

# Perronet House & Princess Street

## Tenant Management – the Options

The Council has been approached by the committee of the Tenants & Residents Association (TRA) of Perronet House as they have expressed a wish to join with the Leathermarket JMB, the largest Tenant Management Organisation (TMO) in Southwark Council.

### Tenant Management – what is it?

Tenant management is the term used to describe a group of council residents who come together to form a company to provide the housing services to their homes. This can include cleaning, repairs, rent collection and managing tenancies and leases (transfers, nuisance etc.).

Council tenants have a legal 'Right to Manage' their homes that housing association tenants don't and this was first introduced in 1994. However, many TMOs in Southwark and elsewhere pre-date this as Southwark was one of a number to support the delegation of the housing management services before it became a 'Right'.

There are 15 operational TMOs in Southwark who, between them, manage over 4,300 homes and we have a further three groups in development (working towards becoming a TMO). The Southwark TMOs range in size between 40 and 1,500 homes and generally enjoy levels of resident satisfaction greater than that of residents managed by the Council (78% to 65%). The reasons for this are varied and range from having their own local office with staff they know through to better service from the contractors employed by the TMOs. Some TMOs employ their own staff to deliver a large part of the repairs service and most employ their own cleaning staff.

Alongside the statutory (contained in law) Right to Manage social landlords (including housing associations) can also look to voluntarily establish TMOs. It was through this process that many councils did so before it became a Right in 1994. This can be a much quicker and easier process but hasn't been as widely used because of the ability for either party to withdraw from it (usually the landlord) with no come back for the other party (usually the tenants group).

Southwark has successfully used this route more recently when a number of properties adjacent to the Browning Estate in Walworth elected to join the TMO.

### Options for Perronet House

Essentially there are three options for Perronet House should they wish to be managed by a TMO:

1. Set up a TMO just for Perronet House
2. Join an existing TMO in Southwark
3. Stay as you are with the housing service provided directly by the council

The second option can be divided further into;

- a. Join Leathermarket JMB
- b. Join another TMO in Southwark

### Option 1 – Set up a TMO just for Perronet House

To do this following the statutory route Perronet House needs to have at least 25 secure tenants – which it does.

It also requires a group of residents willing to go through the required development process which can take 3 years. Once this has been established the process, since 1994, has been that an independent advisor is

appointed to guide the group through the requirements of the legislation which will then result in the group being independently assessed as 'competent' (or not) prior to a ballot of all residents.

Both the independent advisor and assessor are paid for by the government with the council contributing 25% of the advisors costs. However we understand that the government will not be providing any funding for TMO development in 2016/17 other than for the groups already part way through the process.

At present the committee of your TRA has said that they can not provide this level of commitment. Therefore unless another group of residents can come together to go through this process it doesn't appear to be a viable route even if funding can be obtained.

### **Option 2a – Join Leathermarket JMB**

Leathermarket JMB is an established (since 1996) TMO managing about 1,500 homes in the SE1 area of Southwark.

They are unique in that they are the only 'self-financing' TMO in the country. What this means is that they receive an allowance equal to the rent and service charges they collect and, in return, provide all services to the homes they manage. This includes major works and future investment needs for their homes.

### **Option 2b – join another TMO in Southwark**

Southwark is at the forefront nationally in developing and supporting tenant management and has led in developing the process by which blocks/estates can join an existing TMO without the need to invoke the Right to Manage. Although this is still relatively rare we have worked with the government to develop a guidance note on how to do this.

In developing this process we set a limit that the new block/estate should not be greater than 20% of the size of the TMO they are seeking to join. The principle behind this is that the existing TMO will, in our experience, struggle to assimilate areas more than a fifth of their existing size.

Using this principle there are only two other TMOs in Southwark of a sufficient size to accommodate Perronet House and Princess Street (114 homes). These are Browning EMA (Walworth) and Fair Community Housing Services (Bermondsey).

In order for this to be achieved not only do Perronet House residents have to express a wish to join one of these TMOs, but the TMO chosen also has to agree to take on the management functions for Perronet House. As a result of the motion passed at the Perronet AGM we have approached both TMOs and, unfortunately, neither has expressed a wish to take on the management of Perronet House.

### **Option 3 - Stay as you are with the housing service provided directly by the council**

This will mean no change from the services you currently receive.

### **Next Steps**

Following tonight's meeting and presentation there will be further information sent to all residents and, subject to no group coming forward to initiate the Right to Manage process, we will look to move towards a ballot of all residents later this year.

The ballot will be run independent of the Council and will be required to achieve both a minimum turnout agreed between all parties (minimum number of people required to vote).

It will also have to achieve two things

1. A majority in favour
2. A majority of secure tenants in favour.