



PS Consultants
Your Independent
Tenant and
Leaseholder Adviser

YOUR HOME, YOUR CHOICE

You decide the future for your home

NEWSLETTER 2 - September 2022 - News from the Independent Tenant & Leaseholder Adviser

We know that by now you will have received information about the proposed transfer of ownership of Lambeth Council homes in the Patmos area to Vision Homes Lambeth (VHL). Both the council and VHL have sent out information about the proposed transfer. And this is our second newsletter as the Independent Tenant and Leaseholder Adviser on this project.

What is the issue?

The whole process that is now underway is governed by the Government's Right to Transfer Regulations of 2013. The issue is quite simple: do you wish to remain as tenants of Lambeth Council or become tenants of Vision Homes Lambeth (VHL)?

Lambeth Council wants you to remain as its tenants and leaseholders, and opposes the transfer proposal. You will have already received a letter from the Cabinet Member for Housing Councillor Maria Kay setting out some of the reasons why the council is opposed to the transfer. VHL would like you to agree that if you are a tenant the ownership of your home would pass to them. If you are a leaseholder then VHL would become the freeholder. You will also have received from them a brochure and other material setting out what they believe would be the benefits of transfer.

The timetable

What is going on at the moment is what is known as 'informal consultation' with tenants and leaseholders. But the council and VHL anticipate moving to the next phase of the process by the end of September 2022. That next phase is called 'formal consultation'. It consists of two stages:

Stage 1 - Offer Document

The Council will issue to all tenants and leaseholders what is called an 'Offer Document'. That document will summarise what future services you may expect to receive from the council should you remain their tenants and leaseholders. It will also summarise what future services you may expect to receive from VHL should they become the landlord. You will have up to 28 days to read that document and make comments back to the council about it. The council will assess all the responses it receives and take them into account when deciding whether to proceed to Stage 2 of the formal consultation process.

Stage 2 - Ballot

If the council decides to proceed to ballot then this will be a secret ballot conducted by an outside organisation. The ballot process will normally last between 21 and 28 days. A simple majority of tenants voting in the ballot will determine the outcome.

What is in this newsletter?

As you would probably expect we have already had many questions directed to us by tenants and leaseholders. As we promised in our previous newsletter in this edition we will answer these questions and give you our best advice about the topics raised there.

You will find the questions, and our answers, on Page 2 and Page 3 of this newsletter.

On Page 4 you will also see a notice about three consultation meetings for tenants and leaseholders affected by the proposal. Both Lambeth Council and VHL have agreed to provide speakers at each of these meetings. So you will be able to come along and hear both sides of the issue.

Don't forget you can talk to the ITLA or ask questions about housing transfer

Email: enquiries@psconsultants.org.uk

Ring or text the **ITLA mobile number - 07903 370147** (if you text us with your telephone number we will ring you back as soon as we can)

Website: www.itla.psconsultants.org.uk



This newsletter is written and produced by PS Consultants,
Independent Tenant and Leaseholder Adviser (ITLA)



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The Questions you have asked us

Q 1: *'Is it an important issue that VHL has no experience and no track record?'*

Answer: Councillor Kay made this point in her letter to tenants and residents, and we have commented on it in the letter that was enclosed with ITLA Newsletter 1. It is quite true that at the moment VHL has no track record, no management staff, and no experience. Although it has a Board to run it and is part of the long established Berger Group. As we have pointed out in our reply to Councillor Kay the fact that VHL lacks that experience is not unusual in stock transfers. Normally any new organisation that is proposing to take ownership of council homes would not begin to recruit housing management staff until there had been a 'yes' vote in a transfer ballot. VHL's position is that during the period it would take to negotiate the transfer agreement with the council, which could take 6 months or more, it would have time to recruit experienced staff that would deliver the services to a high standard.

In thinking about the importance of this issue when you come to vote, you might want to balance questions to VHL about its lack of experience and track record with questions to the council about its track record in managing homes in the Patmos area in the past and what might be expected in the future. In the case of VHL you will probably want to know how VHL will go about the process of recruiting and training staff capable of managing to a high standard. In the case of the council, you will probably want to draw upon your own experience of Lambeth housing management services and how happy you are with them.

Q 2: *'Will VHL succeed in becoming registered with the Regulator for Social Housing (RSH)?'*

Answer: In order to become a registered provider of social housing, and following a 'yes' vote, VHL would have to satisfy the Regulator of Social Housing (RSH) that it was a fit and proper organisation to be registered and become the landlord of homes in the Patmos area. That registration is not automatic and it is not likely to be an instant process.

VHL's argument to be allowed to put the case for transfer has already been subject to a very detailed investigation by the Greater London Authority (GLA). It concluded that VHL's application met all five tests that are required in the transfer guidance of the strategic case; the economic case; the commercial case; the financial case; and the management case. Now the RSH will also look at a range of other factors in making its decision. But the GLA review did cover much of the ground that the RSH will look at, particularly in respect of the likely financial viability and stability of VHL.

Q 3: *'Why don't leaseholders get a vote in the ballot?'*

Answer: The initial legislation that made stock transfer possible goes back to 1986. From that time the regulations about transfer have always restricted the right to vote in the ballot to tenants alone. Government reasoning here is that in the event of a transfer such as this one the legal status of a tenant changes from being a secure or introductory tenant of a council to being that

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of an assured non-shorthold tenant (with preserved rights) of another form of registered provider. The status of leaseholders remains that of the leaseholder and is not changed by transfer. In the case of leaseholders, in the event of transfer they remain leaseholders but would have a new freeholder (i.e. VHL)

Q 4: *'Who is paying you (i.e. PS Consultants) to act as the ITLA?'*

Answer: VHL is paying us to act as ITLA.

Q 5: *Is that unusual?'*

Answer: Yes, very. We have done almost 60 such jobs across the UK and in every other job but this one we have been employed and paid by the local council involved. However, in this project Lambeth Council declined to appoint an Independent Tenant and Leaseholder Adviser. Given that the provision of independent advice to tenants is required as a part of a transfer process, VHL was the only organisation involved in the process that was willing to pay for tenants to have that independent advice.

Q 6: *What about rents?'*

Answer: You will have already seen that VHL is promising to cut rents for the first three years after transfer and thereafter any increase will be

subject to Government regulation (as they will with the council and housing associations). Lambeth Council has not made such a promise.

Social housing rents are very much determined for all social landlords by Government policy. In 2019 the current Government permitted social housing rents (such as charged by Lambeth Council) to increase annually by inflation (CPI) plus 1%. It intended to keep that policy in place until at least 2025. But with the growing inflationary crisis the UK, at the end of August 2022, the Government published proposals for a 'ceiling' (others have called it a 'rent cap') to be put on future rent increases.

In the short term the Government is proposing to impose a rent 'ceiling' of an increase of 5% plus 1% from next year. Although the Government is inviting views on that ceiling being set at the alternative levels of 3% plus 1% and 7% plus 1%. It is also inviting views on whether that ceiling, whatever it turns out to be, should be fixed for two years or only one. The consultation period for this issue ends on October 12th 2022.

So at the time of writing we cannot be sure what guidance on rents Lambeth Council will be subject to for the next two years. But whatever the impact on Lambeth Council's rents, VHL's commitment is to reduce rents by 1% per year for the first three years following transfer.

Why not join us at one of the upcoming Consultation Meetings to hear more questions and answers. Details are on the back page.



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Consultation Meetings

Lambeth Council and VHL have both kindly accepted our invitation to come and speak at three consultation meetings for tenants and leaseholders in the Patmos area about the transfer proposal.

The ITLA will chair the sessions and we will invite both the council and VHL to speak for 10 minutes each at the beginning of the meeting to put their case.

After allowing plenty of time for your questions and comments the ITLA will then ask each of them to sum up their case in five minutes as the end of the meeting.

Meeting 1 Wednesday September 21st 2022

Meeting 2 Wednesday September 28st 2022

Meeting 3 Wednesday October 5th 2022

All three meetings will start at 7:00pm and will be held at:

The Community Centre at 81 Lothian Road

Please try to come to at least one of them to hear at first hand from Lambeth Council and VHL about their proposals.



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