

Edinburgh councillor blogs – Councillor Gavin Corbett



There is light on the horizon for the tenants of Lorne Street according to GAVIN CORBETT

I've met the tenants of Lorne Street, off Leith Walk in Edinburgh, a couple of times now. The first time was a few weeks back, with a small group, then again this week, when 50 or so came to a meeting in Lorne Primary School.

Their predicament is well-known and has been well-trailed in the press thanks to the sterling efforts of the tenants who have formed themselves into an association, Lorne Community Association. In short, their landlord, the Agnes Hunter Trust, has decided that its charitable aims – providing grants to good causes – are no longer best-served by retaining an extensive property portfolio and using rents as an income to fund the grants.

The Trust might well be right in that judgement. The flats are all well over a hundred years old and managing and maintaining a property portfolio of that size is not something that can be done as a sideline. However, the way the Trust has gone about that transition – selling off flats as they become empty and giving intention to serve notice on all the remaining tenants has understandably caused huge anxiety and anger among 100 tenants, some of whom have lived there for decades and quite reasonably believed that their homes were secure as long as they continued to pay rent in good faith.



Cllr Gavin Corbett

So when I first was alerted to what was happening it struck me

fairly quickly that the tenants were not being well-served by their current landlord and that the Trust is probably right to seek to surrender its landlord role. A social landlord – such as a housing association – could do a better job, could manage the properties better, could do repairs and improvements more comprehensively and could give tenants more confidence that their best interests are being looked after. Housing associations are also regulated quite closely by the Scottish Housing Regulator and that is not the case for private trusts.

In other words, there is a possible win-win here – with the Trust achieving its aim of getting out of its property holdings and the tenants getting a landlord who is more attuned to their needs.

The critical point, of course, is that transition from private to social landlord should be a managed one, with sporadic sales and threats of eviction taken out of the equation.

Social landlords can come in various guises – from tenant-led and controlled housing co-operatives, to housing associations, to councils themselves (and City of Edinburgh Council is the largest social landlord in the city). All three options have been on the table here. The housing co-operative model has been mooted given the city council's aim to be a co-operative council, although I detect some nervousness among the tenants about the scale of the undertaking. Meanwhile, at the Health, Social Care and Housing Committee, my Green colleagues also asked that the council explore the possibility of the properties becoming council-owned – again perfectly possible, within the different ownership models and prudential borrowing powers that the council has. Both options should continue to be kept under review. My own personal view is that the local housing association option is probably the best fit.

So it was a real pleasure to listen to Keith Anderson of Port of Leith Housing Association (PoLHA) last Monday night address tenants about the possibility of PoLHA taking on

the tenancies. I've known Keith for about 20 years and can vouch for his unstinting commitment to social housing. And, of course, PoLHA is the locally-based association. So it is potentially the perfect solution.

The proposal is this: PoLHA, through its subsidiary, Persevere, would take on the tenancies as they stand, with people paying mid-market rents, much as they do at present. Tenants would retain the same statutory rights as they have at present (a mix of pre 1989 regulated tenancies and assured and short assured tenancies). The difference is that they would be tenants of a social landlord, through its subsidiary, which PoLHA has set up, as have many housing associations, to develop intermediate market housing.

As a proposal it was met with genuine enthusiasm by the tenants I chatted with. But Keith and PoLHA rightly cautioned that it was only a possibility at this stage.

If it is to happen two things need to take place.

First of all, PoLHA is planning a detailed survey, with surveyors F3, between now and March, accessing as many of the properties as it can, so it can assess the conditions and so allow an assessment of catch-up repairs needed and what investment is required over the next 30 years.

Using that information plus calculating what rents are and are likely to be in the future, allows PoLHA to calculate what the flats are worth in their current status – that is, with sitting tenants who would remain there.

In the meantime, the Trust needs to suspend sales of individual properties and step back from any action to recover tenancies (it has already extended the date to 1 July 2016).

Secondly, the Trust has to be willing to sell at that price. Early on, the Trust appeared to be saying that it was seeking maximum price for the flats – that is, selling on the

open market with vacant possession. To do so would be to pass the costs of eviction and homelessness onto the public sector in a way that sits ill with the Trust as a charitable body. It is hard to see how a charitable trust could continue to operate with integrity if that were to happen: gaining the whole world but losing its soul.

It is a point I raised directly with the charity regulator OSCR. Conservatively, it argued that since the Trust's charitable objectives were not directly related to housing or homelessness there was no inherent contradiction in grants for good causes being funded on the back of capital receipts the price of which is someone else's homelessness. That is an odd view to take in my view, but that notwithstanding, it is quite another leap to argue that, in order to maximise its grant-giving activities the Trust is *obliged* to extract the highest-possible price for the flats, irrespective of the consequences. That would be an absurd conclusion and would carry enormous credibility risk for both the Trust and OSCR.

Thankfully, the Trust now seems much more open to the middle way: where it will receive a receipt for the properties but that price will inevitably be lower to reflect the fact that tenants will remain in situ with rents below open market level and that PoLHA will need to fund a programme of catch up repairs and future improvements.

So from the ashes of anger and anxiety something very positive might emerge. All it needs now is a healthy dose of goodwill and pragmatism which allows the tenants of Lorne Street to live in safe, warm and secure homes with a social landlord and the Trust to re-focus on its core purpose in future years.

The sooner that happens, the better.

Gavin Corbett is a Green councillor in Edinburgh and has worked in housing for 28 years