importance

RSG Members ranked the factors in the following order of importance (by average):

- |  |     |
|--|-----|
| 1. <b>Preserve key tenants rights</b>                              | 4.9 |
| 2. <b>Supported by residents</b>                                   | 4.8 |
| 3. <b>Deliver and maintain decent homes</b>                        | 4.7 |
| 4. <b>Maintain service standards at least at current standards</b> | 4.6 |
| 5. Deliver and maintain enhanced Lewisham standard                 | 4.2 |
| 5. Supported by Central Government                                 | 4.2 |
| 7. Maximise tenant control and influence                           | 4.0 |
| 7. Building new homes  | 4.0 |
| 8. Provide extra investment for provision for elderly residents    | 3.9 |

Further analysis was undertaken to calculate the average scores against each options in terms of how well they are able to deliver each of the top four factors (by importance). The results are presented below in Table 2. Total aggregated scores for all completed test of opinions are detailed in Table 3.

Table 2: Rank Order of Importance & Options Most Likely to Deliver (Top 4)

Rank Order	Factor	Average Score	Options Likely to Deliver
1.	Preserve key tenants rights	4.9	<ol style="list-style-type: none"> <li>1. Option 2 – Retention, Council</li> <li>2. Option 1 – Retention, ALMO</li> <li>3. Option 3 – Transfer, Mutual</li> <li>4. Option 4 – Transfer, Housing Association</li> </ol>
2.	Supported by residents	4.8	<ol style="list-style-type: none"> <li>1. Option 1 – Retention, ALMO</li> <li>2. Option 2 – Retention, Council</li> <li>3. Option 3 – Transfer, Mutual</li> <li>4. Option 4 – Transfer, Housing Association</li> </ol>
3.	Deliver and maintain decent homes	4.7	<ol style="list-style-type: none"> <li>1. Option 1 – Retention, ALMO</li> <li>2. Option 3 – Transfer, Mutual</li> <li>3. Option 2 – Retention, Council</li> <li>4. Option 4 – Transfer, Housing Association</li> </ol>
4.	Maintain service standards at least at current standards	4.6	<ol style="list-style-type: none"> <li>1. Option 2 – Retention, Council</li> <li>2. Option 1 – Retention, ALMO</li> <li>3. Option 3 – Transfer Mutual</li> <li>4. Option 4 – Transfer, Housing Association</li> </ol>



Table 3: Collated Resident Steering Group Scores and Indicative Preferred Options

Steering Group Member	Retention – Arms Length Management Organisations (ALMO) Lewisham Homes	Retention – Transfer back to Council	Transfer – Tenant and community led (e.g. Mutual – Could still be Lewisham Homes)	Transfer – To an existing Housing Association (could still be Lewisham Homes)
A)	249/300	233/300	192/300	101/300
B)	260/300	260/300	114/300	54/300
C)	175/225	210/225	180/225	73/225
D)	225/225	220/225	210/225	190/225
E)	129/225	129/225	139/225	92/225
F)	211/225	172/225	215/225	159/225
G)	53/225	175/225	35/225	35/225
H)	162/225	126/225	163/225	126/225
I)	182/225	100/225	201/225	103/225
J)	166/225	114/225	182/225	126/225
K)	149/250	146/250	120/250	78/250
*				
<b>TOTALS</b>	<b>1961/2650</b>	<b>1885/2650</b>	<b>1751/2650</b>	<b>1137/2650</b>

\* One member chose not to complete the Objective Test.

- Option 1: Retention – ALMO: Top score 3 members, joint top score 1 member.
- Option 2: Retention – Transfer back to Council: Top score 2 members, joint top score 1 member.
- Option 3: Transfer – Mutual: Top score 5 members.
- Option 4: Transfer – Housing Association: Top score 0 members.

*'It does work because my scores show just how I feel'; RSG Member 04.12.12*

## Open Finance Sessions

TPAS undertook a series of open sessions to provide residents with details of our independent overview of the finances behind the options presented. Regrettably, the sessions were not well attended, due in part to delays and errors in the delivery of both newsletters. That said, residents who did attend expressed a high degree of satisfaction with the quality and detail of the information provided and gratitude for *'having the finances properly explained'*.

A summary of views and questions expressed by residents during the sessions is provided below in the table below; And the responses provided is attached in Annex 5.

Date	Session	Number of residents attending	Issues raised
30/10/12	Open session for residents The Council Chamber Civic Centre Catford	3	<p><b>Reasons for attending the session</b></p> <ol style="list-style-type: none"> <li>1. To find out why LBL's plans are so unambitious</li> <li>2. To establish why LBL are talking about stock transfer</li> <li>3. To understand why the only way to raise money is through stock transfer</li> <li>4. To establish whether transfer can generate improved personal finances for tenants</li> <li>5. To understand how the project can be sustained beyond this initial phase</li> </ol> <p><b>Key questions asked during the session</b></p> <ol style="list-style-type: none"> <li>1. What is the long-term impact of interest payments if capital debt is not repaid?</li> <li>2. How many properties are currently being sold annually through RTB?</li> <li>3. Are housing association rents higher?</li> <li>4. Have LBL considered the impact of welfare benefit changes in their financial calculations?</li> <li>5. What is the valuation of the homes to be transferred?</li> <li>6. Are there any lessons that can be learnt from LB Camden approach?</li> <li>7. Is there any scope to increase social/affordable housing supply through the planning system?</li> </ol>
31/10/12	Open session for residents The Blue Room The Albany Deptford	2	<p><b>Reasons for attending the session and key questions</b></p> <ol style="list-style-type: none"> <li>1. What rights would be lost?</li> <li>2. What about rent increases?</li> <li>3. The effect of affordable rents?</li> </ol>

20/11/12	2.00pm Session Civic Centre Catford	3	<p><b>Reasons for attending the session</b></p> <ol style="list-style-type: none"> <li>1. To understand how this affects security of tenure/tenants rights.</li> <li>2. To understand why LBL are considering this again.</li> <li>3. To clarify who pays if things go wrong.</li> <li>4. To understand why LBL want to transfer to a private organisation.</li> <li>5. To understand whether borrowing more money provides guarantees of improved service.</li> </ol> <p><b>Key questions asked during the session</b></p> <ol style="list-style-type: none"> <li>1. Does the suggested investment on quality improvements include parks?</li> <li>2. Why don't LBL look beyond traditional building styles e.g. pre-constructed kit homes?</li> <li>3. Why don't the Council demolish some smaller blocks and rebuild with increased density?</li> </ol>
20/11/12	7.00pm Session Civic Centre Catford	2	<p><b>Reasons for attending the session</b></p> <ol style="list-style-type: none"> <li>1. To understand the finances of each of the options presented.</li> <li>2. To understand the impact on security of tenure.</li> <li>3. To fully understand the differences/links between Lewisham Council and Lewisham Homes</li> </ol> <p><b>Key questions asked during the session</b></p> <ol style="list-style-type: none"> <li>1. Issues were raised in relation to leasehold costs/charges and a suggestion was made that tenants should get a similar breakdown of payments made and what it pays for (as per the leaseholders).</li> <li>2. There was concern that tenants had not heard about welfare benefit changes, universal credit and direct payments.</li> <li>3. View that spending on new homes is not a priority.</li> <li>4. A comment (from a leaseholder) that his block in Mercator Road had not been painted for the 15 years that he had been there.</li> <li>5. How many properties are currently being sold annually under 'right to buy'?</li> </ol>

## Independent Overview of Finances Behind the Options

The purpose of the consultation has been to seek tenants' views on the four main options proposed by the Council for the future ownership and management of properties currently managed by Lewisham Homes. Part of TPAS's role has been to provide scrutiny and commentary of the finances associated with these options and share this commentary with residents and the RSG.

Within this context the Residents Steering Group requested TPAS to find out answers to the following questions:

- How the options tabled by Lewisham Council stack up financially
- Whether these are truly the only options
- If the stock stays with the council are there any other ways of raising the money needed to deliver the priorities identified by the council?

TPAS would like to put on the record their thanks to the Council, and their officers, for providing the financial information required for this scrutiny. TPAS are satisfied that sufficient information has been provided, and particularly welcome the “open book” approach taken by the Council in sharing their 30 year business planning model.

Two recent major events have shaped the finances of Lewisham's Housing Revenue Account (HRA). These are the recent “Self-financing Settlement”, and the formal confirmation that outstanding Decent Homes catch-up funds will be paid (over 2013-15).

Combined these events have placed the Council in a position where it can both fund its Decent Homes program, and has additional funding (around £51m) for further investment over the next 5 years or so. This is a more favourable position than many councils find themselves, and one which enables an “unpressurised” choice between options.

Should there be a decision to opt to transfer, the Council's projection at the time of the consultation is that there would be a total of around £137m extra to invest – £86m more than with retention.

This part of the report will firstly scrutinise the Council's financial projections of the benefits available from stock transfer, and then look at the equivalent assumptions on retention, including how additional investment might be achieved.

### Scrutiny of Transfer Financial Projections

The Council's 30 year business plan financial model has been shared with TPAS. The Council have used the same core assumptions (e.g. staff costs, maintenance costs, rent levels, inflation rates etc) for modelling both retention and transfer. TPAS would observe that some transfers have relied upon higher long term rents to make transfer work better. Rents are discussed in more detail later, but TPAS confirm that no rent increases beyond the current government rules are assumed in the Council's transfer assumptions.

The headline points from TPAS's scrutiny of the Council's projected retention and transfer finances are given below. These are explained in substantially more detail in the attached Finance Annex 5. Additionally TPAS understand that the Council has requested its own independent analysis of its assumptions and projections from Sector, and that the finding of the Sector report should be available to the Council in time to be included in the Council report.

### Headline Issues relating to Transfer

TPAS's analysis indicates a significant chance that the Council may be over estimating the amount of additional investment funding that could be generated by transfer, certainly if transfer were to proceed in the shorter term. Reasons for TPAS's concern are explained in more detail in the Financial Appendix, but in summary include:

- Loss of synergy from splitting the Housing Revenue Account
- Lack of a Transfer Valuation (at time of writing)
- Impact of repayment premia on HRA debt as consequence of transfer (indicatively projected at £30m, unless a mechanism to ameliorate these costs could be found)
- Likelihood that an early transfer would result in the Council losing the Decent Homes catch-up payments promised by the Government (£67m due over 2013-15)
- Significant possibility that future rent increases will be less than projected in the business model. This has been recently highlighted by the Housing Association Regulator (the HCA) in a letter to Housing Associations. This would have a major impact on transfer valuation and the transfer business plan
- Business plan appears to show no change in projected rent loss due to the pending benefit changes. Other landlords are assuming an increase in annual rent loss of between 0.5% and 1%pa.
- Cost control – the business plan assumes that long term cost increases can be contained at the Retail Price Index (or half a percent pa below projected rent increases). This appears unrealistic beyond say the next 3-5 years, and it is unlikely that any lenders would accept this assumption when offering finance.



- Impact of Value Added Tax – unlike the Council the Transfer Housing Association will be unable to reclaim VAT on purchases. This will significantly increase maintenance and other running costs over the longer term (though a VAT Shelter could reduce the impact for the first 10 or possibly 15 years after transfer, the impact after this time will be seriously adverse to the transfer business plan).

Offsetting the above adverse factors it is possible that some significant, but unqualified, savings could be made on transfer. These relate to savings on recharges for services and corporate overheads. These have the potential to partly offset the adverse factors identified above, but TPAS would be surprised if they fully compensate. Additionally it should be noted that many of these savings to the transfer landlord would be real costs (or reductions in revenue) to the Council.

TPAS would note that this commentary is being without access to the more detailed work currently (we understand) being carried out by Sector. TPAS welcome this more detailed analysis and would expect it to reflect the above points, but to be able to quantify the impact of the concerns (and any matching savings) identified.

### **Scrutiny of Retention Financial Projections**

The following concerns identified for transfer also apply to retention:

- Rent increase assumption (potentially being to high)
- Rent loss (potentially being too low)
- Cost control assumptions

The impact however is less on retention than on transfer, mainly due to the lower level of borrowing, and TPAS are content that there is sufficient capacity within the retention business model to absorb the potential adverse effects identified above. In part this is due to the actual cost of borrowing to the HRA being around 5%, while the business plan is modelled (prudently) at 6%.

The following table summarises available resources for investment (after allowing for decent homes expenditure and other essential works) set aside the priorities identified by the Council – and inserting a notional line to capture the potential for other expenditure that tenants wish to be prioritised:

Item	Cost (£m)
250 New Council Homes	37.5
Quality and safety improvements	30
Sheltered and Extra Care	17
Anything else?	?
<b>Subtotal:</b>	<b>84.5</b>
Available funds (approx):	51.5
<b>Shortfall:</b>	<b>33</b>
Further 350 new homes	52
Bigger shortfall	<b>85</b>

The figures indicate a shortfall of around £33m if all the initial council priorities are to be funded, and a larger shortfall of £85m if an “additional priority” of building an extra 350 homes were to be included. (TPAS were asked to include these for consistency with other figures produced by the Council).

TPAS have explored ways in which the Council’s stated investment aims could be made with fully transferring the Lewisham Homes properties. This has led to the conclusion that it is very possible that all the required investment could be achieved through the following approaches:

1. Using a partner housing association (or perhaps supporting the establishment of a community housing association) to deliver the new build homes. This could probably be achieved at a saving to the HRA of between £110,000 and £130,000 per new home. (This works because the borrowing would be undertaken by the partner HA, not the Council).

NB. While these homes would not be “Council Homes”, they would be new homes, and let on equivalent terms. A number of tenants observed during the consultation that it seemed nonsensical to use the desire to build new Council homes as the driving financial reason for promoting a stock transfer. TPAS would agree with this logic.



2. Working with residents in the most poorly designed and located older persons accommodation schemes to seek a scheme by scheme transfer to a specialist (housing association) provider of older persons accommodation. This would save the Council expenditure on the most expensive schemes.

TPAS would emphasise that these are proposals put forward for further consideration, as initially requested by the Resident Steering Group, and would require detailed investigation to establish (or otherwise) their viability. However the proposals are based on what has worked successfully elsewhere, and TPAS's knowledge of housing association development, and TPAS believe them to be credible.

Additionally a small number of tenants suggested a more radical approach to investing in the Council's housing, citing for example the regeneration initiatives being undertaken in Camden where existing properties are being demolished, and replaced with more new homes on the cleared site. Selling some of the new homes funds the costs of the replacement council homes. While house prices are lower in Lewisham than Camden this could also be an approach worthy of more detailed consideration.

### **Rent Levels**

TPAS's analysis indicates that it is unlikely (unless Government change the rules) that Council rents could be below transfer housing association rents for at least the next 12 years. This is due to the Council's current spending program, and the fact that with retention debt will not start to be significantly repaid until around 2025. While at this stage rents in theory could be reduced, in practice it is very likely that by this time the Council would be seeking to increase investment.

### **Impact of Chancellor's Autumn Statement**

This report has been written before the Chancellor's autumn statement. It is possible that elements of the statement could have substantial implications for Lewisham's council homes. Implications could include measures to financially assist stock transfer, or/and measures to assist Councils to build new homes by raising their borrowing ceiling.

### **More Detailed Financial Commentary**

The above points are explored in substantially more detail in the attached financial annex 5.

## ITA Conclusions

Our role in this project has been to provide tenants and leaseholders with independent information and to gather their views about the Council's housing priorities and proposed options for the future to report these back to the Council and to inform the thinking and decision-making of both. Whilst it is not our role as ITA to recommend to either the tenants or the Council that one or other of the options is preferable, what we have provided is our independent financial analysis of each option and an objective test applied to each option. The test of opinion provides an objective assessment of the how each option meets the test criteria agreed with the Resident Steering Group.

### Retention

- Option 1** – The Council could continue to be the landlord and Lewisham Homes could continue to manage the homes  
**Option 2** – The Council could continue to be the landlord and would manage the homes directly instead of Lewisham Homes

### TPAS and RSG view

At present there appears to be ways in which the Council can adjust its approach to meet at least the majority of its investment objectives with retention. The Council clearly have sufficient funds to deliver decent homes, and considerable additional investment with retention. The main challenge with retention is to maximise the use of resources available – and also to avoid the temptation to overspend in the short term (while there is borrowing headroom) only to find that in the medium term there are insufficient resources for essential or priority work.

TPAS's view is that the Council needs to carry out a significant amount of further work to establish a robust financial case for transfer if it wishes to pursue this option further.

We carried out a test of the options with the Resident Steering Group (RSG), which demonstrated that members preferences were split fairly evenly between options 1 and 2 (retention) and option 3, transfer (mutual), but there was no appetite for transfer to a housing association. The test of opinion also highlighted the RSG's collective view of the most important factors to consider, the top four being:

1. Preserve key tenants rights
2. Supported by residents
3. Deliver and maintain decent homes
4. Maintain service standards at least at current standards

The view of the Resident Steering Group was fairly evenly split, with either of the retention options being preferred by 55% (6 members, spread across both options 1 & 2) of the membership when scores from the test of opinion are aggregated to identify a preferred option.

### **Transfer**

**Option 3** – The Council could transfer ownership to a new ‘resident-led’ organisation that would own and manage the homes.

**Option 4** – The Council could transfer ownership to an existing housing association that will own and manage the homes

### **TPAS and RSG view**

Whilst the uncertainties identified in the transfer business plan projections require as a minimum robust external validation, and a degree of reworking, before the Council can safely assume that the additional resources projected are indeed available. Should this exercise confirm that additional resources are indeed available then the financial case for transfer can be considered as a viable alternative with the ability to generate additional investment

There is considerable interest from members of the Residents’ Steering Group in option 3, with 45% (5 members) scoring it with the highest total and indicating it as their top preference.

There is little of no appetite for option 4 amongst the membership of the Residents’ Steering Group.

### **Footnote**

TPAS enjoyed carrying out this consultation exercise, meeting and working with tenants and increasing their knowledge and awareness of this issues and how they affect them. At the busier events, we found contact with local tenants and residents to be interesting and stimulating. During the life of the project, TPAS have built up considerable knowledge of the geography of the Borough; involvement structures, methods and processes; staff roles and contacts; and built a constructive and productive relationship with some of the most involved residents in Lewisham. If the Council decide to formally consider the feasibility of and consult with residents about Option 3, we hope the Council will recognise the continuity that TPAS could bring to the ITA role.

**TPAS** would again like to thank all who took part in our activity for giving their time and their views.

**Annex:**

- 1 Consultation Plan**
- 2. FAQ**
- 3. Newsletters**
- 4. Survey**
- 5. Full Independent Financial review and Finance Session questions and answers**
- 6. Telephone sample comments**
- 7. Full quotes and responses from surveys**

## Further information

If you have any further queries, please do not hesitate to contact:

Emma Wallington – Consultancy Manager South

Mobile : 07969 215125

Direct Line : 01908 526880

[emma.wallington@tpas.org.uk](mailto:emma.wallington@tpas.org.uk)

**TPAS**

t: 0161 868 3500

e: [info@tpas.org.uk](mailto:info@tpas.org.uk)

## Log from ITA Consultation Plan covering Estate Visits/Home Visits and Local Meetings/TRA/TMO – Housing Matters London Borough of Lewisham Appendix 16

Date	Engagement Tool	Area	Number of Residents Engaged/Issues raised	Comments
8/9	Launch event	Civic Centre		LBL attendance figures
19/9	Sydenham local meeting	Sydenham	<p>11 residents attended covering a range of issues including</p> <ul style="list-style-type: none"> <li>• The council will lump significant costs onto leaseholders – citing 10k example from Phoenix</li> <li>• Raised that everyone knows the council has 82 million in reserves</li> <li>• View that homes should be returned to direct council control</li> <li>• That facilities need to be made available to ensure young people can access accommodation in Lewisham</li> </ul>	
26/9	Deptford local meeting	Albany Centre	<p>11 residents attended covering a range of issues including</p> <ul style="list-style-type: none"> <li>• Things to stay as they are</li> <li>• Consider stock transfer</li> <li>• Consider mutual model</li> <li>• Publicity for the meeting could be improved</li> <li>• People before profit</li> <li>• Reduction in use of temp accommodation</li> <li>• Financial modelling factors in rental income for next 30 years</li> <li>• Impact of welfare reform and calculations on rent arrears</li> </ul>	

				<ul style="list-style-type: none"> <li>• Service charges in relation to tenure</li> <li>• Improve presentation of information to set out what could be done</li> </ul>	
1/10	Summerville TRA	Community Centre	24 residents attended		
9/10	Eddystone TRA	2000 Community Centre 199-201 Grove Street Deptford SE8 3PG	6 residents attended, some of whom had attended the Councils local meeting at the 2000 Community Centre. Factsheet with FAQs were handed out. Residents informed that TPAS would be door knocking the estate to speak to residents. Those present said they would contact TPAS if they had any questions or concerns.		
15/10	Tanners Hill TRA	Tanners Hill Estate	24 residents attended		
16/10	Kender TRA	Community Centre Besson Street Gardens Off Kender Street SE14 5JG	10 residents, Cllr Paul Bell and Cllr Joan Millbank attended. Comments made and queries raised included: <ul style="list-style-type: none"> <li>• the right to succession with transfer</li> <li>• the right to manage with transfer</li> <li>• pleased to hear TPAS would be door knocking in order to reach residents</li> </ul>		
22/10	Honour Oak TRA	Honor Oak Community Centre 50 Turnham Road SE4 2JD	6 residents attended. Issues raised included: <ul style="list-style-type: none"> <li>• what happens to the right to buy</li> <li>• why can't the council sell land to housing associations and use the money to deliver the Mayors priorities</li> <li>• suggestions as to how more residents can be made aware of the conversation</li> </ul>		



23/10	Baizdon TRA	John Bull Nursery Hurren Close Blackheath SE3 0TP	10 residents attended. Issues raised included:- <ul style="list-style-type: none"> <li>• what happens to services charges if there is a transfer?</li> <li>• how will TPAS separate out leaseholders views and opinions?</li> <li>• If there is a ballot do leaseholders get a vote?</li> </ul>	
25/10	Crossfields TRA	The Pink Palace 50 Frankham Street Deptford SE8 4RN	9 residents attended. Issues raised included:- <ul style="list-style-type: none"> <li>• How will decisions be made?</li> <li>• How many survey responses are allowed per household?</li> <li>• An option is missing, that of co-operative housing</li> <li>• When considering building new homes, has any consideration been given to the impact on schools, amenities, schools, shops etc?</li> <li>• Will the rent increase with the transfer option?</li> <li>• What is the affect of affordable rents with any of the options?</li> <li>• What will be the time period for delivering options 3 and 4?</li> </ul>	
1/11	Pond, Paragon and Ryculff TRA		13 Residents attended the meeting and discussed the following <ul style="list-style-type: none"> <li>• Presentation on Housing Matters</li> <li>• Distribution of TPAS pack including newsletter, survey, contact details and website</li> </ul>	
5/11	Ewart Road TMO		<b><u>Meeting cancelled</u></b>	



27/10	Kender Estate	New Cross SE8	<p>Total of 236 homes visited and 42 surveys completed – issues raised from door knocking included</p> <ul style="list-style-type: none"> <li>• Residents were not aware of Housing Matters</li> <li>• Fact sheet given out</li> <li>• Residents advised to watch out for TPAS newsletter</li> <li>• Residents encouraged to attend drop in sessions</li> <li>• Residents encouraged to contact TPAS freephone to give views or seek further information</li> <li>• Residents encouraged to use facebook page to complete questionnaire</li> <li>• General expressed by residents that the Council to look at options</li> <li>• No real expression of interest in stock transfer</li> <li>• Some expression of interest/satisfaction with Lewisham Homes</li> <li>• Some residents expressed an interest for the council to take back the management of services</li> </ul> <p>Approximately 100 residents were spoken to on the doorstep about Housing Matters as many residents did not seem to be aware of Housing Matters it was agreed that the project team would not complete surveys with residents as results may not accurately represent views due to lack of information, awareness and understanding around the project. In these situations following an explanation of the project residents were given a factsheet and encouraged to contact the TPAS freephone and attend drop in sessions</p>	
29/10	Mercator Road and Dacre Park Estate	SE13	<p>233 properties visited 11 surveys completed – issues raised included</p> <ul style="list-style-type: none"> <li>• Spoke to over 80 residents</li> </ul>	

			<ul style="list-style-type: none"> <li>Residents encouraged to look out for TPAS newsletter</li> <li>Residents spoken to were given a factsheet</li> <li>Residents were encouraged to contact TPAS freephone service</li> <li>Residents were encouraged to complete a survey on line</li> <li>Residents were encouraged to attend a drop in session</li> </ul> <p>Many residents did not seem to be aware of Housing Matters it was agreed that the project team would complete surveys with residents as results may not accurately represent views due to lack of information, awareness and understanding around the project. In these situations following an explanation of the project residents were given a fact sheet and encouraged to contact the TPAS freephone service and attend drop in sessions</p>	
1/11	Deptford Park	Deptford SE8	<p>Total of 129 properties visited and 5 surveys completed – issues from the door knocking</p> <ul style="list-style-type: none"> <li>Low number of surveys completed reflects lack of awareness residents had about ‘Housing Matters’</li> <li>Lengthy discussions took place with several residents about the project and importance of residents input</li> <li>Noted that residents in Sommerville area had received improvement works to their homes</li> <li>Calling cards left where there was no answer</li> <li>Residents encouraged to contact TPAS via free phone etc</li> </ul>	
3/11	Sommerville area	New Cross SE8		
1				

6/11	Pepys Estate	Deptford	<ul style="list-style-type: none"> <li>Residents encouraged to contact TPAS for further information</li> </ul>	
7/11	Tanners Hill and Crossfields Estate	SE4 and SE8	<p>112 residents were called on and 14 surveys were completed other issues to be considered</p> <ul style="list-style-type: none"> <li>38 residents spoken to on the doorstep/lifts/lobby about Housing Matters</li> <li>High level of awareness re Housing Matters amongst residents living in Eddystone Tower</li> <li>Active TRA and cited as residents a source of information regarding Housing Matters</li> <li>Residents engaged in lengthy conversations about Housing Matters</li> <li>15 residents requested surveys</li> <li>Calling cards and factsheets left for no answer</li> <li>Where residents had little or no knowledge or awareness of Housing Matters a survey was not completed – but an explanation on the Housing Matters project and importance of reading information and contacting TPAS with any issues or questions</li> </ul>	
			<p>221 homes called on and 6 surveys were completed other issues to be considered</p> <ul style="list-style-type: none"> <li>High number of no answers – factsheets posted through doors</li> <li>21 residents spoken about the process</li> <li>Encountered residents who would not open the door and refused to speak to TPAS</li> <li>Phoenix Community Housing were due to give a</li> </ul>	

8/11	Evelyn Estate	Deptford	<p>presentation at the TRA meeting due to take place on the day of door knocking</p> <p>260 homes called on and 12 surveys completed other issues to be considered</p> <ul style="list-style-type: none"> <li>• 40 conversations with residents about the process</li> <li>• Several residents we spoke to had not heard and did not know anything about the process</li> <li>• Following an explanation residents were encouraged to read further</li> <li>• Factsheets issued to residents</li> <li>• Surveys issued to residents</li> <li>• Ways of obtaining further information</li> </ul>	
10/11	Trinity Estate	Deptford	<p>125 homes called on and 4 surveys completed other issues to be considered</p> <ul style="list-style-type: none"> <li>• 36 conversations were held with residents</li> <li>• Several residents would not open the door</li> <li>• High number of no answer</li> <li>• Some residents commented that they had been balloted regarding stock transfer – negative outcome</li> </ul>	
14 – 28 <sup>th</sup> November 2012	<p>Across Borough including</p> <ul style="list-style-type: none"> <li>• Lewisham</li> <li>• Forest Hill</li> <li>• Sydenham</li> <li>• Hither Green</li> </ul>		<p>680 homes visited and 44 surveys completed on the doorstep</p> <p>181 residents spoken to about Housing Matters</p> <p>398 homes did not answer</p> <p>35 residents said that they were not interested or refused to open the door</p>	

28 <sup>th</sup> November 2012	<ul style="list-style-type: none"> <li>Blackheath Brockley Youth Forum</li> </ul>	<p>TPAS requested to attend meeting and launch event but advised not to attend but send information on the project</p>	
28 <sup>th</sup> November 2012	Youth Advisors Committee	<p>TPAS attended the meeting with 30 young people in attendance the presentation covered</p> <ul style="list-style-type: none"> <li>Outline of Housing Matters</li> <li>Lively discussion about housing in Lewisham</li> <li>Group political in views and wanted a further debate with Mayor at a later date</li> </ul>	
28 <sup>th</sup> November 2012	The Federation of The Vietnamese Community in Lewisham	<p>TPAS has contacted the group and advised the schedule of meetings is full until after Christmas 2012.</p> <p>TPAS has forwarded information and contact details via email</p>	
28 <sup>th</sup> November 2012	Deptford Market	8 surveys completed during the market visit and factsheets given out to residents	

## London Borough of Lewisham Council Housing Matters

### FACTSHEET 1 with Frequently Asked Questions

The London Borough of Lewisham is considering how homes are managed and owned in the future and they are calling this 'Housing Matters'. The Council has set out a number of priorities, which include building new Council homes, improving the quality of all homes, improving the environment around your homes, including gardens and play areas, empowering residents to influence the decisions that affect them and to provide better housing options for older residents. There are a number of options available to the Council that could deliver these priorities. All these Options will have implications for current and future Tenants, and these will be set out and explained during the consultation exercise.

Lewisham now wants to find out what your priorities are for the future of housing and how satisfied with how your home is owned and managed now.

**We want to make sure that tenants have their say on any changes that are being considered.**

The Tenant Participation Advisory Service (TPAS) has been appointed by a panel of Lewisham Homes residents as your Independent Advisor (IA). This means TPAS will help all sheltered housing tenants, general tenants, leaseholders and stakeholders of Lewisham Council understand what options are being considered in order for you to form an opinion.

There are still a number of questions that will be raised during this period. Many of these questions are better answered by someone who does not work for the Council. That is why TPAS has made this FACTSHEET. It contains answers to some of the common questions that will be asked about Housing Matters. TPAS will add questions and answers to this factsheet throughout the Housing Matters consultation.

If you want any more information, or would like to talk to a member of our team, please call our freephone number:

0800 731 1619 (calls free from landlines only)

Alternatively you can e-mail: [info@TPAS.org.uk](mailto:info@TPAS.org.uk)

We will ensure that we get back to you and answer any questions.

Best wishes  
TPAS

## Introduction - Key Areas of Housing Matters

The Council want to find out how satisfied you are with the way your home is owned and managed and what your priorities are for the future, they are also looking at the following main options in order to meet their priorities. These are:

- Things stay as they are with Lewisham Homes providing your housing management service but the Council remaining the landlord.
- The Council directly manages your home like it used to do.
- Ownership is transferred to Lewisham Homes, which is set up a resident-led housing association to own and manage your home.
- Ownership is transferred to an existing Housing Association to own and manage your home.

## Frequently Asked Questions

### ***How will the Council decide which choices to make?***

The Council are carrying out an **informal** exercise to understand how tenants feel and what their views are.

TPAS will work with tenants on a consultation programme to make sure you have the proper input. TPAS will keep you informed of any changes via resident groups, newsletters, radio, drop-in sessions, visits to the sheltered schemes and visits to individual tenants, where requested.

The Council will consider information on how the different options would affect services to tenants, both now and in the future. It will also consider how the options will affect the Council as a whole.

The Council will take into account what its tenants say during the Housing Matters consultation period. Sheltered housing tenants will have a chance to tell TPAS which choices best suit their needs. General tenants, leaseholders and stakeholders will also be able to give their views. TPAS are working with and reporting to an independent group of resident called the Housing Matters Resident Steering Group, who will consider all feedback that TPAS obtain and they will make a recommendation to the Council.

The Council will take all of these views into account once the consultation is completed and decide how to move forward. It will go on to develop the chosen way forward in more detail. This next development process will also involve tenants. If the Consultation Process produces a recommendation to transfer ownership of your homes (to either Lewisham Homes or another Housing Association) then this can only happen following a ballot of tenants.

### ***Why is the Council doing this? We have just done this?***

The Council's main aim is to find the best and fairest way of providing future support, housing services and provide more new homes.

### ***Why can't we stay as we are?***

We can! However, there are difficulties because the government has changed the rules concerning financing council housing, and at present the Council are concerned that neither they nor Lewisham Homes can get all the money needed to achieve and maintain improvements in your home and environment and build new homes. TPAS are currently scrutinising and testing the Council's figures to see what are the best outcomes (in terms of investment) for both staying with the Council and Transfer, and also to see if there are other ways in which the money needed can be found. TPAS will be sharing the results of their examination in detail with the Housing Matters Resident Steering Group, and updating this Factsheet and providing further information as soon as our analysis is finished.

For this reason the Council want to find out how satisfied you are, what your priorities are and to see what your views are on different options that will enable continued investment and improvement into homes and neighbourhoods.

### ***What is a 'stakeholder'?***

'Stakeholder' describes people or organisations who have a genuine interest in how Lewisham runs and provides housing services.

### ***I like Lewisham Homes, how can they be part of our future Landlord?***

The Council want to find out how satisfied you are with Lewisham Homes and are open to enabling Lewisham Homes having a role in the future.

### ***What information will I get?***

We will ensure that you have access to as much information as you need. The Council will hold a number of events over the coming weeks designed to make sure you receive all the information you need, including details about all the options. You will be offered transport to these events if you need it or the Council staff will visit you in your home if preferred.

### ***Will I get independent advice and support?***

Your Independent Advisor (IA) has been appointed by residents to give independent advice and support. The IA will be present at all the events and can be contacted directly either:

- by phone using the **FREEPHONE** number **0800 731-1619** (If you get the answerphone please say you are from Lewisham and give your name and telephone number and we will call you back within 24 hours)
- by email [info@tpas.org.uk](mailto:info@tpas.org.uk)
- The IA will also run some independent events as well as providing independent advice at events that the Council are running

Details of the IA service is in our first newsletter.



***How will Council residents lead the Housing Matters consultation?"***

As well as making your views known through the consultation a Housing Matters Resident Panel has been established comprising of Lewisham Home Residents and staff from Lewisham Council are invited. This Panel will make a recommendation to the Council later this year as to what the next steps are.

***Would I be expected to move to another property?***

There is nothing to suggest this.

There are two things to consider: A small number of sheltered schemes are in poor locations for older people and the Council is also struggling to bring some properties up to modern standards. Potentially, in the future, the Council may need to move tenants from some of these schemes but tenants will be fully supported during this process.

***Hasn't the Council already decided what to do?***

No. This is why TPAS is involved with the consultation. TPAS will make sure that tenants are fully aware of the options. Following discussions with the Council, TPAS feels that there is a genuine debate within the Council over which options are best. TPAS also feels that opinions of tenants expressed during the consultation are very likely to influence what happens next.

***Will my rent go up?***

Rents will almost certainly go up in the future regardless of whether your landlord is the Council or a Housing Association. What the Council charges in rent is set by a Government formula. This would also be true of any Housing Association which became your new landlord. Both the Council and Housing Associations have some flexibility to increase (or reduce) rents within Government guidance, and Government guidance is also frequently changed. At present it looks likely that rents would be very similar for at least the next five years regardless of which Option is chosen. After this time Council rents *may* increase at a slightly slower rate, but this would be because the Council would have spent less on improvements and new homes than a Housing Association and so would have less borrowing to have to repay.

Rent is only part of what tenants pay for their accommodation and services provided.

***I am a secure tenant, how will any future change affect me?***

If following this options appraisal a stock transfer is pursued and ultimate takes place, your existing *secure tenancy agreement* would be replaced with an *assured tenancy agreement*. The transfer proposal would set out how your existing security of tenure and other key rights such as the Right to Buy would be protected.

***I am a leaseholder, how will any future change affect me?***

In the event that your landlord changes, your lease will not be changed but you will be a leaseholder of the new landlord. There may be a small increase in your service charge as Housing Associations have to charge VAT on their management fee.

***Will it affect my Council Tax?***

No. Council Tax will remain the same.

***How will I be affected with regard to my eligibility for future aids and adaptations to my home?***

These will not be affected.

***Will services improve?***

The options appraisal will focus on residents priorities and finding the option that best delivers them. This may mean finding a balance between what residents want and what can be afforded this is your opportunity to decide the kind of services you would like to see. You can influence which option the council considers in the future so that it best fits residents' needs and aspirations.

***Will any of this make where I live safe – what about anti-social behaviour?***

All landlords will still have the power to evict tenants who misbehave and break the terms of their tenancy agreement.

Local police forces now have more powers to deal with groups of people causing trouble.

All the political parties are committed to creating safer neighbourhoods.

TPAS cannot see how any of the options will have an impact on safety.

If you have any thoughts on this please share them with TPAS or the Council.

***What if I am happy as I am and don't want to change?***

It is very important to make this point during the Housing Matters consultation. If the Council only hears from people who want change then the Council will assume that is what tenants want.

***Can I talk to someone about this – will someone visit me?***

Yes, you can talk to someone.

TPAS has been appointed as the Independent Advisor for Lewisham Council residents and this includes Lewisham Homes residents. You can contact TPAS on 0800 731 1619 (calls free from landlines only), and someone will get back to you to answer your questions. Or you can email TPAS on [info@tpas.org.uk](mailto:info@tpas.org.uk).

***What is an Independent Advisor?***

It is important that tenants receive independent and impartial advice during the consultation.

An Independent Advisor has been appointed (by a panel of residents) to make sure this happens. TPAS is the Independent Advisor for this consultation. The Housing Matters Resident Panel work with us and direct our work programme.

***Will we get to express our views on all the options available?***

Yes. Everyone will have an opportunity to express their views and discuss any outstanding issues.

***How long will this consultation last?***

This stage of the Housing Matters consultation will be completed by November 2012.

Residents will have plenty of opportunities to ask questions and take part in discussions and give their opinion on the options. Tenants will be kept informed throughout the process.

***What if we can't decide on an option?***

That is okay we will collect all feedback and provide this to the Council, you are not being asked to decide.

***Will tenants be given more of a say / greater involvement?***

The Council is working with TPAS to make sure tenants have their say.

TPAS is independent of all groups involved in running or lobbying the Council. It will ensure 'fair play' if different groups try to dominate proceedings.

The role of TPAS is to ensure that all residents have an equal chance to have their say. This is why this consultation programme is being carried out.

***If we transfer to a Housing Association and are unhappy with our decision can we return to the council?***

No once the transfer has gone ahead reverting to the council is not possible.

**Accessibility**

If you, a friend, relative or neighbour need any help during this consultation – such as language translations or have sight and hearing needs – please phone or email Lewisham Council on this number:

020 8314 3603  
e-mail [customer.services@lewisham.gov.uk](mailto:customer.services@lewisham.gov.uk)

If you find getting to a consultation event difficult please speak to a TPAS advisor. They will explain the process in detail to you.

This service is confidential.

TPAS is happy to help. We want to make sure that everyone is informed and has their say!

Please help TPAS reach all tenants by passing this message on.

If you have any other questions you can contact the TPAS team on this freephone number:

FREEPHONE 0800 731 1619

**The TPAS Team:**

Jon Warnock – Head of Consultancy at TPAS

Emma Wallington – TPAS Project Manager TPAS

Sam Goodwin– TPAS Associate – Independent Advisor

Richard Tomkinson– TPAS Associate – Independent Advisor

Christine McConnachie – TPAS Associate – Independent Advisor

Graham Martin – TPAS Associate – Financial Advisor



### Also to know:

All the money relating to Lewisham Council's Council homes is managed through a special account called the "Housing Revenue Account".

This ring-fences tenants rents and other money from other Council spending, so tenants rent money can only be spent on Tenants' homes and things like new homes. There are certain things the Council can charge the Housing Revenue Account for, to reflect costs of shared services, but money cannot be spent on such things as schools or libraries, which are paid for from Council Tax (also paid by tenants) and managed through the Council's "General Fund".

The proper name of the "Big Bang" money changes that happened last April is "The Introduction of Self Financing to the Housing Revenue Account". This was a major reform, which applied to all Councils which had Council Housing in April. Not all Councils received money from the Government: Some Councils were paying a large proportion of their tenants rents to the Government (this was called "negative subsidy" if you like jargon). These Councils "traded" to keep all their tenants rents

in exchange for taking on extra debt. So while Lewisham transferred £135 million in debt to the Government, in Dacorum (for example) the Council had to take on an extra £343 million in housing debt!).

NB: This reform to Council Housing Finance carries the support of all the main political parties. The proposals were developed under the last Labour Government and implemented by the Coalition.

From looking at other Councils involved in "the Self-Financing Settlement" it looks as though Lewisham has come out better than most other Councils.

### How can you reach us?

There are a number of ways that you can contact us:

**Free phone 0800 731 1619** – kindly note the number is only free from landlines, mobile operators may charge for this call. We will call you back within 24 hours.

**Email: [lewishamita@tpas.org.uk](mailto:lewishamita@tpas.org.uk)** for an Independent Advisor to contact you, we will contact you within 24 hours.

**Postal Address: TPAS, Suite 4b,**

**Trafford Plaza, Seymour Grove, Manchester M16**

**OLD** we will contact you back within 24 hours of opening your letter.

**Twitter: <https://twitter.com/LewishamITA>**, we are adding information to this on a weekly basis, please follow us.

**Facebook:** please search **Lewisham ITA**, we are adding information to this on a weekly basis. Please like us.

For more information TPAS have set up a dedicated website: **[www.tpas.org.uk](http://www.tpas.org.uk)** for Lewisham residents. At the TPAS Home page click on Consultancy and you will see a tab on the left 'Lewisham ITA'.

Our own survey is on our website and facebook page if you open it and complete it please then email to: **[lewishamita@tpas.org.uk](mailto:lewishamita@tpas.org.uk)**

## Let's look at Lewisham's Housing Money

Often money articles for Tenants' Newsletters are written to explain how bad things are. That's not the case in Lewisham. There have been some huge changes in the way "Housing Money" works, and Lewisham is now in a much better position than it has been.

As a result the Council and tenants can make some real choices about how to invest in homes and estates in Lewisham, and the Council want to know your views on the best way forward.

This article sets out:

- The "big bang" housing money changes which happened earlier this year
- The choices these changes give you and the Council if thing stay as they are
- The choices that may be possible if tenants decide they wish to either convert Lewisham Homes into a mutual Housing Association, or transfer to another landlord

## The "big bang" changes – what happened?

The Government has set some conditions and made other changes. The main ones being:

- The Government will no longer give Lewisham an annual subsidy towards the cost of running its Council homes
- Lewisham Council will have to manage its homes only with the money tenants pay in rents and service charges, and other similar income raised locally (e.g. from garage rentals) –
- Lewisham Council will also be able to borrow additional money to invest in improvements to existing homes or building new homes, but only up to a total debt of £127.3 million.

In April the Government completely rewrote the "Housing Money" rules. The main changes for Lewisham Council Homes are that:

- The Government gave Lewisham a huge sum of money – around £135 million to reduce Lewisham's Housing Debt from £220 million to £83.5 million
  - The Government have promised to give Lewisham an extra £67 million over the next two years (from April 2013) to help bring all Council Homes up to the Decent Homes Standard
- (A big change from the old rules is that previously the Government would have lent, not given, this money to Lewisham)

The outcome of these changes is that Lewisham Council is now far more in charge of its own destiny in terms of looking after its Council Homes. It knows how much money it has, and is better able to plan for the future.

Your views on the priorities for spending, and anything not included, are very important to help the Council make its decision.

### Different formats?

If you have difficulty understanding this document in English please call the number below.

Per të marrë informacion mbi këtë dokument, ju lutemi telefononi numrin e mëposhtëm.

Pour plus d'informations sur ce document, veuillez appeler le numéro ci-dessous.

更多有关本文件的信息, 请拨打如下电话。

Sicili aad u hesho macluumaad ku saabsan dokumentigaan fadlan soo wac lambarka hoos ku qoran.

இது பற்றி தகவல்களைத் தக்கவைக்க ஆசைப்பட்டால், தயவுசெய்து கீழேயுள்ள அண்மையில் குறிப்பிடப்பட்டுள்ள எண்ணில் தொடர்பு கொள்ளவும்.

Bu doküman hakkında bilgi için lütfen aşağıdaki numarayı arayınız.

Đề biết thêm thông tin về tài liệu này, quý vị hãy gọi số điện thoại sau.

Albanian

French

Mandarin

Somali

Tamil

Turkish

Vietnamese

020 7253 7700

Also call this number for other formats, including Braille, large print, audio tape, BSL or computer disc.  
Email: [lewisham@pearlinguistics.com](mailto:lewisham@pearlinguistics.com)  
Typetalk: 18001 020 7253 7700



## What do these changes mean for investment in our homes?

**While there is much more money, and certainty does not have enough money for everything that is needed:**

- The good news is that there is definitely enough money available for the following:
- To bring all Lewisham's homes up to the decent homes standard by 2016
- To pay for maintenance and necessary lifecycle works

And there will be about £51.5 million left over to spend on other things

The Council's priorities for these funds, along with an estimate of their costs, are:

- Build 250 new council homes (£35 million)

- Quality and safety improvements to Council homes (£30 million) including:

- Secure door entry (£11 million)
- Physical fabrics of estates including for example play areas, boundaries and pavements (£9 million)
- Improvements to estate roads and drains (£9.5 million)
- Bring homes for older people up to the new quality standards, for example converting bedsits to self contained flats (£17 million)

The cost of all this work is estimated at £84.5 million but there is only around £51.5 million available, so choices will need to be made. The council would like to know which of these are your priorities, or if you think that there are other things the council should be investing in. Please contact us or the council so we know what matters most to you.

## What about Stock Transfer – What extra money could this bring?

**The Council have been examining the figures to see if transferring the Council's Homes to another landlord would mean that there would be more resources for investment in your homes.**

This would include converting Lewisham Homes into a mutual Housing Association. (You can find more information on what a mutual Housing Association is on TPAS website [www.tpas.org.uk](http://www.tpas.org.uk)).

This figure is the Council's current best estimate of the extra money available, but the final figure may be significantly higher or lower. (If it looks like there is support for the idea of transfer then the Council will commission specialist advice to obtain a firmer figure). A Stock transfer went ahead, and the extra money available was confirmed as £36m, then the New Landlord

**How are Tenants Involved in Understanding and Checking the Council's Financial Figures?**

**A member of the TPAS team is a specialist in Housing Finance, and is involved in scrutinising the Council's figures and testing (challenging) the Council's main assumptions.**

This work is shared with the members of the "Housing Matters Residents Steering Group", and has also been shared at other meetings involving tenants who have expressed an interest.

If you would like to know more about the effect that a transfer may have on your tenancy, please contact a member of TPAS's team or go to our website and see our "Frequently Asked Questions" at:

[www.tpas.org.uk](http://www.tpas.org.uk) or call the TPAS free phone service **0800 731 1619**.

## How could Transfer provide extra money?

**If the Council could borrow as much as it could afford to repay, then the Council could do all the extra works identified above. However it is very unlikely that (in the next few years) the Government would give Lewisham Council permission to borrow more than the already agreed £127.3 million.**

As the Council cannot borrow more than the Government limit, and a Housing Association would be able to borrow more than the Council, the process of transfer would mean that the new landlord would be able to borrow more and so have more money to spend on your homes.

There is also one extra way that transfer provides extra money. At present when a tenant buys their home under "Right to Buy", the majority of the money from the sale goes to the Government, not the Council. For

example if a tenant bought their home for £100,000, then £75,000 would go to the Government, and only £25,000 stay with Lewisham Council. If the Council Homes transferred ALL "Right to Buy" sales money would stay in Lewisham (shared between the new landlord and the Council).

NB: In addition to accepting the Council's figures TPAS and the Housing Matters Residents Panel are scrutinising the Council's housing finances to see if there is any additional money that could be found, or if the money could be spent more effectively. For example it might be possible to work with a Housing Association to build the new homes at very little cost to the Council (and for the same rent levels), or to work with a Housing Association to carry out the work to the Older Persons Accommodation. – The work would still cost the same, but it would be the Housing Association not the Council which borrowed the money, so the

Council could use its "borrowing power" on other priorities.

**NB: This is what the Council's projections show at present. Before any move to recommend Transfer were made, the figures would be subject to some very robust, and independent, scrutiny**

**NB: TPAS would emphasise these are ideas that are being explored and tested. They may or may not be supported by tenants and the Council. TPAS and the Residents Panel would welcome feedback on the ideas, and also any other suggestions which might work better.**

## Would Transfer increase tenants' rents more than staying with the Council?

**Interestingly the Council's first thought was that over time rents could be slightly higher with a transfer than if homes stayed with the Council.**

The reason for this is that if the new landlord were borrowing more money, then over time rents would have to be (slightly) higher to repay the higher debt.

However TPAS have looked at the Council's financial projections for both transfer and staying as we are, and think it very unlikely that the Council would be in a position to charge lower rents than a transfer landlord for at least 12 years, and probably 15 years after transfer.

This is because the Council will only start to repay its debt (assuming it spends as much as it can on improvements and new homes in the next 5-7 years) after around 12 years, and it can only reduce its rents once it has reduced its debt and is paying less interest.

At present both Councils and Housing Associations have their rent set by the same Government Formula (and both have the same flexibility in slightly varying the "rent setting rules"). When properties transfer to a new landlord it is usual for a (legally binding) rent guarantee to be given, which sets out exactly how rents would be set for at least the first five years after transfer. TPAS would expect this to be the position if transfer was taken forward in Lewisham.

# housingmatters yourfuture

A Newsletter produced by TPAS  
October 2012 - Issue 01

**TPAS**  
CONSULTANCY



## Housing Matters resident steering group

**A group of 12 residents from existing Tenants' and Residents' Associations have formed a steering group to work with the Council on Housing Matters.**

One of the first tasks for the Steering Group was to appoint an Independent Advisor (IA) to provide support and advice to residents so that they are able to make an informed choice on the best option. Following a competitive process, where five experienced IAs were interviewed by the Steering Group, TPAS were appointed for this project.

TPAS and the Resident Steering Group have been working together to develop and deliver an effective programme of communication and engagement to support TPAS in enabling residents to shape the decision making process and promote awareness and encourage full tenant and leaseholder involvement in Housing Matters.

So far the Residents Steering Group has achieved:

- meeting on a fortnightly basis to monitor progress with the project including the outcomes of the consultation activities

- input into and approval of the consultation plan setting activities, dates, times and venues to meet with residents and hear their views
- input and approval of our first newsletter
- input and approval of our first factsheets and frequently asked questions
- input into and approval of our feedback form – devised to gather feedback and comments from residents when carrying out door knocking and other outreach activities
- input into and approval of our 'sorry you were out calling cards' ensuring that residents have the full opportunity to contact us to input their views
- attending a finance workshop covering the financial modelling of the options being considered

## Website update

There is a dedicated page for Lewisham residents on our website [www.tpas.org.uk](http://www.tpas.org.uk) under consultancy, please take a look

## Different formats?

If you have difficulty understanding this document in English please call the number below.

Për të marrë informacion mbi këtë dokument, ju lutemi telefononi numrin e mëposhëm.	Albanian
Pour plus d'informations sur ce document, veuillez appeler le numéro ci-dessous.	French
更多有关本文件的信息，请拨打如下电话。	Mandarin

Sidiid aad u hesho macluumaad ku saabsan dokumentigaan fadlan soo wac lambarka hoos ku qoran.	Somali
இது பற்றித் தகவல்களை சகலவர்களுக்கும் தெரிவிக்கப்படுகிறது. தயவுசெய்து கீழ்க்கண்ட இலக்கணங்களை தொடர்பு கொள்ளுங்கள்.	Tamil
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Để biết thêm thông tin về tài liệu này, quý vị hãy gọi số điện thoại sau.	Vietnamese

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Email: [lewisham@pearlinguistics.com](mailto:lewisham@pearlinguistics.com)  
Typetalk: 18001 020 7253 7700

## Welcome!

**to this first newsletter from your Independent Advisors (IA). The Tenant Participation Advisory Service (TPAS) has been appointed by Lewisham Homes tenant representatives.**

We are available to provide information and advice to all tenants and leaseholders of Lewisham homes. We aim to give you accurate and unbiased information about your Council's proposals for the future of your homes, wherever you live in Lewisham.

## Our options

**Lewisham Council is looking at a number of options that will enable it to:**

- build new Council homes
- improve the quality of all homes
- improve the environment around your homes, including gardens and play areas
- empower residents to influence the decisions that affect them
- provide better housing options for older residents.

Over the next few months, the Council want to talk to you about these options, find out what your priorities are and how satisfied you are; they are calling this 'Housing Matters'.

**We are here to put forward your views – not the Council's or that of any other interested party. We want to help you get the facts you need, so that you can make up your own mind.**

## Our Service to You:

**We will help tenants and leaseholders to:**

- get the information you need
- learn from tenants in other places
- have your input into how the Council's options develop
- understand what the proposals mean for the future
- put forward your views and concerns
- have an impact on what happens for the future of your homes.

**We will represent Tenants' and leaseholders' best interests at all times.**

## Check the facts:

Free phone number: 0800 731 1619  
Website: [www.tpas.org.uk](http://www.tpas.org.uk)  
E-Mail: [info@tpas.org.uk](mailto:info@tpas.org.uk)  
Write to: TPAS, Suite 4b,  
Trafford Plaza, Seymour Grove,  
Manchester M16 0LD  
*We look forward to hearing from you!*

Freephone: 0800 731 1619

## Need in a different way?

**Do you need this information produced in a different way, or perhaps you know someone else who does?**

We can provide large print, a spoken version on tape or CD, or translated into different languages. Just contact us and we will be happy to make the necessary arrangements.

## Meet your team of Independent Advisors

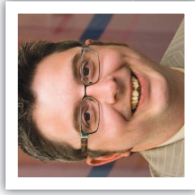
**Richard and Sam will be the two team members who you are most likely to see at any meetings that you attend to find out more about what is happening.**

They will provide you with accurate and honest advice and information and ensure that when they ask for your opinion about the future of Housing Matters, you are able to give an informed one.

**Christine** will carry out a lot of the background work involved, such as analysing what you tell us and producing the final report.

**Emma** will have overall responsibility for managing our involvement in the project and ensuring that things run smoothly.

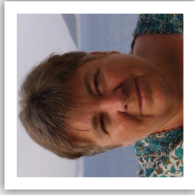
We also have **Graham Martin**, TPAS Housing Finance Specialist. Graham will evaluate and validate the financial information independently, which will be critical to tenants and leaseholders across Lewisham.



Richard Tomkinson



Samantha Goodwin



Christine McConnachie



Emma Wallington

## How to have your say

**During October and November your independent advisors will be available to provide you with accurate and independent advice and to talk to you about out the options.**

We are holding some surgeries for you to drop into, attending meetings with Tenant and Resident Associations and visiting all sheltered housing schemes we will also be carrying out some home visits.

### Activities for October include:

23rd October 2012	Surgery: at Macklin House Community Room Shackleton Close SE23 3YP	3.00pm – 5.00pm
27th October 2012	Door Knocking: Kender and Somerville Estates	10.30am – 5.00pm
29th October 2012	Door Knocking: Mercator, Gilmore and Dacre Park Estates	10.30am – 2.30pm
29th October 2012	Surgery: Anton Bob Community Room Mercator Estate Lee High Road SE13	3.00 pm – 7.00pm

It is very important to us that you tell us what you think. Please drop into one of our surgeries. If we knock on your door please talk to us we will have identification badges with us.

## Do you want to know more about the finance?

**Finance Sessions Open to All Residents – TPAS will present some information on the finance behind the options being considered; these will be held on:**

30th October 2012 07.00pm – 09.00pm Council Chamber Lewisham Town Hall Catford SE6 4RU

31st October 2012 10.30am – 12.30pm The Albany Centre Douglas Way London SE8 4AG

**If you want to attend a finance session please contact us to book a place on Freephone 0800 731 1619.**

Details of our whereabouts in November will be in our next newsletter.

## Help to shape the future! But which future is right for you?

**Currently Lewisham Council own your home and Lewisham Homes manages the services that you receive;**

These are the options the Council would like you to think about and in time give your opinion on:

- The Council directly manages your home like it used to do
- Things stay as they are with Lewisham Homes providing your housing management service but the Council remains the landlord
- Lewisham Homes is set up as a resident-led Housing Association to own and manage your home
- Ownership is transferred to an existing Housing Association to own and manage your home

Each option has a number of advantages and disadvantages and in one of our next newsletters we will be giving you more information so you can give an informed opinion.

**This is just the start of the conversation; the Council have held some early local events to start their conversation with residents.**

**We hope that you had the opportunity to come along.**

**These events were between 17th and 27th September and were held at:**

- Barnes Wallace Community Centre
- Hillcrest Clubroom
- Inglemere Road
- Council Chambers
- The Albany
- 2000 Community Action Centre

If you were unable to attend any of these please don't worry, you can post your views at the Councils email address for this **housingmatters@lewisham.gov.uk**.

The Council are holding more events and so are we so please come along.



# housingmatters yourfuture

A newsletter for tenants and leaseholders produced by TPAS  
November 2012 - Issue 02

**TPAS**  
CONSULTANCY



- Lewisham Homes is set up as a mutual Housing Association to own and manage your home
- Ownership is transferred to an existing Housing Association to own and manage your home

Each option has a number of advantages and disadvantages and Lewisham Council are providing a number of events to talk through their ideas with you. As YOUR Independent Advisors we are doing the same, so you are informed about the options and what each option means to you so you can give an informed opinion.

## Frequently asked questions (FAQs)

TPAS have developed a FAQ sheet which is available on our website [www.tpas.org.uk](http://www.tpas.org.uk) or contact us and we will send you a copy.

## Important Notice:

TPAS apologise for the wrong addressee name when our first newsletter was posted out to you and any inconvenience caused. TPAS were responsible for the newsletter content and not responsible for the mail out.

Lewisham Homes reported an IT issue which they have now put right so hopefully this additional newsletter reaches you correctly. If you returned the newsletter please contact Lewisham Homes Communications team on **0800 028 2 028** or **communications@lewishamhomes.org.uk** to send you another copy.

## Tell us your views

Welcome to our second newsletter from your Independent Advisors (IA). The Tenant Participation Advisory Service (TPAS) has been appointed by Lewisham Homes tenant representatives.

Our aim is to give you accurate, independent and unbiased information about your Council's proposals for the future management of your homes and the services you receive, wherever you live in Lewisham.

## What proposals?

Currently Lewisham Council own your home and Lewisham Homes manages the services that you receive; The council would like to know what you think about the following four options for the future management of your homes.

- The Council still owns your home (retention) as the Landlord and either;
  - The Council provides housing management services for your home like it used to do or;
  - That things stay as they are with Lewisham Homes providing your housing management service
- Or your home is (transferred) owned by another Landlord either through;

## Housing Matters resident steering group

A group of 12 residents have formed a steering group to work with the Council on Housing Matters.

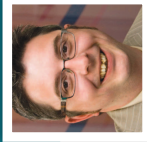
One of the first tasks for the Steering Group was to appoint an Independent Tenant Advisor (ITA) to provide support and advice to residents so that they are able to develop and make an informed opinion on the best option. TPAS and the Resident Steering Group have been working together to develop and encourage full tenant and leaseholder involvement in Housing Matters.

Who are your Independent Advisors?  
Richard, Sam, Sue and Denise will be carrying out door knocking, meetings and visiting sheltered schemes during the rest of November.

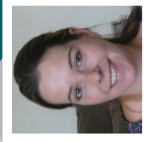
We also have Graham Martin TPAS Housing Finance Specialist who will evaluate and validate the financial information to consider the options independently.



Samantha Goodwin



Richard Tomkinson



Denise Barnes



Emma Wallington



Christine McConachie



Sue Crossley

## How can you reach us?

There are a number of ways that you can contact us:

Free phone **0800 731 1619** – kindly note the number is only free from landlines, mobile operators may charge for this call. We will call you back within 24 hours.

Email: [lewishamita@tpas.org.uk](mailto:lewishamita@tpas.org.uk) for an Independent Advisor to contact you, we will contact you within 24 hours.

Postal Address: **TPAS, Suite 4b, Trafford Plaza, Seymour Grove, Manchester M16 0LD** we will contact you back within 24 hours of opening your letter.

Twitter: [https://twitter.com/Lewisham\\_ITA](https://twitter.com/Lewisham_ITA), we are adding information to this on a weekly basis, please follow us.

Facebook: please search **Lewisham ITA**, we are adding information to this on a weekly basis. Please like us.

For more information TPAS have set up a dedicated website: [www.tpas.org.uk](http://www.tpas.org.uk) for Lewisham residents. At the TPAS Home page click on Consultancy and you will see a tab on the left 'Lewisham ITA'.

Our own survey is on our website and facebook page if you open it and complete it please then email to: [lewishamita@tpas.org.uk](mailto:lewishamita@tpas.org.uk)

## Different formats?

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Pour plus d'informations sur ce document, veuillez appeler le numéro ci-dessous.	French
更多有关本文件的信息，请拨打如下电话。	Mandarin

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Somali  
Tamil  
Turkish  
Vietnamese

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Email: [lewisham@pearlinguistics.com](mailto:lewisham@pearlinguistics.com)  
Typetalk: 18001 020 7253 7700

# Come and meet us!

Working across the Borough we aim to meet as many residents as possible to provide accurate and independent advice on the options under consideration for the future of your home and what they mean to you. Provisional dates and venues have been agreed at the time of printing – but could be subject to change; so for up-to-date information please go to our website [www.tpas.org.uk](http://www.tpas.org.uk) or contact the TPAS free phone service 0800 731 1619 for confirmation of dates, time and venues before you venture out to meet us.

Where we will be  
We will be door knocking in the following areas to meet you and talk about the options:  
If we knock on your door please talk to us – all the project team members carry identification badges when we visit your home. If you would like to make an appointment for a visit please contact us.

It's important to tell us what you think - and use us to answer any questions you have because - the decisions the council makes about the next steps will depend on what you tell TPAS as your Independent Advisor or the council about the options.

**Where we will be:**

Saturday 10th November 2012	From 10.00am	Trinity Estate & Sayers Court Estate
Wednesday 14th November 2012	From 9.30am	Blackheath
Friday 16th November 2012	From 10.00pm	Hillcrest Estate
Friday 16th November 2012	From 12.00pm	Valentine Estate
Monday 19th November 2012	From 10.00am	Hither Green Lane
Monday 19th November 2012	From 2.00pm	Bampton Estate
Thursday 22nd November 2012	From 10.00pm	Sheenwood Estate

**We will be visiting the following Sheltered Housing Schemes**

Monday 12th November 2012	From 10.00am	Guardian Court 108 Manor Lane, Lee, SE12 8LN
Monday 12th November 2012	From 2.00pm	John Penn House 112 Amersham Vale, New Cross, SE14 6NE
Tuesday 13th November 2012	From 10.00am	Crofton Park 146 Crofton Park Rd, Brockley, SE4 1AN
Tuesday 13th November 2012	From 2.00pm	The Whitehouse 110-208 Kender St., SE14 5JQ
Wednesday 14th November 2012	From 1.00pm	Kirkdale 190 Kirkdale, Sydenham SE26 4NU
Thursday 15th November 2012	From 10.00am	Hollowcombe 41 Taylors Lane, Sydenham SE26 6LA
Thursday 15th November 2012	From 2.00pm	Lanias Court 44 Newstead Road, SE12 0SZ
Tuesday 20th November 2012	From 1.00pm	Laurie Park 64 Lawrie Park, Sydenham SE26 6DN
Wednesday 21st November 2012	From 1.00pm	Lewis Silken House 10 Lovellinch Close, SE15 1PJ

## Let's look at Lewisham's

### Housing Money Headlines from TPAS independent review

Often money articles for Tenants' Newsletters are written to explain how bad things are. That's not the case in Lewisham. There have been some huge changes in the way "Housing Money" works, and Lewisham is now in a much better position than it has been.

As a result the Council and tenants can make some real choices about how to invest in homes and estates in Lewisham, and the Council want to know your views on the best way forward.

Our insert explains:  
• The "big bang" housing money changes which happened earlier this year  
• The choices these changes give you and the Council if things stay as they are  
or  
• The choices that may be possible if tenants decide they wish to either convert Lewisham Homes into a mutual Housing Association, or transfer to another landlord.

**Big Bang** means that the Government has changed the way that all Councils manage their finances.  
If the Council retains ownership of your home then it will have enough money to meet Decent Homes and other longer term improvements. In addition there will be about £51.5 million left over to spend on other things that the Council would like to invest in.

The Council's priorities, along with an estimate of their costs, are:  
• Building new council homes (£35 million)  
• Quality and safety improvements to your homes such as secure door entry, the physical fabric of your estates including play areas, boundaries and pavements and improvements to estate roads and drains (£30 million)

Bringing homes for older people up to the new quality standards, for example converting bedsits to self contained flats (£17 million)  
The cost of all this work is estimated at £84.5 million but there is only around £51.5 million available, so choices will need to be made. The council would like to know which of these are your priorities or if you think that there are other things the council should be investing in.

Please see our insert for more detailed information on how the money works.  
**If you would like more information or have any questions on Lewisham's Housing money – Graham Martin from TPAS will be running 2 sessions explaining how "housing money" works in Lewisham.**

These are for interested residents and being held on Tuesday 20th November 2012.  
Refreshments from 1.30pm for a 2.00pm start until 4.00pm  
And refreshments 6.30pm for 7.00pm start until 9.00pm  
At the Council Chamber Civic Suite Catford Road SE6 4RU.

Your views on the priorities for spending, and anything not included, are very important to help the Council make its decision.

The Council have been examining the figures to see if transferring the Council's Homes to another landlord would generate more resources. This could include converting Lewisham Homes into a mutual Housing Association. (You can find more information on what a mutual Housing Association is on TPAS website [www.tpas.org.uk](http://www.tpas.org.uk))  
The Council's initial calculations show that a transfer would generate

**Comments Question 3: Have you received any information about Housing Matters through the post?**

- *It was useful.*
- *Fairly Clear.*
- *Good.*
- *Fairly informative.*
- *70%*
- *Informative*
- *It's given straight forward information so far*
- *Sounds Political*
- *Not enough detail*
- *Very much a broad overview. Not enough depth of information to be able to make a fully informed decision.*
- *Too much detail*

**Comments regarding addition information required:**

- *The update of 'Housing Matters'*
- *All relevant information*
- *How homes are managed in the future*
- *All information*
- *Up to date information*
- *News and updated info*
- *Lewisham Council Housing to be the landlords again*
- *Repairs and maintenance*
- *Information about our estate*
- *Not exactly no invite to RA Meeting*
- *General information about changing in our housing*
- *I would like to receive any newsletters or leaflets about housing matters.*
- *Not sure*

- *Send letters but no real communication*
- *Housing association - rents would go up repairs would be better*
- *Face to face like now*
- *From another resident.*
- *Would like to receive a letter telling about what is happening in the borough*
- *Newsletters, leaflets.*
- *Did receive wrongly addressed letter. Didn't open/read it.*
- *To know when the decent homes are coming back also to many people are using the compounds and surrounding areas for a parking place and not near enough public bins are available*
- *What's happening to sheltered housing "Lewis Silken House" Valda is a waste of time and waste of Council money.*
- *None*
- *How can you help those tenants in overcrowded their bidding has been stopped. For two daughters sleeping on the floor they received a letter and now bid.*
- *Information on how the Council makes changes that affect tenants' rights.*
- *Average - it lacks information regarding both short term and long term consequence. More emphasis needs to be put on ""Council"" Housing as Councils have a history of running housing services successfully, for generations are not inclined at wasting money at the expense of services such as repairs and caretaking, unlike Housing Associations etc*
- *It is helpful to be informed of what is happening and to know what we expect for the future. But I think this is not enough. We should be part of the discussions to improve the things which we can do together. To do this we need to meet each other.*  
*Thank you*
- *Received TPN newsletter but didn't open it as incorrectly addressee*

#### Comments Question 4: Have you attended any Housing Matters Events?

- *Could not attend the time had previous engagement*
- *I never had time*
- *With the five kids I normally miss the dates or the time clashes with the kids' activities or something or other etc.*
- *Too far away*
- *Working*



- Because I was not aware of it
- Thought it was organised along with Lewisham homes "Ltd", I didn't bother to attend.
- Sickness and difficulty understanding English
- Given the service charges I already pay, the level of maintenance and cleaning should be much higher/better than it is
- Age limit
- Is disabled and can't really get around. Would like to talk face to face like now.
- This is because I don't feel that my opinion would count
- With current landlord and that makes the relationship between our landlord and TPAS questionable, especially since TPAS appear to be biased against Lewisham Council resuming the management of their own stock again
- Doesn't matter what you say nothing is ever done.
- Too long winded with no decisions made.
- I'm a full time single parent & attend college.
- No information on meetings.
- Because I don't go out in the night.
- Not been able due to work related reasons.
- I never realised the urgency involved... I do now
- Because sometimes I would have monies for travels.
- Some of us go out to work, come evening we are tired.
- Didn't have time to.

**Comment [R.1]:** Might be worth grouping into similar comments?

## Comments Questions 5 & 6: Are you aware of Lewisham Council's housing priorities, and do you think they are the right priorities?

### Improve the quality of all homes

- I'm unsure of what previous leaflet said as was a lot of information, I feel the priorities should be to improve the properties to the required standard before even considering spending the budget to build new ones.
- Get them right.
- Repairs done on time and work finished off not left half done
- Improving existing homes.
- Crime and fit for purpose housing

- Improve existing homes & the environment for existing homes. Improve current maintenance and repairs.
  - Theoretically though investment in housing needs sorting
  - Current electrical fitting in breach of Health and Safety and toilet not up to DHS.
- Build new homes**
- Need new homes for old people and young
  - Instead of building more properties ensuring current stock is allocated properly and according to the tenants needs. First Lewisham Council should concentrate on bringing homes they already own up to a proper standard before building new homes. Also looking after the outside appearance of properties.
  - To build more homes (council) Make repairs and maintenance priorities rather than giving jobs to Mitie who did shocking and unacceptable work

**Transform estates and areas around the homes**

- Communal areas not taken care of.
- Making places safer Lighting - poor entry systems
- Very dark in flats, need light on all the time - even during the day.

**Provide better housing for older residents**

- Housing for the elderly
- Is good to prioritise elderly - however also need to think about people living with parents and can't afford to move out to expensive private homes.

**General comments**

- Yes and no. Properties which are empty and have been for the last few years should be looked into. Although greater emphasis should be placed on exploring better use of existing properties - especially those that are empty or sublet.
- Because the system we enjoy now really does work.
- Need more information.
- Families need their own space.
- Need room and it needs expanding.

- More emphasis should be given to the unemployed as opposed to the employed this would allow a better chance of receiving points.
- Priorities are all wrong. Housing is going to the wrong people. If you are single you have to rent privately which is unfair if you work.
- Would have to spend more time considering the priorities
- They should still remain as they are (Lewisham Councils)
- Don't know too soon to tell with welfare reform
- As far as I can tell you everybody here is satisfied with Lewisham Homes
- Because I don't think it is fair
- Lower the rent
- Lower the council tax
- Not for me to say at this time most of the concerns are beyond my knowledge of how councils/home carry out business
- No information on the subject
- Doesn't know as not enough info yet

#### **Comments Questions 7 & 8: Are you aware that Lewisham Council is looking at options regarding the future management and ownership of the homes, and are they the right options?**

- Yes & No, the benefits of a housing association taking ownership would get improvements to our properties quicker but on the other hand, I know other tenants previously with Lewisham Council that have so many problems now that housing associations have taken them over. Eg: To get repairs done are impossible & when someone is sent to look at the problem, they look at a cheap fix which does not help. I personally would prefer to stay with Lewisham Homes.
- Enable Lewisham Homes, No to Housing Associations.
- To give me another house.
- That the Council has a final say, that any housing association who takes over doesn't use PFI money and mortgage the council stock to the hilt.
- Resident led housing association
- I would need to know a lot more about their motivation to answer this question, I can say I am happy as I am, why fix what isn't broken.
- To upgrade the building and keep the yard clean.

- *But would sooner stay as we are, Council owning and L.Homes managing*
- *Rents and welfare of tenants: would prefer a resident-led organisation.*
- *Explore the mutual model.*
- *But the system we have works*
- *I do not want ownership of housing stock to be given away -this is irreversible.*
- *Have to look at options.*
- *Want to stay as I am.*
- *Happy with the way Lewisham Homes manage things and they are about to install a shower for me.*
- *I would like to stay as I am.*
- *I would like Fairfield's to stay as it is. We get all done what we need and are well looked after*
- *Could jeopardise tenants rights*
- *I don't know if changing my landlord would be better for me*
- *I am quite happy to stay as I am*
- *We all have choices.*
- *As long as I am given a choice.*
- *Where are they going to get the money?*
- *I feel the Council should continue to own the homes*
- *Would like to stay as I am*
- *Better the devil you know.*
- *Lewisham Homes is the best option. No fault with them, rather stay with L Homes*
- *The Council should take over management from Lewisham Homes*
- *Whether to remain with the Lewisham Homes or transfer to Housing Association. I think we should remain with the Lewisham Homes as it is now.Lewisham Homes have been very good (repairs) would be interested to see how the reconfiguration of Homes could achieve the priorities.*

#### **Comments Question 9: Do you have any other concerns or queries in relation to Housing Matters?**

- *The Council must take more care about Rats and Mice it is out of control in Skua Court, lots of damp in Skua Court. People like me on pensions would like housing to be up to standard.*



- *I realise the enormity of the problems facing the Council, I do think that by and large it does a good job. However any P.F.I type option would be iniquitous. One only has to look at the scandal of the Lewisham Hospital closure to learn the lesson. Also I would like to see a review of housing allocation to non-EU citizens. Make no mistake diversity and tolerance is a noble principle – but at a cost. And those who say that discriminating between employed and unemployed would create an underclass. I am sure it would be the needy and disadvantaged who would suffer most under the ....PFI*
- *Because whatever the outcome they will do what they are going to do, regardless of what we want.*
- *Who is in control of the financial benefits of this and what checks and measures are built in to ensure good finances. Would we be able to see where our rent and service charges goes and what it pays for?*
- *I am very anxious to stay a council tenant and I am concerned that the consultation will lead to a stock transfer, as I do not trust housing association landlords.*
- *So long as I can stay where I am. I have lived here 22 years.*
- *You are taking the whole of Lewisham's tenant's views on this new structure. I think that sheltered housing should be kept separate. All tenants in sheltered are 60+. You can have an 18+ with two children. We are going to have completely different views. Please take this into consideration.*
- *Did not understand all what was said.*
- *I understand everything but I would prefer to stay as I am.*
- *Could do with some seating in communal gardens.*
- *The information comes across quite clear.*
- *When are we going to hear what happens next.*
- *I personally would like to have the Council be my landlord and Lewisham Homes manage my home. I do not want any change. Thank-you.*
- *Safety in Sheltered Housing Schemes such as this one at Merry down can be lax at night especially. I do not go to late night venues arranged by council even if locally as I do not drive due to health reasons . I cannot get up and ask questions because my voice is weaker now and could not add much to a lively debate for that reason"*
- *It is clear if 'Lewisham Homes' is transferred to or becomes an independent Housing Association this will leave leaseholders paying more money for charges - this is hardly fair!*
- *The councils throughout the UK are obviously a government concern, and as far as I know the government have been more than capable at looking after their own housing. Why should people be uprooted and changed now? No at the moment most tenants living in Housing Association controlled homes seem unhappy, why not leave Housing Association out of this entirely and let the council take direct control and management of social housing like it used to do. Not yet this is a debate and*

requires many considerations. To accept any other considerations/options e.g. a new landlord who will bring in more money does not make sense as the government is on a road to austerity. To raise money would mean higher rents and speaking as a pensioner I do not have it. Whilst I understand their reasons they don't necessarily suit the tenants

- I do not want to see buildings up to the sky while there is not enough space on the ground.) The Council should campaign for a smaller size families. The Council should have questions about family size in their survey.
- I am a disabled widow. I have no knowledge at all re. house repairs, decorating etc, I have to pay for plumbing services now. The electrics in my flat have not been changed in the 35 years I have lived here. 25 years is the legal requirement. When I questioned this I was told they do not do this anymore and I have to call an electrician, and pay myself. The windows are critical, windows which allow heating to escape, the radiators have not been serviced for more than 20 years. It costs a fortune to heat my home.
- Monies should be spent on the green land on estates. Such as seating, flowers etc. Making Council tenants remove all rubbish from gardens and maintaining them. Better lighting on estates, caretakers to work harder on keeping estates in better condition. Tenants should be checked on regularly on keeping premises in tidy condition which causes rats and mice. Don't feel leaseholders get a fair share. Pay maintenance and get rubbish council tenants! P.S. Channel 4 show recently showed a programme, Councils giving out contracts to companies for improvements send out tenders supposedly only to find they are all the same company! Which Councils take a fee! Also to keep buildings painted often or cleaned at least. Councils let properties go - then the area just goes down - which we get vandalism so it becomes a rundown area. More cooperation of councils and tenants together - good properties.
- My only concern is that Council is not doing enough for those people who urgently need housing. Two daughters have received a letter telling them that they can't bid anymore since there is no more housing. What do you do and no help given.
- No real case for leaseholders to change/transfer put forward. We have 52% leaseholders on the crossfields estate.
- Dear Sir or Madam, It is important that Lewisham Homes stay with Lewisham Council and are not transferred. As stated this Council have the money to bring all Lewishams homes up to the decent homes standard by 2016. To pay for maintenance and necessary lifecycle works as well.

## Sample Telephone Queries & Response

- Q. Wants to move and is in bad health on oxygen machine 16 out of 24 hours per day- and has 2 flights of stairs - wrong people - sleeping in kitchen.
- A. SC telephoned 21/11 - SC to provide action group info - group who may be able to help - information passed to Clare Ryan at LC by Chris
- Q. Wants to know where Lewisham Homes are going to get the £100-odd million from
- A. SC called 20/11 and again 23/11. left message. My number and email address
- Q. Leaseholder - palming off their responsibilities - decent homes has not happened - where is the money that was supposed to be for decent homes? PALMING OFF THEIR DEBT!
- A. SC telephoned 21/11 - completed survey over phone
- Q. Phoned before he had received newsletters. Lewisham homes have now sent info and now received TPAS NEWSLETTER - Feels LEASEHOLDERS who have ex- authority properties are left in the cold. Is disabled.
- A. SC Telephoned 21/11. Questions now been answered by newsletters. Completed a survey
- Q. Received questionnaire and have posted today - wants to return to all services to Lewisham council. It is good to have 1 landlord and the same management company - saves on costs - 1 standard rather than different standards by 2 separate management companies. Confusing & disjointed. Tenant and residents will be happier if council are transparent about budgets and don't over promise!
- A. SC Telephoned 21/11 - has returned survey by post
- Q. 20/11Mr \*\*\*\*\* rang again today – rang yesterday and not heard from anyone yet – can they call today if possible
- A. SC called - need to send newsletter and FAQ and survey and return envelope. May arrange home visit

Q. Leaseholder with Lewisham Homes - Block has been selected for complete regeneration and leaseholders have been offered market price plus 10% -She is a single parent with 4 children, currently not working and therefore would not be eligible for another mortgage. She wants help with her rights. There is a meeting on 4 December

A. SC called 23/11 - left message with my phone & email. Spoke to Mrs Binta. As this is not directly linked to Housing Matters have dealt with separately

Q. 4/12 Has very strong feelings that the consultation period was far too short. In light of the 1st newsletter being addressed incorrectly and then receiving the next newsletter so late. Asked when the consultation was ending. I advised that this process was 'informal' consultation and that TPAS's involvement was due to end at end of November. We had asked Lewisham to reconsider their deadlines but were advised they were unable to do so. Said TPAS representative at meeting in September - why was consultation period for just 6 weeks? She attended meeting at Civic hall on Saturday morning. Feels that not enough time to make people aware of the importance of this consultation. I advised that a report would be sent to the Mayor and he would be making his decision on the next move based on our report and Lewisham Council's own feedback. If it was decided to take any stock transfer route there would be a formal ballot held for tenants. She said she will be writing a letter of complaint to Lewisham Council.

A. 4/12 Sue to advise Lorna dates we visited Crossfield estate and if we did knock at her door. Also clarify date of meeting at Civic hall and dates we were appointed by RSG as ITA. Lorna will complete form with me over phone tomorrow

## Housing Finance Session, Civic Suite 30.10.12

### Reasons for attending the session

1. To find out why LBL's plans are so unambitious
  - a. This is probably for the Council, not TPAS to answer. Sorry (but question will be forwarded)
2. To establish why LBL are talking about stock transfer
  - a. In brief, because the Council believe that this will enable far more money to be spent on housing in Lewisham
3. To understand why the only way to raise money is through stock transfer
  - a. Stock Transfer is one way in which money may be able to be raised. TPAS are "testing" or "challenging" the Council's plans to see if there are alternative ways of delivering the same benefits, and to establish that the Council's projections of the benefits of transfer are robust.
4. To establish whether transfer can generate improved personal finances for tenants
  - a. There are many ways in which Landlords (Council or other) can help improve the personal finances of their tenants (e.g. through high standard insulation, assisting with insurance and fuel purchase schemes, supporting Credit unions and Trustee Bank accounts). To the extent that transfer can free up greater resources (staff wise or investment wise) to help investment in appropriate initiatives (e.g. insulation) then this would have the potential to increase tenants disposable income
  - b. GM comment – think this is an area missing from current consultation – maximising tenants disposable income would be a good use of available resources, and could help offset such changes to benefits as the "bedroom tax".
5. To understand how the project can be sustained beyond this initial phase
  - a. Assume this means the Consultation project(?) – Depending on the outcome of the this stage of the consultation:
    - i. If the outcome is for a "retention" option it would be good (though not obligatory on the Council) if the Consultation exercise were then extended into "How to make the most of staying with the Council". This would require far less resources than current exercise as it should



be able to incorporate the feedback received, and then a tenant or customer panel could act as “negotiator” with the Council to explore and feed into how existing resources can best be deployed. [TPAS are currently concluding a similar exercise with Northwards Housing (ALMO) in Manchester, which the tenants there appear to consider has been very helpful in ensuring their role as an effective stakeholder in the decision making process.

(GM – If I misunderstood question please advise)

- ii. If outcome is indicated preference for a “transfer” approach then there will be further extensive consultation during which the “transfer offer” will be prepared for tenants to vote on. It’s during the run up to the vote that tenants have the maximum leverage in influencing the objectives and plans for their new landlord. This process will take quite a long time but would certainly generate momentum

#### Key questions asked during the session

1. What is the long-term impact of interest payments if capital debt is not repaid?
  - a. If capital debt is repaid then either there will be more revenue money to spend on services (or apply to capital spending), or rents can be lowered
  - b. If debt is not repaid then the opposite of the above applies. However “reborrowing” repaid debt can also be the best way to fund some things – especially new homes, as the new homes will produce their own rent which will help repay the “new” borrowing.
  - c. NB In the very, very long term even if no debt is repaid its “real” value – relative to other prices and rents – will gradually reduce with the effect of inflation
2. How many properties are currently being sold annually through RTB?
  - a. A question for the Council (to be asked)
3. Are housing association rents higher?
  - a. Rents of Housing Associations and Councils are set by the same Government formula. The formula uses local house prices (as they were in 1999!) and local average earnings (at the County level) to set “target” or “formula” rents. Rents of higher value properties will therefore be higher than rents of lower value properties. Additionally both Housing Association and Council rents were meant to “converge on” (which usually means increase to) Target rents

the “convergence” date for Council Homes is 2015, while it was 2012 for Housing Associations. On average Council rents are therefore currently lower than Housing Association rents, but should soon catch them up.

However there are two other factors in play:

- b. Both Councils and Landlords have (generally unpublicised) discretion to vary their rents two ways. Firstly they are allowed to increase or reduce rents to either 5% above or below “target” levels. This power is regularly used by Housing Associations, but rarely if ever by Councils. [Previously if Councils increased their rent the Government reduced subsidy. From April however Councils can keep much if not all of any increase, so gradually councils might start to follow Housing Associations].
- c. Secondly both Councils and Landlords can increase rents by “revisiting” the original 1999 valuations and seeing if these can be increased (either because a property has been improved, which seems fair, or because a valuer can be talked into increasing a valuation - this is “legal” but a bit suspect, but surprisingly easy to achieve). It has always been in Housing Associations interest to obtain as high a value on their homes as possible, as this increases their rent, and they keep all their rent. Until last April the Government would increase subsidy if rents were lower, so there was a gentle incentive for Councils to quietly minimise valuations (so far as practical within the rules). NB At least some Councils have acted in this way, and it would seem likely that more will do so in the coming years due to the removal of deficit subsidy/surplus clawback
- d. When a Council moves to transfer its housing stock it is normal for a 5 year guarantee to be given to tenants setting out exactly how rents will be calculated in the first 5 years after transfer. This would act to keep future transfer landlord rents at the level Council rents were expected to be at.

While no legal guarantees can be obtained beyond 5 years, it is possible to scrutinise the new landlords “Transfer Business Plan” and obtain undertakings that no assumptions or plans are in place for longer term “hidden” rent increases as described above. [NB In the early years of transfers Independent tenant Advisors had not realised the possibility of this type of “stealth increases”, and many financial advisors to the Council set up transfers on this basis to increase the transfer valuation – the amount of money the Council received when transferring its housing stock. Today people are far more informed and these practices can be spotted and flagged ahead of the transfer vote, and undertaking written into the Offer Document]

Apologies for the long answer!

4. Have LBL considered the impact of welfare benefit changes in their financial calculations?
  - a. Surprisingly no! (at least not in the version of their financial model shared with TPAS). While this is something being raised (along with other queries) by TPAS in its scrutiny work with the Council the vulnerability to higher rent loss impacts equally both retention and transfer options.
  
5. What is the valuation of the homes to be transferred?
  - a. The simple answer is that the Council still have to commission a formal transfer valuation, and TPAS have been pushing the Council for this exercise to be carried out by an external specialist with appropriate expertise (so the result is independent of the Council). Determining a “Transfer Valuation” is a very important part of assessing the practicality and viability of transfer as an option, but there are some very important complications to note:
  - b. The main benefit to Lewisham’s housing stakeholders (tenants, applicants etc) will be determined by the extra resources achievable (assuming these are confirmed) from the extra borrowing power of the transfer landlord. On the councils *initial* projections these indicate that there would be around £86m to invest with transfer.
  - c. The formal process of calculating the “transfer value” will show how much the transfer landlord can pay Lewisham Council *after* allowing for all the planned investment. Therefore the more the transfer landlord plans to invest (in existing homes, the environment, and new homes) the less will be the “valuation” and the amount it can pay Lewisham.

NB *Unless* the Government agrees to write off some more of Lewisham’s housing debt (this *may* be possible) the Valuation figure would have to be at least equal the debt at the time of transfer. If the valuation figure is more than the debt, the money will stay with Lewisham in the Housing Revenue Account<sup>1</sup> and would be used for Housing purposes. – It is always possible that if the valuation is higher than the housing debt that the Council could accept a lower price, to boost the business plan and spending power of the new landlord.

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<sup>1</sup> NB As Lewisham has an existing housing PFI scheme it has to keep its HRA open. (This would stop the Council from closing its HRA and transferring the surplus to the General Fund, to spend on other non-housing things, as many other Councils have done in the past).



- d. The above shows that there may be some discretion between how the financial benefits of transfer are shared – if the transfer landlord plans to invest less the Council gets more money, and vice versa.

[NB There are a lot more complications than the above, but this answer seems long enough]

6. Are there any lessons that can be learnt from LB Camden approach?

- a. Hopefully. However it is well beyond TPAS's resources to project whether the type of regeneration model which works in Camden due to the very high property prices there would be applied to Lewisham. However the Housing Matters Panel could either raise this matter directly with the Council, or ask TPAS to do so on their behalf. It is quite likely that someone in the Council will have at least tentatively explored the practicalities of this approach. If they have their analysis could be a useful contribution to the Options debate.

[NB Regeneration schemes which involve demolition and then rebuilding a mix of Social and Market properties are often very controversial and not always popular with tenants. There can be huge benefits (and significant risks) from this approach, but consideration needs to be handled very carefully. It could for example be very distracting if a distorted message came through that homes had to be demolished to stay with the Council (or to make transfer work).]

7. Is there any scope to increase social/affordable housing supply through the planning system?

- a. Hopefully(!) – However regulations have recently been changed to weaken the power of the Council in obtaining the “Section 106” approvals or “commuted sums” linked to planning consents to provide affordable housing.
- b. It's also worth noting that this route of increasing the housing supply is not directly linked to the choice of retention or transfer.

Graham Martin

For TPAS – draft as at 2 November 2012

## Independent Overview of Finances behind the Options

The purpose of the consultation has been to seek tenants' views on the four main options proposed by the Council for the future ownership and management of properties currently managed by Lewisham Homes. Part of TPAS's role has been to provide scrutiny and commentary of the finances associated with these options and share this commentary with residents and the RSG.

Within this context the Residents Steering Group requested TPAS to find out answers to the following questions:

- How the options tabled by Lewisham Council stack up financially
- Whether these are truly the only options
- If the stock stays with the council are there any other ways of raising the money needed to deliver the priorities identified by the council?

TPAS would like to put on the record their thanks to the Council, and their officers, for providing the financial information required for this scrutiny. TPAS are satisfied that sufficient information has been provided, and particularly welcome the "open book" approach taken by the Council in sharing their 30 year business planning model.

Two recent major events have shaped the finances of Lewisham's Housing Revenue Account (HRA). These are the recent "Self-financing Settlement", and the formal confirmation that outstanding Decent Homes catch-up funds will be paid (over 2013-15).

Combined these events have placed the Council in a position where it can both fund its Decent Homes program, and has additional funding (around £51m) for further investment over the next 5 years or so. This is a more favourable position than many councils find themselves, and one which enables an "unpressurised" choice between options.

Should there be a decision to opt to transfer, the Council's current projection is that there would be a total of around £137m extra to invest – £86m more than with retention.

This part of the report will firstly scrutinise the Council's financial projections of the benefits available from stock transfer, and then look at the equivalent assumptions on retention, including how additional investment might be achieved.

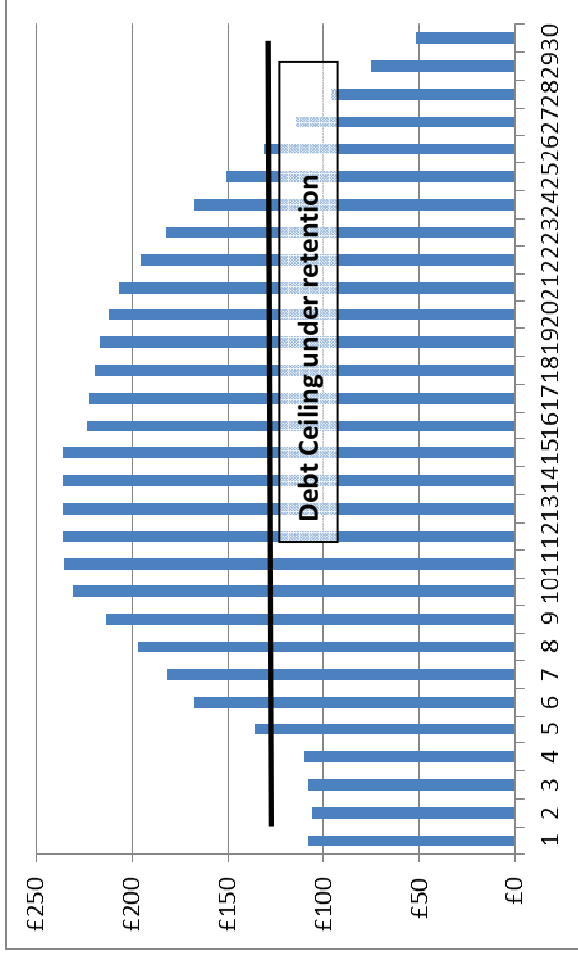
## Scrutiny of Transfer Financial Projections

The Council's 30 year business plan financial model has been shared with TPAS. The Council have used the same core assumptions (e.g. staff costs, maintenance costs, rent levels, inflation rates etc) for modelling both retention and transfer. TPAS would observe that some transfers have relied upon higher long term rents to make transfer work better. Rents are discussed in more detail later, but TPAS confirm that no rent increases beyond the current government rules are assumed in the Council's transfer assumptions.

Within the practical limitations of the time available for the scrutiny exercise TPAS advise that they consider the Council's Business Plan model to appear sound, well set out, and transparent to the scrutiny process. The model, and TPAS's response to it as set out below, have been discussed at meetings with council officers.

A key feature of the business plan is the need for it to demonstrate the ability of the transfer landlord to repay debt within around 30 years. The debt graph below is derived from the model, and also shows the "borrowing cap" which applies to the Council (but not transfer landlord). NB It should be noted that this graph is actually an extension of the HRA Business Plan, but with the debt ceiling replaced by an "affordability ceiling". In practice any transfer would be unlikely to take place for around two years, and the projections at this time would be slightly different.

Graph showing projected debt on transfer if done "today" – figures in £m



TPAS have a number of observations relating to the assumptions the Council have made in their business planning process. While many of these apply equally to the retention version of the model, the impact of the adverse comments will be greater on the transfer modelling – this is due to the transfer model being set to repay debt after 30 years, while the retention model (with less initial borrowing) repays debt earlier, and from a lower level. This means that interest repayments in the transfer business plan make up a significantly higher proportion of the rental income left after running costs, and that the remaining “operating surplus” – which is used to repay the debt – will be much more sensitive to the accumulative effect of small but adverse changes in the assumptions<sup>1</sup>.

The main issues raised by TPAS are:

## 1. “Integrated” nature of modelling

The Council have projected the benefits of transfer by the simple process of raising the debt ceiling in the Business Plan to a level which allows debt to be repaid after 30 years. In practice this assumes a synergy which will be lost if the HRA is split.. This is because as Lewisham Council would not transfer their PFI properties they will still need to have a HRA, and the costs of running this residual HRA will need to be funded. However the residual (PFI) properties will be running at somewhere between breakeven and a loss so the Transferred properties will have to carry extra debt to leave behind cash to fund the long term deficit. Additionally the PFI is at its most cash hungry in later years, while investment plan is most cash hungry in early years. Together there is a fit, apart the benefits of the fit are lost

## 2. Transfer Valuation

In part linked to the above, any transfer requires a separate “Transfer Valuation”. This is a formal process which identifies the sum a transfer landlord should pay the Council for the transfer properties.

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<sup>1</sup> To explain this in a slightly different way. If TPAS’s concerns are correct, then each year there will be a smaller operating surplus – the amount left over from rent income after running costs are paid for – than the council’s model currently assumes. In the short term these amounts will be relatively small, and manageable, but after say 10 years they will be significant, and after 20 years there could easily be a reduction in the projected operating surplus of 10-15% of projected rental income. This is serious and substantial. As it is the operating surplus which is used to pay down debt in the later years of the model there will be far less money available than projected. This will have a much greater impact on transfer, where debt is higher and repayment mainly takes place in years 20-30.

A formal transfer valuation would assist in determining whether the extra expenditure projected by the council could be realised by a transfer.

The transfer valuation should be sufficient to allow the council to repay its current level of HRA debt (unless the Government – or Council – were to provide a subsidy). For transfer to go ahead it is necessary that both the transfer valuation is sufficient to clear debt (after any government grant if available), and for the transfer landlord’s business plan to be robust and clearly capable of repaying debt within a specified time (normally 30 years).

### **3. Early Repayment Premia**

Normally after a transfer the council would use the transfer receipt to pay off the debt in the HRA. It is very likely that the council would need to also pay an early repayment premia as part of settling the debt early. While there are a number of ways that such a premia can be reduced, TPAS note that the Council paid a premia (funded by the government) of £42m for the early repayment of £142m debt as part of the “self-financing settlement”. On a proportional basis this indicates a potential premia payment of around £30m should transfer go ahead.

One way this premia could be avoided would be for the Council to on lend the current loan to the new housing association. Both the Council and TPAS think this may be possible. Were tenants to support transfer, and this form of onlending to be approved TPAS can see benefits from this approach. It avoids the need for premia, and the new landlord could borrow the money more securely and cheaply than from the banks.

### **4. Decent Homes Catch-up Payments**

The Council expect to receive £67m in decent homes catch-up payments during 2013-2015. TPAS’s understanding is that it is very unlikely these would be paid to a transfer landlord.

Not getting these payments would significantly undermine the benefits of transfer. Unless the Government were to find an alternative way of providing this funding, it is unlikely that transfer would be an economically sensible proposition until the 2015-16 financial year.

### **5. Rent Increase Assumptions**

The Council’s business plan assumes that the current rent setting rules will continue for the next 30 years, with “formula” rents



increasing by half a percent more than the Retail Price Index (RPI) (and management and repair costs) each year. TPAS consider this assumption to be unsafe, and expect lenders to share this view. There are two reasons for this concern:

- a. The first is very technical – the statistical body that calculates RPI has examined how it does its calculations and decided it has been making a mistake, and has proposed a revised calculation. The effect of this revised calculation would be to reduce future inflation calculations by around 0.3% each year. While this may not seem much, if adopted the cumulative impact would be that rent income will be reduced over 3% against projections after 10 years, and by over 6% after 20 years. This applies to both retention and transfer business plans, but will have a far bigger impact on transfer.
- b. The second is more “political”. Every 4 years (as part of the spending review) the Government reviews the rent increase formula. Rent increases from 2015 will be set under the rules of the next spending review. The following are reasons to be concerned that the rate of rent increase will be reduced from 2015:

- i. At the last review TPAS understood “it was a close decision” as to whether the formula should be changed from RPI+0.5% to RPI only
- ii. The Government has moved to change many uplift indexes (especially those linked to benefits, such as housing benefit) to be based on the Consumer Price Index (CPI) and no longer the RPI. On average the annual CPI increase in inflation is around 0.7% a year lower than the RPI.
- iii. It appear likely therefore that from 2015 there is a good chance of rent increases being set at either RPI (only) or CPI + 0.5%. The long term impact of either of these changes would be that the landlord will have rents income that increases around 0.7%pa less than currently projected – over 7%pa after 10 years and 14% after 20 years below the income (compared to cost of outgoings) currently projected.
- iv. Long term reduction in income of this level would clearly have an impact on both a transfer landlord or council, but more so a transfer landlord
- v. This perspective is reinforced by a recent letter sent by the Housing Association Regulator (the Homes and Communities Agency) to all registered housing associations advising them of the danger of a reduction in annual rent increases has identified above being applied from 2015.

- vi. For private tenants the rate at which the “local housing allowance” (Housing Benefit Cap) is increase is set at CPI only.

## 6. Rent Loss Assumptions

The business plan assumes rent loss of 3.3% for the current year falling gradually to 3% over a number of years. TPAS are concerned that no allowance appears to have been made for the impact of the major changes to benefits being introduced from next year, especially the impact of the “empty room tax” (on non-pensioner households), direct payment of benefits, and (for larger families) the total benefit cap.

## 7. Cost Control

The business plan assumes that long term costs (management and maintenance) will increase at only the RPI (except for PFI costs which rise at RPI+0.5%). [This ignores any one off savings or additional spends identified in the plan]. These assumptions are more optimistic (in terms of keeping costs under control) than TPAS’s finance specialist has seen in any other stock transfer business plan (or HRA Business plan). While fully supporting any landlord able to deliver the same level of services for no increase in running costs beyond inflation TPAS have a degree of concern over this being practical in the medium to longer term. The reasons for concern include:

- a. Prior to the recession analysis of housing association costs by “Social Housing” (a housing finance journal) identified a long term trend of management costs rising by over 3%pa per property above inflation.
- b. A significant element of repair and maintenance costs are resource driven (raw material costs and energy costs). While these costs are very cyclical, it is hard to envisage that the real costs of raw materials will have fallen over the next 20-30 years.
- c. Increased expectations, and health and safety and other legislation has tended to steadily increase the cost of employing staff.

## 8. Impact of Value Added Tax (VAT)

Council expenditure is normally exempt from VAT. This gives council housing a significant cost benefit compared to housing associations. Should Lewisham Homes properties transfer then the new landlord would become eligible to pay VAT on services bought in.



There are two factors which will reduce the impact of VAT if properties were transferred. These are:

- a. **“A VAT Shelter”** – When Council homes are transferred to a new landlord it is possible (and well established practice) to set up a VAT Shelter. This allows the majority (but not all) of VAT spent by the new landlord to be reclaimed. Most VAT shelters have been set up for 10 years, though it may now be possible to set one up for 15 years. After this period the new landlord would have to pay the full cost of all VAT on supplies it received.
- b. **Lewisham Homes Direct Labour Organisation (DLO)** - assuming the DLO also transferred then the majority of repair work would be carried out “in house”. Lewisham council currently project that this will reduce the VAT payable on maintenance to around 20% of what it would be if outside contractors were to be used. (i.e. an effective VAT rate of 4%, not 20%).

The current version of the transfer business plan does not allow for any VAT costs. This is an oversight and the plan should be adjusted.

The above 8 points all provide headwinds to transfer, and indicate that the current projections may overstate the financial benefits of transfer. TPAS would emphasise that most of these also apply to retention, but that their impact is far greater on the transfer business plan than on the retention business plan.

There are however also some factors which apply only to transfer and work to counter the above.

The main factor adding borrowing power and disposable income to transfer is the removal of costs associated with the HRA being part of the Council. There are two types of costs associated with being part of the Council:

1. Recharges for services provided – The HRA is subject to recharges for services provided by the council, and Lewisham homes may also be subject to service purchase and service level agreements. Transfer would allow the new landlord more freedom to negotiate and to obtain services and supplies from other suppliers, where these were judged more cost effective.

# TPAS CONSULTANCY

2. Corporate overheads – the HRA will currently make contributions towards some elements of running the Council (e.g. the Chief Executive's office). Also the HRA will fund a small number of activities not directly relevant to Lewisham Homes tenants. These corporate overheads would be completely removed on transfer.

The benefits of removing both the above would be felt almost immediately by a transfer landlord, and would free up considerable revenue funds. TPAS are not in a position to judge the level of saving that could be achieved by the above from the above, but elsewhere significant savings have been achieved.

Additionally it can be argued that transfer allows greater flexibility in terms of use of resources (e.g. transferred land or assets, or how staff are deployed) to achieve efficiency by being more effective. However no firm proposals have been shared which identify any such gains.

Finally it is worth observing that the business plans assume a long term interest rate of 6%. This is broadly the level that TPAS would expect a new stand-alone transfer landlord to be able to borrow in the current climate. However borrowing costs could potentially be reduced in one of two ways. If the transfer were to be a subsidiary of a large, existing and financially strong housing association group structure it *may* be possible to obtain funding at around 5% (this is mainly as the best loan deals are currently available from either insurers or the bond markets, who would not finance a new organisation). Additionally the current council cost of funds is around 5%. If it proved practical to on lend the current HRA debt to the new landlord, this would provide at least some of the financing needed on attractive terms.

TPAS have identified a significant number of issues to be resolved before robust figures on the financial benefits of transfer (or otherwise) can be established. TPAS are not in a position to express a view as to whether the “headwinds” identified above can be offset by the additional savings that flow from transfer, but would strongly recommend that these issues are resolved prior to considering transfer further.

TPAS's understanding is that the Council are now in the process of seeking a specialist review of their figures and assumptions in order to provide a more robust (and independent) projection of the potential benefits of transfer, and to obtain an illustrative transfer valuation. TPAS are fully supportive of this action.

## Scrutiny of Retention Proposals

A number of the observations made on the transfer business plan apply equally to the retention business plan. In summary these are:

- Rent increase assumptions
- Rent loss
- Cost control assumptions

All of the above are more likely to be negative than positive.

The retention business plan however also assumes an interest rate of 6%. In practice TPAS understand the true cost of funds are 5%. TPAS are satisfied with the principle of preparing a business plan using a slightly higher interest rate than expected, as this provides a degree of “comfort” or contingency. However, TPAS would be very concerned if the actual HRA is not credited with the lower interest rate at budget time (anything else would appear to be a disproportionate appropriation of HRA resources by the General fund).

Assuming that the actual (5%) rate is used for accounting and budgetary purposes the 1% margin saved against the business plan should provide a reasonable balance (in the shorter term at least) to the potential shortfalls identified above.

TPAS also scrutinised the HRA budget for evidence of excessive central costs, overheads or recharges. While additional savings are always possible TPAS’s view is that the overall figures appear proportionate, and that any (further) savings achievable are unlikely to be of sufficient magnitude to have a “game changing” impact on the capital program deliverable with retention. TPAS were pleased to identify evidence of Council support for the HRA, through the HRA being able to retain commission from collection of insurance and water rates.

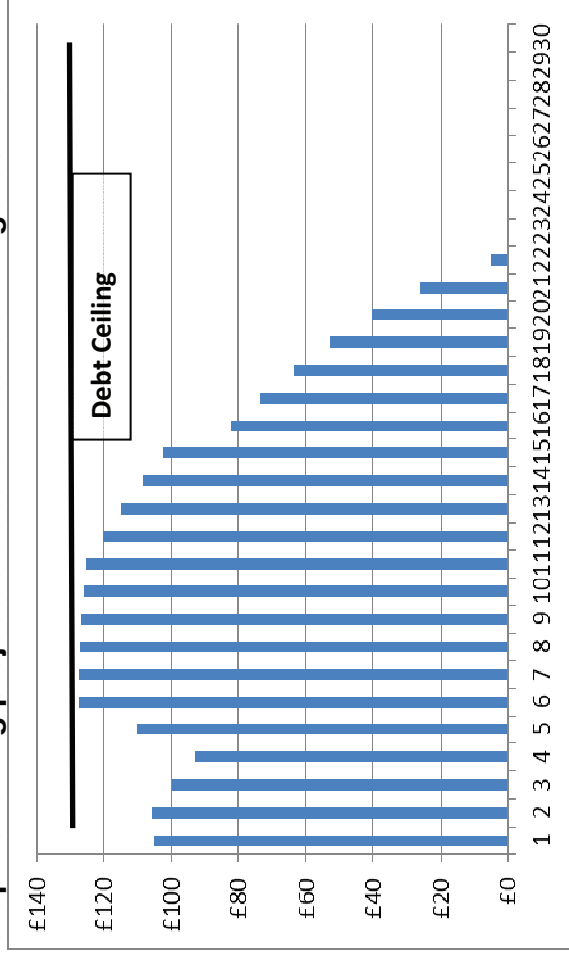
The following table summarises available resources for investment (after allowing for decent homes expenditure and other essential works) set aside the priorities identified by the Council – and inserting a notional line to capture the potential for other expenditure that tenants wish to be prioritised:

Item	Cost (£m)
250 New Council Homes	37.5
Quality and safety improvements	30
Sheltered and Extra Care	17
Anything else?	?
<b>Subtotal:</b>	<b>84.5</b>
Available funds (approx):	51.5
<b>Shortfall:</b>	<b>33</b>
Further 350 new homes	52
Bigger shortfall	<b>85</b>

The figures indicate a shortfall of around £33m if all the initial council priorities are to be funded, and a larger shortfall of £85m if an “additional priority” of building an extra 350 homes were to be included. (TPAS were asked to include these for consistency with other figures produced by the Council).

Assuming the maximum available funds (£51.5m) are committed in years 1-5, – but no additional non-essential spend is reinstated later, the debt moves up to the government’s ceiling, stays close for a number of years, then declines sharply, as shown in the graph below:

Graph showing projected debt for retention – figures in £m



The residents’ panel asked if there were other ways in which all the Council’s priorities could be funded.

TPAS are not in a position to give a definitive answer to this question, but are of the view that there are two approaches which might achieve this outcome.

**Approach 1 – New Homes**

The current proposal for new homes is to use existing Council owned “infill” sites to build 250 new homes at an average total scheme cost of £150,000 per new home.

If the Council could redefine this proposal to be to “produce 250 new homes using council infill sites” this may very well be practical using an existing housing association partner or potentially by creating a community based housing association.



In the current spending round the average grant per new home awarded to housing associations by the Homes and Communities Agency has been around £20,000 per home. As Lewisham Council would be providing free land, it would seem credible for the council to offer grants of between £20,000 and £40,000 to a housing association partner to provide the new homes. (The land could be provided on a 125 year lease ensuring eventual return to council ownership). The benefits of this approach are that the majority of the cost of providing the new homes would be provided by the housing association. This could save the council between £110,000 and £130,000 per new home provided. – The total cost to the council of the 250 new homes would be between £5m and £10m, saving the council between £27.5m and £32.5m.

TPAS understand that there is a legal mechanism to fund the newbuild directly from the HRA, though the council would need to confirm this with their legal advisers.

It is possible that an agreement may be achieved with the partner housing association to allow Lewisham Homes to carry out the day to day management of the new homes, thus providing a “seamless” service.

While the new homes would not be Council homes, a number of tenants observed during the consultation process that it seemed odd for the council to be considering transfer, when the main shortfall in funding was caused by building new council homes, which after transfer would no longer be council homes.

In addition to the above considerations there is also the possibility of Lewisham council, or a housing association partner, bidding for Affordable Housing Grant. This could either be in the near term (e.g. by a community HA bidding for specialist funding provided by the HCA, or by an association which has received grant but unable to develop its planned site obtaining permission to switch the grant to build these homes), or in the longer term with the next (2015) bidding round.

### **Approach 2 – Older Persons Accommodation**

TPAS understand that a number of current older persons’ schemes are either in unsuitable locations or in need of substantial remodelling (e.g. converting bedsits to one bedroom flats). In other councils with similar issues it has often been found practical to develop solutions on a scheme by scheme basis working with a partner housing association.

This would involve the tenants in each scheme choosing to transfer to a partner association, and would probably require the council to provide a subsidy to help make the transfer financially viable. However the cost of any subsidy would be likely to be substantially

below the cost to the Council of carrying out the works directly. Tenants could also be offered the opportunity to transfer to a specialist provider of older persons' accommodation who would be able to offer additional expertise.

By focusing on the least popular, worst located and most out dated properties a very substantial saving in expenditure may be possible, with the majority of schemes remaining with the Council.

### **A More Radical Approach**

A small number of residents have suggested the council could be more radical. One suggestion would be to explore the model Camden are using to regenerate a number of their current estates. This involves large scale clearance, remodelling and rebuilding, with more new homes being built than are demolished. A proportion of the new homes are then sold to generate profit which is used to cross subsidise the new homes for rent.

Another resident suggested that the Council could demolish a small block of six flats where he lived, and then use continental prefabricated construction techniques very quickly rebuild 20 new homes on the same site.

TPAS would caution that property prices in Lewisham appear to be significantly lower than in Camden, and that schemes of this nature require extensive resident buy-in and exhaustive preparation to be able to work. This approach may however be one which could improve housing quality and supply in Lewisham, and one which the Council could usefully explore further.

### **Rent levels**

An issue of concern to tenants is what would happen to their rents following transfer, as housing associations are perceived to have higher rents than councils, and some transfers have definitely led to higher rents than staying with the Council.

Lewisham council have been quite explicit that transfer could lead to higher rents. This is on the grounds that as transfer would result in higher borrowing, there would be a need for higher rents to repay the borrowing.

In practice TPAS think it unlikely that the Council would be able to afford to reduce rents below that of a transfer landlord for around the next 12 years. This is because the council's retention business plan shows that debt is at or very near the maximum level until year 12, and the council would not be able to both deliver the planned expenditure and reduce rents until debt had reduced meaningfully below the ceiling.

After 12 years TPAS also consider it unlikely that the Council would chose to further defer unmet priorities from their current list once they have the financial headroom to make additional investment choices.

## **Wider Issues**

While a significant number of specific money related queries were raised during the consultation process only the ones which directly impact on the “retention vs transfer” finances are considered in this section. TPAS did detect a desire by a number of tenants for a much more focused engagement on how the current housing finances work, and how to make the most of retention.

## **The Sub-Options – Transfer to a Mutual vs. Traditional Housing Association**

There is very little financial difference between the two sub-options. In practice the governance costs of a tenant led mutual housing association are likely to be higher, but the sums will be relatively small compared to the wider running costs, and an argument could be advanced that the benefits of greater tenant “buy-in” and input will lead to a better run organisation, and perhaps lower rent loss.

## **The Sub-Options – To stay with Lewisham Homes or revert to “Direct Management” by the Council**

There would be a “small” direct annual saving, perhaps £200,000pa, from bringing Lewisham Homes back into the council and managing the homes through a traditional housing department (or similar) structure. This saving would be from the removal of the supervision and contracting/compliance role of the council.

In practice this saving would probably be fairly quickly lost through the loss of the focus and accountability available under the current arrangement. Generally ALMOs (Arms Length Management Organisations) such as Lewisham Homes have demonstrated an ability to outperform compared to previous experience of direct management, and have delivered tangible saving (as opposed to cuts) in the cost of service delivery.



## Awareness and Understanding Questionnaire

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

1. Are you a Tenant or a Leaseholder?

Tenant                       Leaseholder

2. Have you heard about 'Housing Matters'?

Yes                               No

3. Have you received information about 'Housing Matters' through the post? – newsletters, leaflets etc?

Yes                               No

**If yes** – how do you rate the information you received?

\_\_\_\_\_  
\_\_\_\_\_

**If no** – what information would you like to receive?

\_\_\_\_\_  
\_\_\_\_\_

4. Have you attended any of the 'Housing Matters' events?

Yes                               No

**If yes** – which event (s) did you attend and what did you think of them?

\_\_\_\_\_  
\_\_\_\_\_

**If no**, why not?

\_\_\_\_\_  
\_\_\_\_\_

5. **Do you understand Lewisham Councils housing priorities?**

Yes  No

6. **Do you think they are the right housing priorities?**

Yes  No

*If no*, what do you think the priorities should be?

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7. **Are you aware the Council is looking at options regarding the future management and ownership of your home?**

Yes  No

8. **Do you think the Council is right to look at other options for the future management / ownership of your home?**

Yes  No

*If yes*, which options?

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9. **Do you have any questions or concerns about 'Housing Matters'?**

Yes  No

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**Monitoring Form**

<b>Age</b> Select age group	<input type="checkbox"/> Under 18	<input type="checkbox"/> 45-49
	<input type="checkbox"/> 18-24	<input type="checkbox"/> 50-54
	<input type="checkbox"/> 25-29	<input type="checkbox"/> 55-59
	<input type="checkbox"/> 30-34	<input type="checkbox"/> 60-64
	<input type="checkbox"/> 35-39	<input type="checkbox"/> 65+
	<input type="checkbox"/> 40-44	<input type="checkbox"/> Prefer not to say

<b>Ethnicity</b> What is your ethnic group?	White	<input type="checkbox"/> English / Welsh / Scottish / Northern Irish / British <input type="checkbox"/> Irish <input type="checkbox"/> Gypsy or Irish Traveller <input type="checkbox"/> Any other white background
	Mixed / multiple ethnic groups	<input type="checkbox"/> White & Black Caribbean <input type="checkbox"/> White & Black African <input type="checkbox"/> White & Asian <input type="checkbox"/> Any other mixed / multiple ethnic back ground
	Asian / Asian British	<input type="checkbox"/> Indian <input type="checkbox"/> Pakistani <input type="checkbox"/> Bangladeshi <input type="checkbox"/> Chinese <input type="checkbox"/> Any other Asian background
	Black / African / Caribbean / Black British	<input type="checkbox"/> African <input type="checkbox"/> Caribbean <input type="checkbox"/> Any other Black / African / Caribbean background
	Other ethnic groups	<input type="checkbox"/> Arab <input type="checkbox"/> Any other ethnic group <input type="checkbox"/> Prefer not to say

<b>Gender</b> Are you:	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Prefer not to say
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## Awareness and Understanding Questionnaire Responses

### Question 3 – How was information received

*It was useful.*

*Fairly Clear.*

*Good.*

*Fairly informative.*

*70%*

*Informative*

*Don't know*

*Sounds Political*

*Good*

*It's given straight forward information so far*

*Not enough detail*

*Very much a broad overview. Not enough depth of information to be able to make a fully informed decision.*

*Too much detail*

### Question 3 – Information participants would you like to receive

*The update of 'Housing Matters'*

*All relevant information*

*How homes are managed in the future*

*All information*

*Up to date information*

*News and updated info*

*Lewisham Council Housing to be the landlords again*

*Repairs and maintenance*

*Information about our estate*

*Not exactly no invite to RA Meeting*

*Left FAQ advised on 'Housing Matters' and advised next newsletter*

*General information about changing in our housing*

*I would like to receive any newsletters or leaflets about housing matters.*

*Not sure*

*Future newsletter Left FAQ and TPAS card*

*Send letters but no real communication*

*Housing association - rents would go up repairs would be better*

*Face to face like now*

*From another resident.*

*Would like to receive a letter telling about what is happening in the borough*

*Newsletters, leaflets.*

*Did receive wrongly addressed letter. Didn't open/read it.*

*To know when the decent homes are coming back also to many people are using the compounds and surrounding areas for a parking place and not near enough public bins are available What's happening to sheltered housing "Lewis Silken House" Valda is a waste of time and waste of Council money.*

*None*

*How can you help those tenants in overcrowded their bidding has been stopped. For two daughters sleeping on the floor they received a letter and now bid.*

*Information on how the Council makes changes that affect tenants' rights.*

*Average - it lacks information regarding both short term and long term consequence. More emphasis needs to be put on "Council" Housing as Councils have a history of running housing services successfully, for generations are not inclined at wasting money at the expense of services such as repairs and caretaking, unlike Housing Associations etc*

*It is helpful to be informed of what is happening and to know what we expect for the future. But I think this is not enough. We should be part of the discussions to improve the things which we can do together. To do this we need to meet each other. Thank you*

*Received TPN newsletter but didn't open it as incorrectly addressee*

#### **Question 4 – Events attended**

*Tanners Hill TRA*

*Commodore Court info session*

*Albany Addey C Stanhope*

*Civic suite, Albany and Tanners Hill TRA*

*Housing matters today 15.10.2012*

*Presentation at Fairfields*

*Lewisham Housing Tenants meeting*

*Welland Court info meeting"*

*Fortnightly meetings at Merrydown with housing officers and recently with Council Representatives*

*Meeting at the Civic Centre Sept 01 Oct also TRA meeting 23rd Oct*

*TPAS Conference - Birmingham 2012*

*Sayes Court club room 1.11.12*



Lee More Centre

White House meeting

Went to a meeting at the Civic suite

#### **Question 4 – Comments on events**

Could not attend the time had previous engagement

*I never had time*

*With the five kids I normally miss the dates or the time clashes with the kids' activities or something or other etc."*

*Too far away*

*Working*

*Because I was not aware of it*

*Thought it was organised along with Lewisham homes "Ltd", I didn't bother to attend.*

*Sickness and difficulty understanding English*

*Given the service charges I already pay, the level of maintenance and cleaning should be much higher/better than it is*

*Age limit*

*Is disabled and can't really get around. Would like to talk face to face like now.*

*This is because i don't feel that my opinion would count*

*With current landlord and that makes the relationship between our landlord and TPAS questionable, especially since TPAS appear to be biased against Lewisham Council resuming the management of their own stock again."*

*Doesn't matter what you say nothing is ever done.*

*Too long winded with no decisions made.*

*I'm a full time single parent & attend college.*

*No information on meetings.*

*Because I don't go out in the night.*

*Not been able due to work related reasons.*

*I never realised the urgency involved...I do now*

*Because sometimes I would have monies for travels.*

*Some of us go out to work, come evening we are tired.*

*Didn't have time to.*

**Question 6 – Comments on the priorities should be**

*I'm unsure of what previous leaflet said as was a lot of information, I feel the priorities should be to improve the properties to the required standard before even considering spending the budget to build new ones.*

*Get them right.*

*More emphasis should be given to the employed as opposed to the unemployed this would allow a better chance of receiving points.*

*Priorities are all wrong. Housing is going to the wrong people. If you are single you have to rent privately which is unfair if you work.*

*Improve existing homes & the environment for existing homes. Improve current maintenance and repairs.*

*Would have to spend more time considering the priorities*

*Need new homes for old people and young.*

*Yes and no. Properties which are empty and have been for the last few years should be looked into. Although greater emphasis should be placed on exploring better use of existing properties - especially those that are empty or sublet.*

*Because the system we enjoy now really does work.*

*Need more information.*

*Families need their own space.*

*Need room and it needs expanding.*

*They should still remain as they are (Lewisham Councils)*

*Don't know too soon to tell with welfare reform*

*Crime and fit for purpose housing*

*Instead of building more properties ensuring current stock is allocated properly and according to the tenants needs. First Lewisham Council should concentrate on bringing homes they already own up to a proper standard before building new homes. Also looking after the outside appearance of properties.*

*As far as I can tell you everybody here is satisfied with Lewisham Homes*

*Because I don't think it is fair*

*Repairs done on time and work finished off not left half done*

*To build more homes (council) Make repairs and maintenance priorities rather than giving jobs to Mitie who did shocking and unacceptable work*

*Housing for the elderly*

*Lower the rent*

*Lower the council tax*

*Not for me to say at this time most of the concerns are beyond my knowledge of how councils/home carry out business*

*No information on the subject*

*Making places safer Lighting - poor entry systems*

*Doesn't know as not enough info yet.*

*Is good to prioritise elderly - however also need to think about people living with parents and can't afford to move out to expensive private homes.*

*Improving existing homes.*

*Communal areas not taken care of.*

*Theoretically though investment in housing needs sorting*

*Current electrical fitting in breach of Health and Safety and toilet not up to DHS.*

*Very dark in flats, need light on all the time - even during the day.*

#### **Question 8 – Comments on options for the future management/ownership of**

*Yes & No, the benefits of a housing association taking ownership would get improvements to our properties quicker but on the other hand, I know other tenants previously with Lewisham Council that have so many problems now that housing associations have taken them over. Eg: To get repairs done are impossible & when someone is sent to look at the problem, they look at a cheap fix which does not help. I personally would prefer to stay with Lewisham Homes.*

*Enable Lewisham Homes, No to Housing Associations.*

*To give me another house.*

*That the Council has a final say, that any housing association who takes over doesn't use PFI money and mortgage the council stock to the hilt.*

*Resident led housing association*

*I would need to know a lot more about their motivation to answer this question, I can say I am happy as I am, why fix what isn't broken.*

*To upgrade the building and keep the yard clean.*

*But would sooner stay as we are, Council owning and L.Homes managing*

*Rents and welfare of tenants: would prefer a resident-led organisation.*

*Explore the mutic model.*

*But the system we have works*

*I do not want ownership of housing stock to be given away -this is irreversible.*

*Have to look at options.*

*Want to stay as I am.*

*Happy with the way Lewisham Homes manage things and they are about to install a shower for me.*

*But I would like to stay as I am.*

*But I would like Fairfield's to stay as it is. We get all done what we need and are well looked after*

*Four options on offer as per Clare Ryan and partnership Service*

*Could jeopardise tenants rights*

*But I don't know if changing my landlord would be better for me*

*I am quite happy to stay as I am*

*We all have choices.*

*As long as I am given a choice.*

*Where are they going to get the money?*

*But I feel the Council should continue to own the homes*

*Would like to stay as I am*

*Better the devil you know.*

*Lewisham Homes is the best option. No fault with them, rather stay with L Homes*

*The Council should take over management from Lewisham Homes*

*Whether to remain with the Lewisham Homes or transfer to Housing Association. I think we should remain with the Lewisham Homes as it is now.*

*Lewisham Homes have been very good (repairs) would be interested to see how the reconfiguration of Homes could achieve the priorities.*

**Question 9 – Concerns on Housing Matters**

*The Council must take more care about Rats and Mice it is out of control in Skua Court, lots of damp in Skua Court. People like me on pensions would like housing to be up to standard.*

*I realise the enormity of the problems facing the Council, I do think that by and large it does a good job. However any P.F.I type option would be iniquitous. One only has to look at the scandal of the Lewisham Hospital closure to learn the lesson. Also I would like to see a review of housing allocation to non-EU citizens. Make no mistake diversity and tolerance is a noble principle – but at a cost. And those who say that discriminating between employed and unemployed would create an underclass. I am sure it would be the needy and disadvantaged who would suffer most under the ....PFI*

*Because whatever the outcome they will do what they are going to do, regardless of what we want.*

*Who is in control of the financial benefits of this and what checks and measures are built in to ensure good finances. Would we be able to see where our rent and service charges goes and what it pays for?*

*Rent/Housing benefit:*

*I am very anxious to stay a council tenant and I am concerned that the consultation will lead to*

*A stock transfer, as I do not trust housing association landlords.*

*So long as I can stay where I am. I have lived here 22 years.*

*You are taking the whole of Lewisham's tenant's views on this new structure. I think that sheltered housing should be kept separate. All tenants in sheltered are 60+. You can have an 18+ with two children. We are going to have completely different views. Please take this into consideration.*

*Did not understand all what was said.*

*I understand everything but I would prefer to stay as I am.*

*Could do with some seating in communal gardens.*

*The information comes across quite clear.*

*When are we going to hear what happens next.*

*I personally would like to have the Council be my landlord and Lewisham Homes manage my home. I do not want any change. Thank-you.*



- a) *Safety in Sheltered Housing Schemes such as this one at Merry down can be lax at night especially b) I do not go to late night venues arranged by council even if locally as I do not drive due to health reasons c) I cannot get up and ask questions because my voice is weaker now and could not add much to a lively debate for that reason"*

*It is clear if 'Lewisham Homes' is transferred to or becomes an independent Housing Association this will leave leaseholders paying more money for charges - this is hardly fair!*

*The councils throughout the UK are obviously a government concern, and as far as I know the government have been more than capable at looking after their own housing. Why should people be uprooted and changed now? No at the moment most tenants living in Housing Association controlled homes seem unhappy, why not leave Housing Association out of this entirely and let the council take direct control and management of social housing like it used to do. Not yet this is a debate and requires many considerations. To accept any other considerations/options e.g. a new landlord who will bring in more money does not make sense as the government is on a road to austerity. To raise money would mean higher rents and speaking as a pensioner I do not have it. Whilst I understand their reasons they don't necessarily suit the tenants*

- 1) *I do not want to see buildings up to the sky while there is not enough space on the ground. 2) The Council should campaign for a smaller size families. The Council should have questions about family size in their survey.*

*I am a disabled widow. I have no knowledge at all re. house repairs, decorating etc, I have to pay for plumbing services now. The electric in my flat have not been changed in the 35 years I have lived here. 25 years is the legal requirement. When I questioned this I was told they do not do this anymore and I have to call an electrician, and pay myself. The windows are critical, windows which allow heating to escape, the radiators have not been services for more than 20 years. It costs a fortune to heat my home.*

*Monies should be spent on the green land on estates. Such as seating, flowers etc. Making Council tenants remove all rubbish from gardens and maintaining them. Better lighting on estates, caretakers to work harder on keeping estates in better condition. Tenants should be checked on regularly on keeping premises in tidy condition which causes rats and mice. Don't feel leaseholders get a fair share. Pay maintenance and get rubbish council tenants! P.S. Channel 4 show recently showed a programme, Councils giving out contracts to companies for improvements send out tenders supposedly only to find they are all the same company! Which Councils take a fee! Also to keep buildings painted often or cleaned at least. Councils let properties go - then the area just goes down - which we get vandalism so it becomes a rundown area. More cooperation of councils and tenants together - good properties. My only concern is that Council is not doing enough for those people who urgently need housing. Two daughters have received a letter telling them that they can't bid anymore since there are no more housing. What do you do and no help given. No real case for leaseholders to change/transfer put forward. We have 52% leaseholders on the crossfields estate.*



*"Dear Sir or Madam, It is important that Lewisham Homes stay with Lewisham Council and are not transferred. As stated this Council have the money to bring all Lewishams homes up to the decent homes standard by 2016. To pay for maintenance and necessary lifecycle works as well.*

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