

# **Response for Leathermarket JMB and Leathermarket CBS to London Plan**

## **Background information about Leathermarket Joint Management Board (JMB) and Community Benefit Society (CBS)**

The JMB is a tenant managed organisation (TMO). We are based in Bermondsey, South London. We manage 1,100 tenants and 400 leaseholders, under a Management Agreement with Southwark Council.

Our five tenants associations elect two directors each. The elected directors can appoint up to four independent directors, to provide specialist advice. The board provides strategic oversight and governance.

The JMB provides the full range of housing-related local services, including housing management, leasehold management, major works, rent collection, repairs and estates up-keep. The JMB employs a staff team of 35, with services such as repairs and cleaning undertaken by the in-house team.

We were created in 1996 by residents who made use of the introduction of regulations that allowed council tenants to take over the management of their homes.

The desire from residents to become self-managed was driven by an imperative to improve day-to-day repairs and estate cleaning services. This remains a strong-focus of our activity.

Our context is that housing in Southwark has remained council controlled and there are multiple pressures on Southwark major works monies. In 2013 the JMB became the country's first self-financing TMO. This means that after paying off our share of the debt on our properties and paying for the essential services that Southwark provides, the JMB can use the money paid by its tenants and leaseholders on priorities identified by the board. In 2016/17, 46% of the JMB's discretionary expenditure was spent on tackling our major repairs backlog.

In our 2016 continuation ballot 76% of tenants voted and 94% supported the work of the JMB.

Finally, the JMB has created a sister organisation Leathermarket CBS to build new homes. 27 new homes are under construction, with a proposal for another 40 just about to be submitted for planning permission. This programme is funded by a combination of a loan from the JMB, CLG Estates Regeneration Fund and Community and Community-Led housing Fund and GLA Community Right to Build funding.

## **Section 4: Building genuinely affordable homes**

The JMB agrees with the submission from London Tenants Federation that the priority should be for households on the London medium income of £39,000.

We realise that the GLA works within a funding regime set by the government, but schemes aimed at households with an income of £60,000 to £90,000 are regressive: with many people on lower income subsidising home ownership options for the better off.

An analysis of the housing crisis should lead to the conclusion that:

**All new private developments should have 25% council rent and 25% London living rent homes, with the remaining 50% for sale.**

If this requirement is rigorously imposed by all London councils this will reduce land values and make providing affordable housing an economic proposition. It will also stop developers using the viability assessment argument to reduce the element of genuinely affordable homes.

The JMB agrees with London Tenants Federation that the **priority should be to build council rent homes on GLA and Council land. A requirement of at least 75% council rent homes should be applied.**

**The Mayor should also be acutely sensitive to the loss of council rent homes.**

In practice this means **not agreeing any estate demolition unless there is demonstrable resident support, including a formal ballot and no loss of council/ housing association rent homes.**

Most London Council's are reporting that 40% of ex-right to buy homes are now buy-to-rent. Scotland and Wales have suspended right to buy. The housing crisis in London is more acute.

**The Mayor should call for the suspension of right to buy or the ending of the discount and other requirements to sell council homes at below their market value.**

## **Section 5: High quality homes and inclusive neighbourhoods**

**The GLA should prioritize supporting genuinely democratic and participatory housing providers.**

**The requirement that organisations bidding for Innovation funds should be registered providers should be removed. This excludes community-led housing organisations**

Again we agree with London Tenants Federation, that **being genuinely democratic and participatory should be a critical element of the funding criteria. This is a particularly relevant test for larger housing associations.**

To encourage smaller democratic organisations there should be a requirement that **any development of over 100 homes (public or private), should have 10% developed by community-led housing organisations**

**The Community Housing Hub should set up a separate organisation (outside government borrowing restrictions) to borrow money and then lend to community-led housing groups.**

As demonstrated by Leathermarket JMB, tenant managed organisations, are an excellent vehicles to allow existing communities, with a track record of self-organisation to build new homes.

The government has withdrawn funding for council tenants to exercise their right to manage. **The GLA should re-introduce this funding.**