



Mayor and Cabinet

Novation of Stock Transfer for Grove Park Between L&Q and Phoenix

Date: 14 September 2021

Key decision: Yes

Class: Part 1

Ward(s) affected: Grove Park, Bellingham & Whitefoot and Downham

Contributors: Executive Director for Housing, Regeneration and Public Realm, Executive Director of Corporate Resources and Director of Law, Governance and HR.

Outline and recommendations

Approve the transfer of the properties in the Grove Park Stock Transfer Agreement between L&Q and Phoenix.

Delegate authority to the Executive Director of Housing, Regeneration & Public Realm in consultation with the Director of Law, Corporate Governance & Elections to agree and enter into all legal documentation in connection with the transfer including any variations to the Transfer Agreement

Timeline of engagement and decision-making

N/A

1. Summary

- 1.1 The Council entered into a Stock Transfer Agreement with L&Q Housing Association in 2008 as part of its Decent Homes Strategy. The Council transferred the ownership and management of 1447 tenanted and leaseholder properties in the Grove Park area to L&Q on the basis that L&Q would provide the necessary investment needed to ensure the transferred properties achieved the Government's Decent Homes Standard by 2008.
- 1.2 L&Q are now wishing to transfer these Grove Park Stock Transfer properties to Phoenix Community Housing and are seeking the Council's approval to do so.
- 1.3 Phoenix Community Housing was established in 2007 as the result of the Council's stock transfer of 6317 tenanted and leaseholder properties in the Bellingham, Whitefoot and Downham area. The purpose of this stock transfer was also to secure the investment needed in achieve the Government's Decent Homes Standard.

2. Recommendations

It is recommended that Mayor and Cabinet:

- 2.1. Approve the transfer of the properties in the Grove Park Stock Transfer Agreement between L&Q and Phoenix Community Housing.
- 2.2. Delegate authority to the Director of Housing in consultation with the Director of Law, Corporate Governance & Elections to agree and enter into all legal documentation in connection with the transfer including any variations to the Transfer Agreement.

3. Policy Context

Housing

- 3.1. The Council's Corporate Strategy (2018-2022) outlines the Council's vision to deliver for residents over the next four years. Building on Lewisham's historic values of fairness, equality and putting our community at the heart of everything we do, the Council will create deliverable policies underpinned by a desire to promote vibrant communities, champion local diversity and promote social, economic and environmental sustainability. Delivering this strategy includes the following priority outcomes that relate to the provision of new affordable homes:
 - Tackling the Housing Crisis – Providing a decent and secure home for everyone.
 - Building an Inclusive local economy – Ensuring every resident can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
 - Building Safer Communities – Ensuring every resident feels safe and secure living here as we work together towards a borough free from fear of crime.
- 3.1. Lewisham's Housing Strategy (2020-2026), includes the following themes that relate to the provision of new affordable homes:
 1. delivering the homes that Lewisham needs.
 2. preventing homelessness and meeting housing need.
 3. improving the quality, standard and safety of housing.
 4. supporting our residents to live safe, independent and active lives.
 5. strengthening communities and embracing diversity.

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4. Background

- 4.1. The Government's Decent Homes Strategy 2005, required all local authorities to undertake stock options appraisals in order to determine how the Government's Decent Homes standards would be achieved on all their existing stock by 2010.
- 4.2. LBL completed the Stock Options Appraisal in 2005 and following approval from Government pursued the following three options, Stock Transfer, the setting up of a Housing PFI and the creation of an ALMO.
- 4.3. In total the Council entered into seven different Stock Transfers with a range of Housing Association providers. A PFI was set up to manage the stock in the Brockley area and the ALMO (Lewisham Homes) was created to manage the remainder of the housing stock.
- 4.4. The stock transfer of properties in Grove Park to L&Q Housing Association took place on 7th July 2008 and included the transfer of 1447 properties.
- 4.5. The stock transfer of properties in the Bellingham and Downham area to Phoenix Community Housing took place on 3rd December 2007 and included the transfer of 6317 properties.
- 4.6. At the time of the stock transfer, L&Q were chosen as the preferred HA by the tenants and leaseholders of the Grove Park properties, following a lengthy consultation and ballot process. A Stock Transfer Agreement was drawn up between L&Q and the Council in which L&Q outlined their investment plans and set out their commitments to residents.
- 4.7. As part of their investment promise, L&Q committed to spending £20m within the first five years following transfer, thus ensuring the transferred stock would meet the decent homes standard requirement as set by Government.
- 4.8. L&Q has honoured this investment commitment and in some cases has exceeded the requirement.
- 4.9. L&Q are now seeking to transfer the Grove Park Stock Transfer properties to Phoenix Community Housing, a locally focussed provider, to build on this work and provide a quality ongoing service to residents. The proposed transfer also builds on L&Q's Build London Partnership (L&Q's support for small and BAME associations to develop new homes) initiative.
- 4.10. Phoenix Community Housing was created in 2007 after a stock transfer by the Council of 6317 properties in the Bellingham, Whitefoot and Downham Wards. The new HA was based on a Community Gateway Model which put residents firmly at the centre of their organisation.
- 4.11. Phoenix Community Housing is a not-for-profit resident led Housing Association, with residents making up the largest group on the Phoenix Board. This resident led model helps empower tenants and leaseholders to play a central and major part in Phoenix Community Housing's decision making processes
- 4.12. Since the transfer in 2007, Phoenix Community Housing have invested £170m in major works and improvement to their properties and the environment and have achieved a 100% decency rating for their stock.
- 4.13. Phoenix Community Housing are a recognised and respected housing developer and they have built a number of new homes in the area in recent years. They have several new sites currently under construction and plans are in place for a number of future developments. The Council keenly supports Phoenix Community Housing in their development plans and appreciated and recognises their contribution toward new build provision in the Borough.

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- 4.14. Phoenix currently owns and manages 6,300 homes in the Borough, and has an excellent record of providing high quality services, not only to its residents but also to the wider community. Their current tenant overall satisfaction level stands at 85% and 71% for leaseholder satisfaction.
- 4.15. Geographically Phoenix Community Housing is well placed to incorporate the Grove Park transfer properties into their stock and their local office presence will ensure they can provide a high-quality service to the residents of Grove Park.
- 4.16. By taking on these homes, Phoenix Community Housing will be able to expand its community regeneration and involvement initiatives to a wider area, working together with a range of Lewisham partners.
- 4.17. As a resident-led organisation, Grove Park residents will have the opportunity to become Phoenix Community Housing shareholders and voting members on the Phoenix's Community Housing Board, providing a significantly increased level of local accountability.
- 4.18. The transfer proposals therefore play to the respective strengths of both organisations - to the ultimate benefit of both existing and future residents in Grove Park.
- 4.19. The Council's consent to the transfer is required under the terms of the original 2008 Transfer Agreement together with confirmation that the Council is satisfied that the transfer should not trigger any clawback. Phoenix has also requested a variation to the Mortgagee Exclusion clause contained in the original Transfer to L&Q. It is recommended that the Director of Housing, in consultation with the Director of Law, Corporate Governance & Elections agree and enter into all legal documentation in connection with the transfer including any variations to the Transfer Agreement.

5. Resident consultation and engagement

- 5.1. In preparation for the stock transfer to Phoenix Community Housing, L&Q have embarked on a comprehensive consultation programme with residents and stakeholders, using a variety of different methods. These include:
 - A bespoke website which offers information on the stock transfer
 - Public online resident and homeowner meetings, advertised in advance through letters and emails to residents and key stakeholders
 - Posters displayed across the estate and in the WG Grace Centre
 - Letters and emails to ensure residents are aware of the stock transfer process and engagement opportunities
 - Dedicated email address and phone number for residents and stakeholders to return comments, feedback and questions
 - Online and paper feedback forms for residents to use at any time to return their comments to the team
 - Meet and greet at Grove Park for residents to meet with staff from both organisations.
- 5.2. The Grove Park consultation programme has employed various socially distanced and online initiatives to consult with as many residents and stakeholders as possible while following the government's coronavirus guidelines. The consultation programme started in December 2020 and will continue until after the transfer takes place later this year. Residents have so far received six mail outs from the team alongside posters on their estates, website updates and tailored email blasts.
- 5.3. To date, L&Q have had over 50 residents attend their online events, over 60 residents contacting them via email or phone to give their feedback and 7 residents completing the online feedback form. The majority of comments received are positive about the

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proposal and most responses relate to queries around service charges, tenancy changes, rent cards, housing benefit payments and services offered by Phoenix Community Housing.

- 5.4 L&Q held a meet and greet event at Grove Park on Wednesday 25th August 2021 offering residents the opportunity to meet staff from both L&Q and Phoenix Community Housing
- 5.5 The consultation period ends on 7th September 2021.
- 5.6 The outcome and results of the consultation exercise will be provided as an Addendum to this report.

6. Next Steps

- 6.1. Subject to the recommendations in this report being agreed, officers will finalise the agreement of the deed of novation. L&Q and Phoenix are working to complete the transfer as soon as possible, no later than the end of the calendar year.

7. Financial implications

- 7.1. This report seeks Mayor and Cabinet approval for the transfer of the properties in the Grove Park Stock Transfer area between L&Q and Phoenix Community Housing. As such there are no direct financial implications for the Authority arising from this report.
- 7.2. Any outstanding financial or other Stock Transfer commitments entered into by L&Q as part of the original Stock Transfer agreement will be addressed as part of the 'deed of novation' between L&Q and Phoenix under which Phoenix will assume responsibility for those commitments or included as variations to the Transfer Agreement.

8. Legal implications

- 8.1. Under the terms of the original Stock Transfer of the properties to L&Q, the Council's consent is required to this transfer together with confirmation that the transfer does not trigger any clawback of the sale proceeds by the Council. It is proposed that this is given on the basis that Phoenix is assuming all outstanding financial or other Stock Transfer commitments entered into by L&Q as part of the original Stock Transfer agreement so that the Council's position is effectively unchanged, Members should be satisfied that Phoenix is an appropriate body to take over control of the stock and assume those liabilities.
- 8.2. The Council will be party to the deed of novation between L&Q and Phoenix. It is proposed that authority is delegated to the Director of Housing in consultation with the Director of Law, Corporate Governance & Elections to agree and enter into all legal documentation in connection with the transfer including any variations to the Transfer Agreement which may be necessary.

9. Equalities implications

- 9.1. There are no direct equalities implications arising from this report. Phoenix Community Housing is assuming management for the stock, bound by the same management commitments as L&Q following the stock transfer from Lewisham Council.

10. Climate change and environmental implications

- 10.1. There are no direct climate change or environmental implications arising from this report.

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- 10.2. Phoenix Community Housing have adopted their own Sustainability Strategy which sets out a framework detailing how they will achieve their business objective of achieving Net Zero Carbon (NZC) by 2050.

11. Crime and disorder implications

- 11.1. There are no crime and disorder implications arising from this report.

12. Health and wellbeing implications

- 12.1. There are no direct health and wellbeing implications arising from this report. Phoenix Community Housing will continue to provide services and work in partnership with other agencies to ensure the continued health and wellbeing of the residents involved in this transfer.

13. Social Value implications

- 13.1. Phoenix Community Housing work hard to incorporate social values into the services they provide to their residents and to the community they serve.
- 13.2. Examples of this work includes:
- Engaging with and supporting a variety of community focused groups
 - Contributing to community food projects by working in partnership with GCDA and Lewisham FareShare Hub
 - Work to reduce digital exclusion by providing digital devices to residents and providing support and training in their use
 - Providing workshops for young people including on-line workshops
 - Providing employment support to residents
 - Run the Phoenix Academy which offers training courses to their residents and members of the local community
 - Providing Citizen Advice Bureau surgeries online and last year made 137 referrals to the Bureau
 - Taking on a number of Apprentices
 - Their contractors and partners have volunteered their time and made donations to support community events

14. Background papers

- 14.1. More information on the previous Mayor and Cabinet reports are available on the Council's website at <https://councilmeetings.lewisham.gov.uk/>

15. Report author and contact

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16. Comments for and on behalf of the Executive Director for Corporate Resources

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17. Comments for and on behalf of the Director of Law, Governance and HR

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