

## **DD2421 Appendix 1: PACCA TMO Ltd's development of a Right to Transfer application**

### *Background to PACCA*

- 1.1. Patmos Area Community Conservation Association (PACCA) – was initially established as a residents' association in 1999 and became a Tenant Management Organisation ("TMO") in 2009. PACCA was the TMO for the Patmos/Lothian estate at the time of first pursuing stock transfer. The Patmos/Lothian estate comprises 234 tenanted council homes and 50 leaseholder homes and is situated in the London Borough of Lambeth (LB Lambeth).
- 1.2. In 2013 an audit enquiry led to PACCA TMO being served a Supervision Notice by LB Lambeth on 9 December 2013. PACCA TMO sought a Judicial Review of this decision but this was refused, and the stock returned to council management on 8 January 2015. Although the letters 'TMO' remain in the registered company name, PACCA is no longer a Tenant Management Organisation and the housing stock is managed by LB Lambeth. PACCA has continued to provide services and organise activities for local residents, enabled by volunteers and accessing grant funding.
- 1.3. PACCA TMO was one of the first residents' organisations in the country to use the Right to Transfer regulations after their coming into force on 5 December 2013. PACCA served a Right to Transfer notice on LB Lambeth on 10 December 2013. LB Lambeth replied accepting the notice on 3 January 2014.
- 1.4. Subsequent to serving notice, applicant tenant groups pursuing transfers are required, by the Housing Transfer Manual, to submit a feasibility study. PACCA submitted a Feasibility Study Report and Statement to LB Lambeth on 22 December 2014. LB Lambeth responded accepting that PACCA TMO had proceeded to the development stage of Right to Transfer on 27 April 2015.
- 1.5. The Feasibility Study explored the option of a transfer directly to PACCA TMO Ltd (as a new Private Registered Provider ("RP") of Social Housing) and the option of transferring to an existing RP. The option of setting up PACCA as a new RP was, at this time, dismissed following the cessation of PACCA's management of the housing stock in January 2015 (see 1.1-1.2 above) and recognition that PACCA had neither the financial resources nor the skill base to register independently.
- 1.6. In 2015 and 2016, PACCA explored partnerships with potential partner organisations to act as a landlord for transferring homes. PSP Facilitating Ltd were selected, and a 'Vision Homes Lambeth' brand was developed. PSP then withdrew in September 2016, and a subsequent selection process resulted in the Berger group of companies committing to finance the transfer, with the proposal being to establish VHL as a new for-profit RP. Pinnacle PSG were selected as the proposed managing agent for transferring homes.
- 1.7. During the review of draft application materials, LB Lambeth raised concerns regarding value-for-money of the transfer, and proposed governance arrangements of the proposed receiving landlord. The GLA provided feedback on draft transfer application materials submitted by PACCA over the course of 2018.
- 1.8. A formal application from PACCA was received on 13 March 2019. On 24 April 2019 the GLA confirmed to PACCA that the application documentation comprised a valid application, sufficient to be subject to formal assessment by the GLA.