

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 1st 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 3rd 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 8th 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

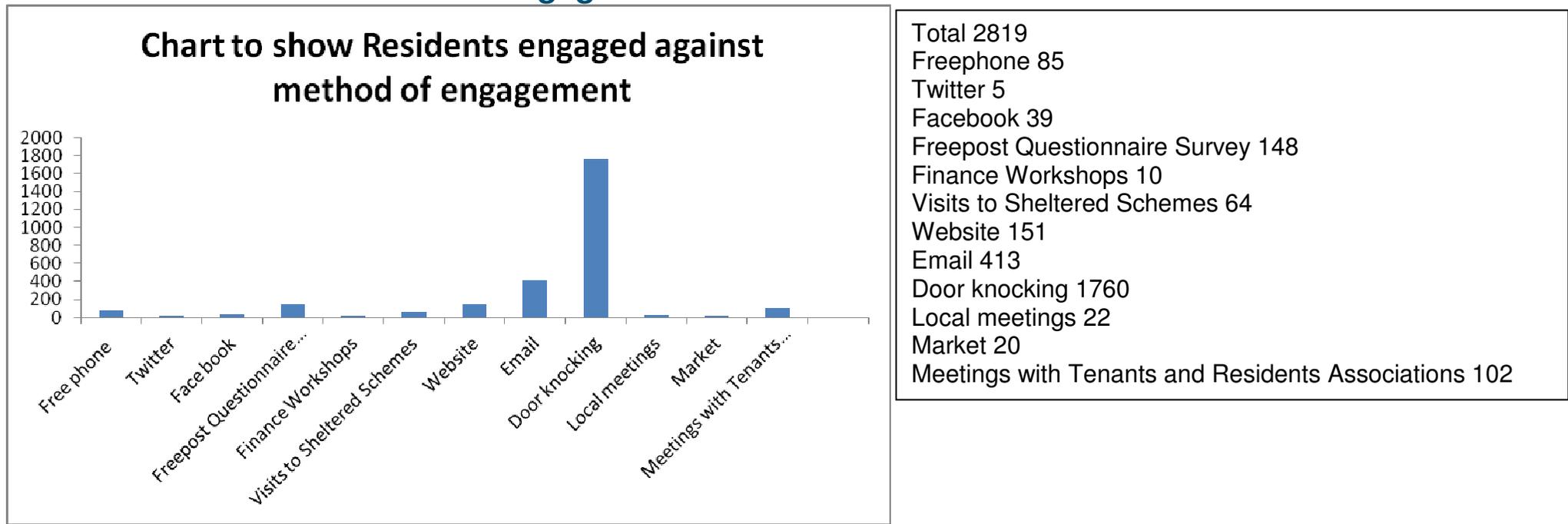
The second newsletter was produced and distributed in November, to:

- 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.

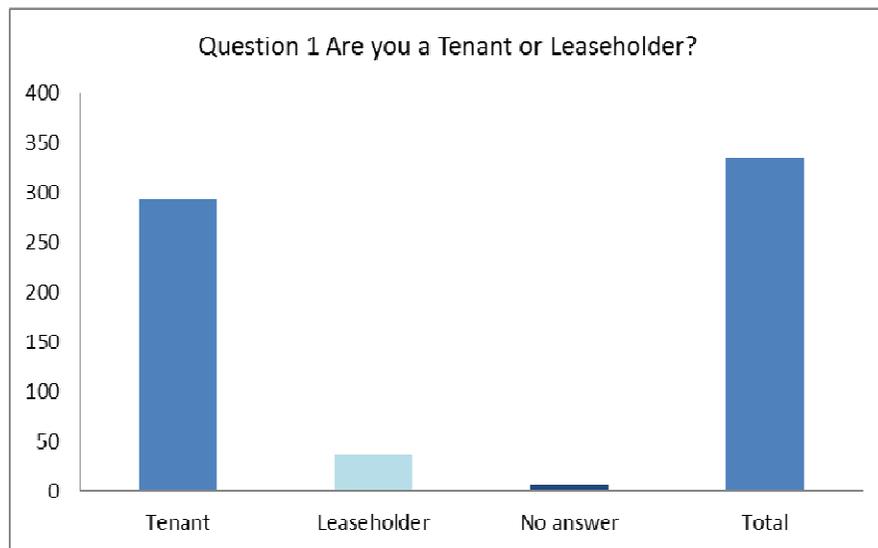
Delivery of our second newsletter coincided with the delivery of Lewisham Homes' newsletter containing the Council's own survey on the Housing Matters project. We did notice an increase in general levels of awareness when talking to residents and the Council reported an influx of survey returns.

Methods and Level of Resident Engagement

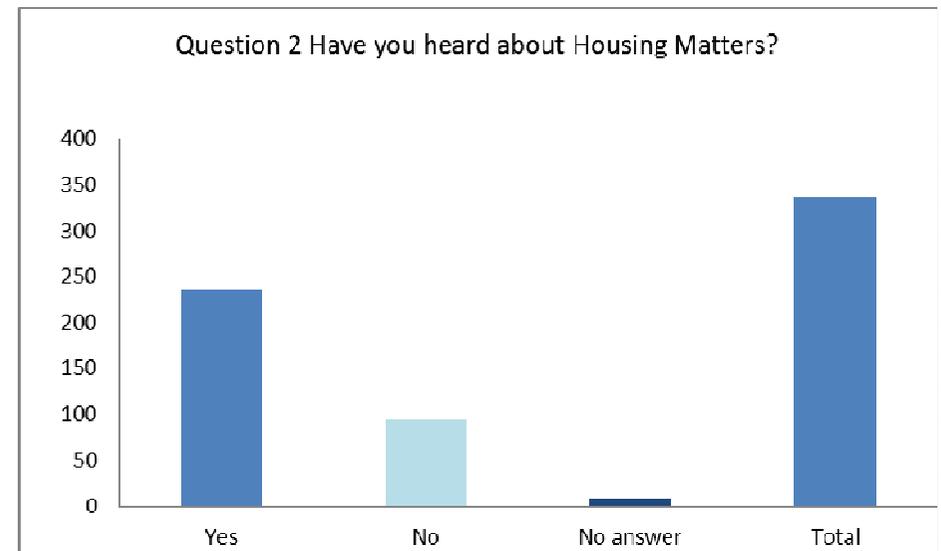


Survey

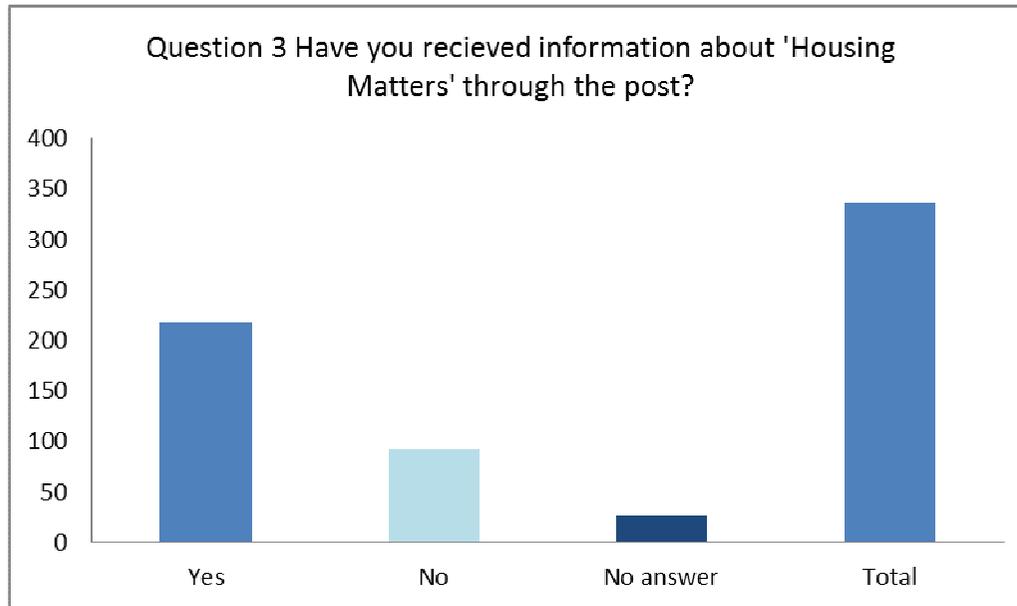
The survey TPAS used can be seen in Annex 4. Residents were asked, during later stages, to give their views on the future of their Council homes and also what their level of understanding was on the different options available to the Council. Residents were offered a variety of ways to complete a survey.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

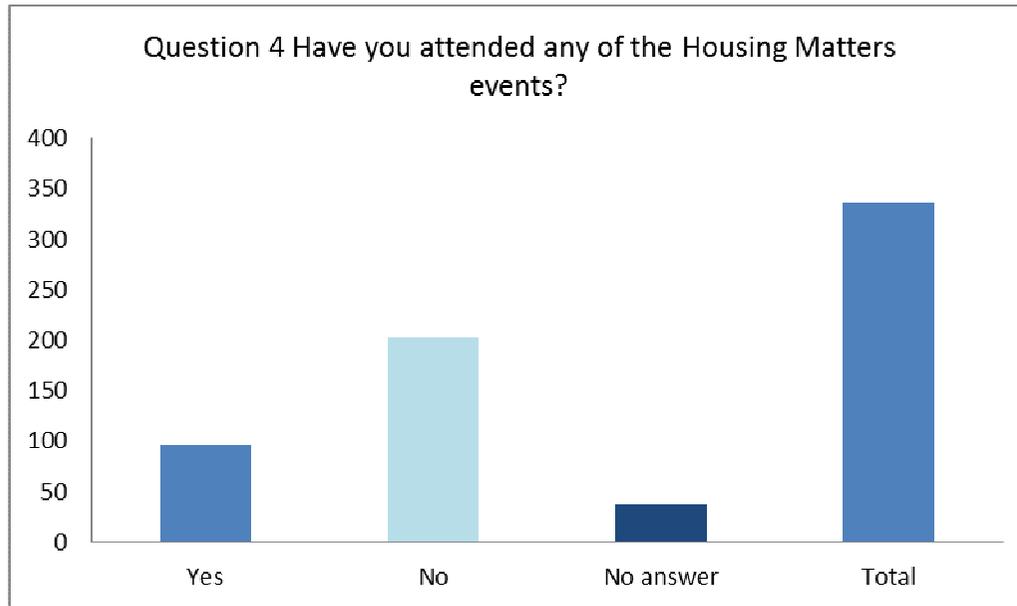


Total: 336
 Yes: 218
 No: 92
 No Answer: 26

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.

Chart to show the ethnic diversity of all participants

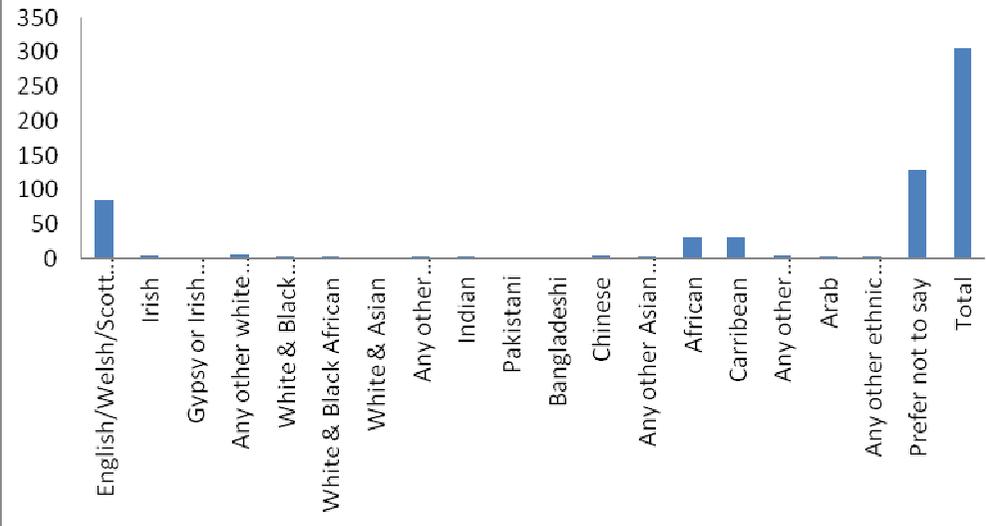
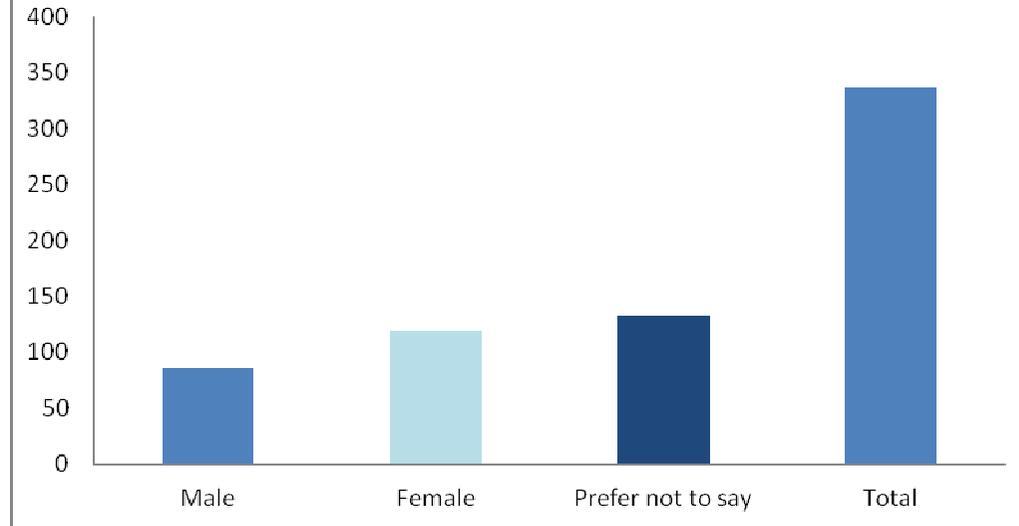


Chart to show the gender of all participants



Total 306

English/Welsh/Scottish Northern Irish/British 86

Gypsy or Irish Traveller 0

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

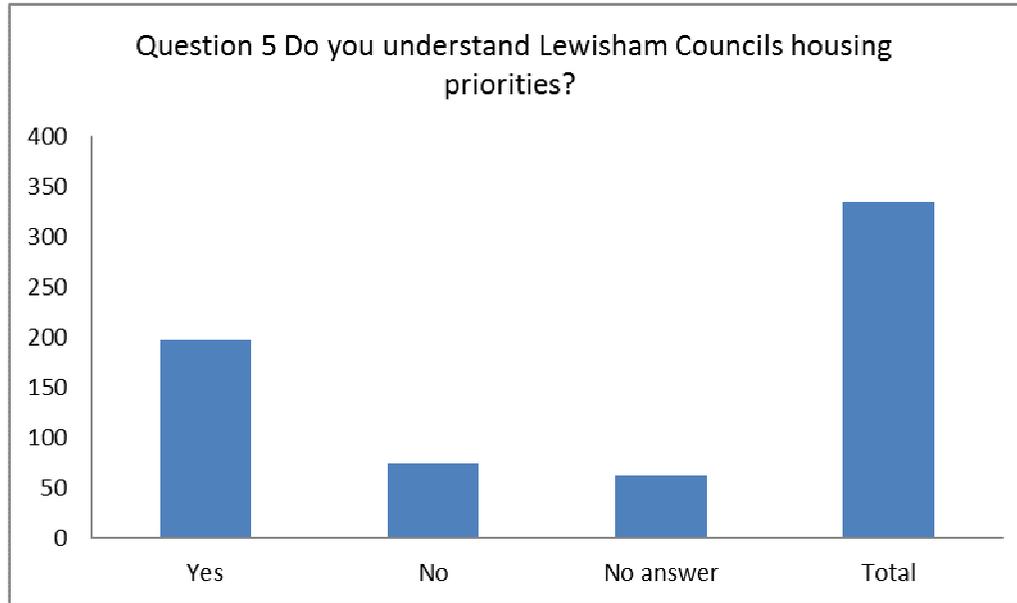
Pakistani 0

Chinese 4

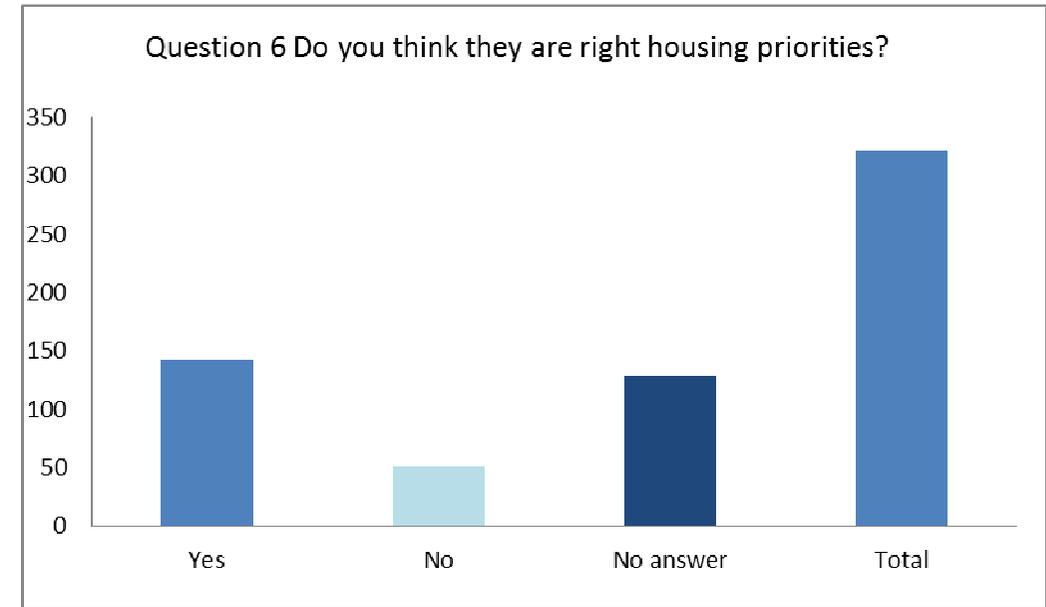
African 31

Any other

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

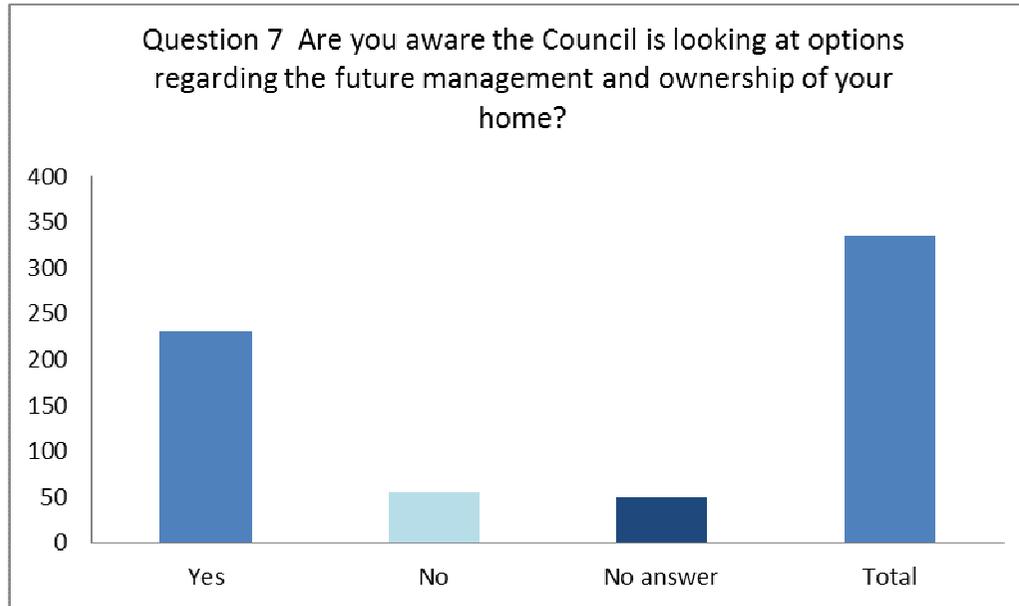
Generally, the residents that we engaged with had a good understanding of the housing priorities and were supportive of them, sharing a range of views about what was important to them.

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:

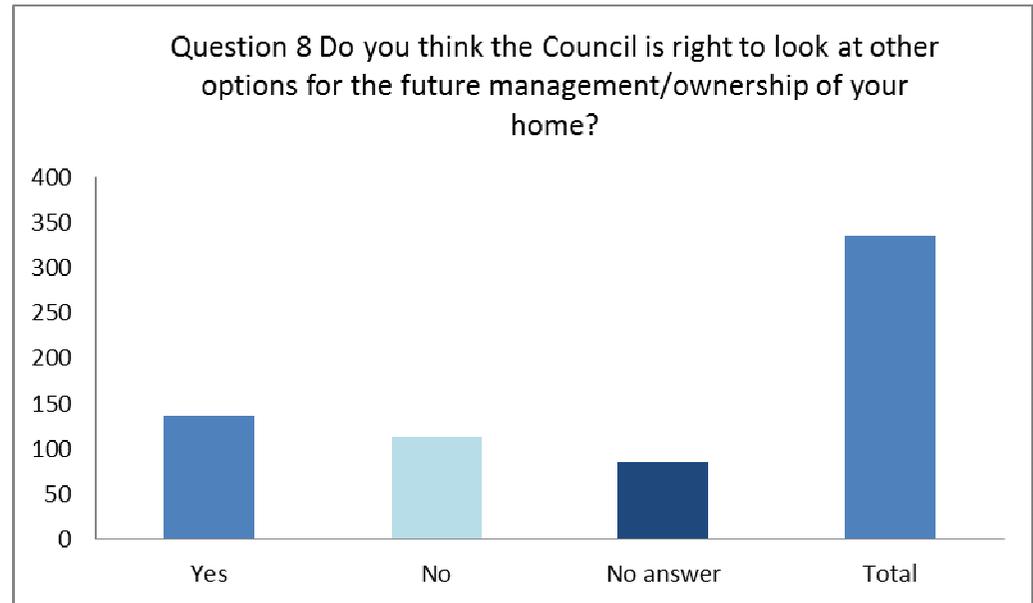
'I'm unsure of what previous leaflet said as was a lot of information, I feel the priorities should be to improve the properties to the required standard before even considering spending the budget to build new ones.' Tenant SE23

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.

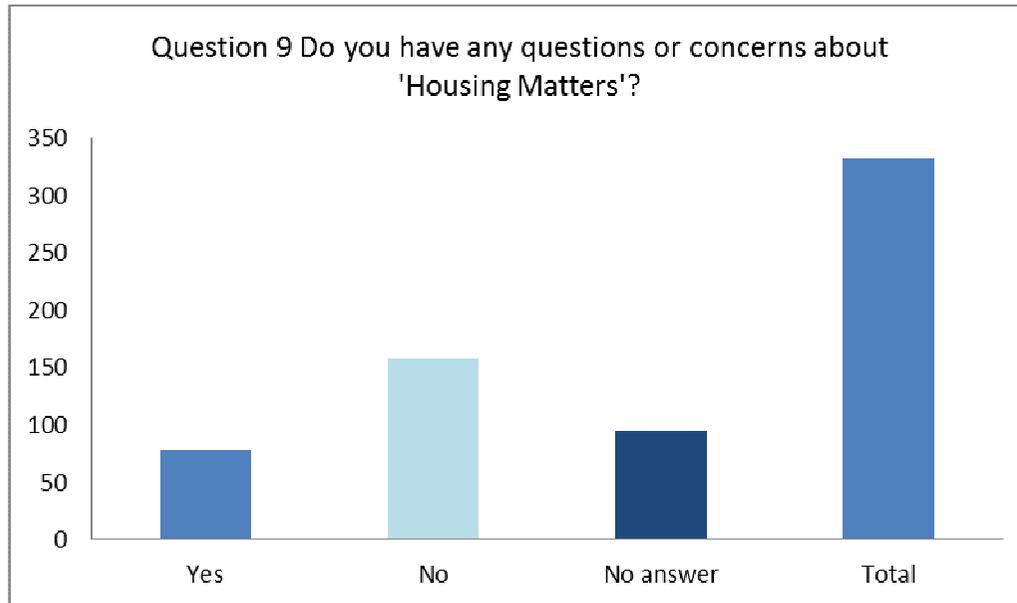
There were mixed views about whether the Council was right to be looking at the options and generally, residents expressed the view that they wished to remain with the Council as their landlord:

'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



Total: 332
Yes: 79
No: 158
No Answer: 95

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 he makes 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

Options (score 1-5)	Factor (rate 1-5)		Factor (rate 1-5)		Factor (rate 1-5)		Factor (rate 1-5)		Factor (rate 1-5)		Factor (rate 1-5)		TOTALS		
	Deliver and maintain decent homes standard	Deliver and maintain enhanced Lewisham standard	Deliver and maintain enhanced Lewisham standard	Deliver and maintain enhanced Lewisham standard	Provide extra investment for provision for elderly residents	Provide extra investment for provision for elderly residents	Provide extra investment for provision for elderly residents	Provide extra investment for provision for elderly residents	Preserve key tenant's rights	Preserve key tenant's rights	Maintain service standards at least at current standards	Maintain service standards at least at current standards		Maximise tenant control and influence	
Importance	4.7		4.2		3.9		4.9		4.6		4.0				
1.Retention Arms Length Management Organisation (ALMO) Lewisham Homes	Score 3.5	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score 4.0	Score x importance	Score 4.5	Score x importance	Score	Score x importance	
2.Retention Transfer back to Council	Score 3.1	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score 4.9	Score x importance	Score 4.7	Score x importance	Score	Score x importance	
3.Transfer Tenant and community led (e.g. Mutual – could still be LH)	Score 3.4	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score 3.8	Score x importance	Score 4.5	Score x importance	Score	Score x importance	
4. Transfer To an existing Housing Association (could still be LH)	Score 1.6	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score 2.5	Score x importance	Score 3.3	Score x importance	Score	Score x importance	

Factor (rate 1-5) Options (score 1-5)	Supported by central government		Supported by residents		Building new homes		Other criteria		Other criteria		Other criteria		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	
Importance	4.2		4.8		4.0								
1.Retention Arms Length Management Organisation (ALMO) Lewisham Homes	Score	Score x importance	Score 4.1	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	
2.Retention Transfer back to Council	Score	Score x importance	Score 3.8	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	
3.Transfer Tenant and community led (e.g. Mutual – could still be LH)	Score	Score x importance	Score 3.7	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	
4. Transfer To an existing Housing Association (could still be LH)	Score	Score x importance	Score 2.4	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	Score	Score x importance	

Rank Order of Importance

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

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

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
*				
TOTALS	1961/2650	1885/2650	1751/2650	1137/2650

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

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

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 written 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 too 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 <i>Council</i> Homes	37.5
Quality and safety improvements	30
Sheltered and Extra Care	17
Anything else?	?
Subtotal:	84.5
Available funds (approx):	51.5
Shortfall:	33
Further 350 new homes	52
Bigger shortfall	85

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.

We 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

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

			<ul style="list-style-type: none"> • Service charges in relation to tenure • Improve presentation of information to set out what could be done 	
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"> • the right to succession with transfer • the right to manage with transfer • pleased to hear TPAS would be door knocking in order to reach residents 	
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"> • what happens to the right to buy • why can't the council sell land to housing associations and use the money to deliver the Mayors priorities • suggestions as to how more residents can be made aware of the conversation 	

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

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"> • Residents were not aware of Housing Matters • Fact sheet given out • Residents advised to watch out for TPAS newsletter • Residents encouraged to attend drop in sessions • Residents encouraged to contact TPAS freephone to give views or seek further information • Residents encouraged to use facebook page to complete questionnaire • General expressed by residents that the Council to look at options • No real expression of interest in stock transfer • Some expression of interest/satisfaction with Lewisham Homes • Some residents expressed an interest for the council to take back the management of services <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"> • Spoke to over 80 residents 	

			<ul style="list-style-type: none"> Residents encouraged to look out for TPAS newsletter Residents spoken to were given a factsheet Residents were encouraged to contact TPAS freephone service Residents were encouraged to complete a survey on line Residents were encouraged to attend a drop in session <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 3/11 1	Deptford Park Sommerville area	Deptford SE8 New Cross SE8	<p>Total of 129 properties visited and 5 surveys completed – issues from the door knocking</p> <ul style="list-style-type: none"> Low number of surveys completed reflects lack of awareness residents had about ‘Housing Matters’ Lengthy discussions took place with several residents about the project and importance of residents input Noted that residents in Sommerville area had received improvement works to their homes Calling cards left where there was no answer Residents encouraged to contact TPAS via free phone etc 	

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

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

	<ul style="list-style-type: none"> • Blackheath 			
28 th November 2012	Brockley Youth Forum		TPAS requested to attend meeting and launch event but advised not to attend but send information on the project	
28 th 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"> • Outline of Housing Matters • Lively discussion about housing in Lewisham • Group political in views and wanted a further debate with Mayor at a later date 	
28 th 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 th 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

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
- 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.

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

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 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, 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** 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**

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Albanian

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French

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Mandarin

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Somali

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Tamil

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Turkish

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Vietnamese

020 7253 7700

Also call this number for other formats, including Braille, large print, audio tape, BSL or computer disc.
Email: **lewisham@pearllinguistics.com**
Typetalk: **18001 020 7253 7700**

financematters yourfuture

November 2012 - Issue 01

TPAS
CONSULTANCY



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 things 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?

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 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.

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.

What do these changes mean for investment in our homes?

While there is much more money, and certainty more than before, the Council's view is that it 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 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).

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).

If a Stock transfer went ahead, and the extra money available was confirmed as £86m, then the New Landlord

could be able to afford all of the following:

- Build 250 new homes for social rent
- Quality and safety improvements to your Homes including:
 - Secure door entry
 - Physical fabrics of estates e.g. play areas, boundaries and pavements
 - Improvements to estate roads and drains
- Bring homes for older people up to the new quality standards, for example converting bedsits to self contained flats

And an additional £53 million to spend on the priorities chosen by the Council and tenants. This could be even more new homes, or additional improvements to estates and safety. The priorities for spending this money would be discussed and decided during the consultation exercise that would be necessary prior to a vote on any transfer.

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 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 practical, and 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 IA's 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 under consultancy, please take a look

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Somali

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Tamil

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Vietnamese

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Email: 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
E-Mail: 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.

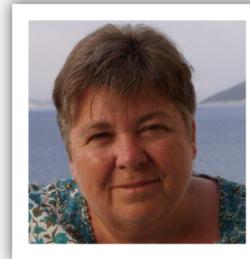
We also have **Graham Martin**, TPAS Housing Finance Specialist. Graham will evaluate and validate the financial information independently, which will be critical to tenants and leaseholders across Lewisham.



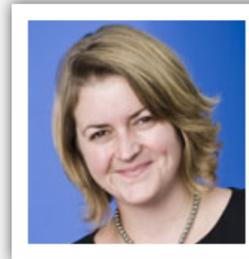
Richard Tomkinson



Samantha Goodwin



Christine McConnachie



Emma Wallington

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 Council's email address for this housingmatters@lewisham.gov.uk.

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

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 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.

Housing Matters resident steering group

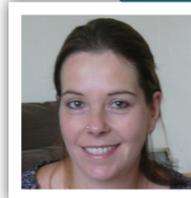
A group of 12 residents have formed a steering group to work with the Council on Housing Matters.

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.



Denise Barnes



Richard Tomkinson



Samantha Goodwin



Sue Crossey



Christine McConnachie



Emma Wallington

housingmatters yourfuture

A newsletter for tenants and leaseholders produced produced by TPAS

November 2012 - Issue 02

TPAS
CONSULTANCY

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.



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** 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**, 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** 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**

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 mëposhtëm.

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

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

Somali

இப் பத்திரத்திலுள்ள தகவல் தேவையானால் தயவுசெய்து கீழேயுள்ள எண்ணில் தொடர்புகொள்ளவும்.

Tamil

Bu doküman hakkında bilgi için lütfen aşağıdaki numarayı arayınız.

Turkish

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

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**
Typetalk: **18001 020 7253 7700**

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;

- 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** or contact us and we will send you a copy.

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 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	Lanian 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 Lovelinch 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.

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)

The Council's initial calculations show that a transfer would generate

around an extra £86m to invest – in improvements to tenants' homes and estates, or for building new homes. 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 a stock transfer went ahead, and the extra money available was confirmed as £86m, then the new Landlord would be able to meet ALL the priorities above and have an additional £53 million to spend on the priorities chosen by the Council and tenants. This could be even more new homes, or additional improvements to estates and safety. The priorities for spending this money would be discussed and decided during the consultation exercise that would be necessary prior to a vote on transfer.

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.

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 [R1]: 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 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.*
- *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 thePFI*
- *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 Account¹ 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.

¹ 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.

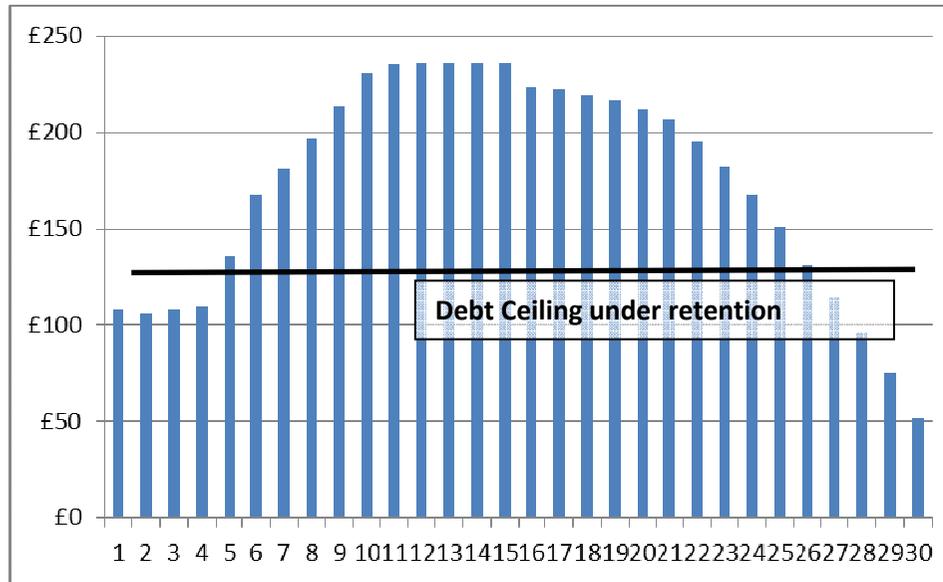
Scrutiny of Transfer Financial Projections

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 assumptions¹.

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.

¹ 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.

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.

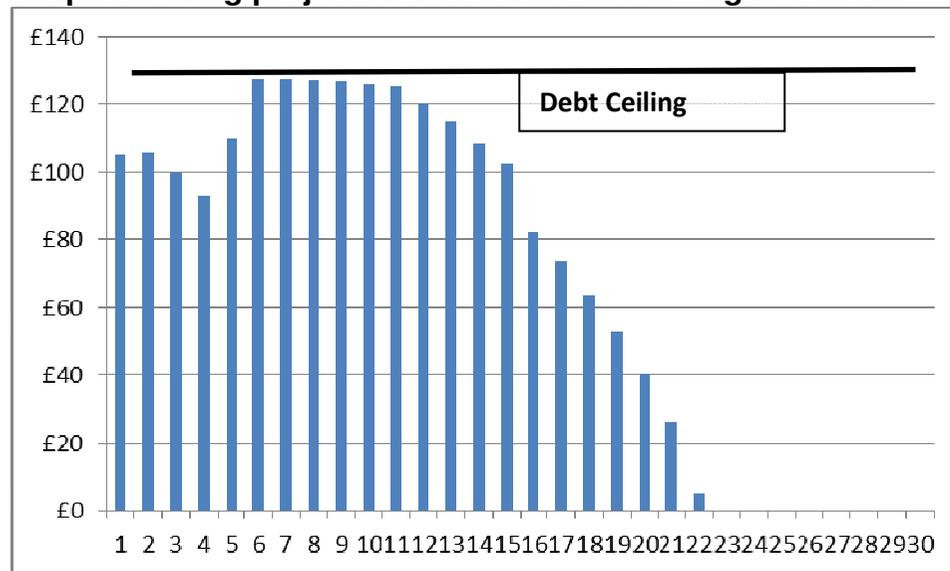
The following table summarises available resources for investment (after allowing for decent homes expenditure and other essential works) set aside the priorities identified by the Council – and inserting a notional line to capture the potential for other expenditure that tenants wish to be prioritised:

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

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 prefab 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?

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?

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

Yes No

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Monitoring Form

Age 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

Ethnicity 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

Gender 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 thePFI

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 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 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.