



Genuinely Independent Advice for Plymouth City Council Tenants & Leaseholders

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Stock Transfer And The Credit Crunch Is Plymouth's Proposed Transfer "Fundable"?

Plymouth City Council is now asking all tenants to vote on its proposed transfer. By now tenants should have received a copy of the council's Transfer Offer – "Better Homes". Many people have been asking whether, given current financial conditions, Plymouth Community Homes could afford to carry out its promises, **if** transfer goes ahead.

Plymouth Community Homes has started to develop a Business Plan to show how the promises in the Offer Document and loans can be paid for. Until tenants have voted, this process can go no further. If the majority of tenants voting, vote "yes", the council and Plymouth Community Homes can enter into formal negotiations with lenders. If the ballot results in a "yes" vote, a transfer would take almost a year to complete - so the terms of any funding deal would depend on the economic climate at that time.

We have asked the council and the Housing Corporation (the body that regulates Housing Associations in England) for their opinions on funding - here are the responses...

The Housing Corporation told us "there is still an appetite within the sector for lending to stock transfer." They say that although it is difficult to forecast which lenders will be around and what monies will be available in 12 months time, it seems that some lenders have already had a tour of the stock in Plymouth and they continue to show an interest.

Plymouth Council told us that Communities and Local Government confirmed as recently as 6th October that gap funding would be in place (provided adequate private funding can also be found). This gap funding is likely to be slightly in excess of £100 million – the Government's main condition is that this should be a maximum figure. Despite current financial and economic challenges a number of institutions are in informal discussions about the funding of stock transfer in Plymouth.

Finally on 14th October the council's cabinet approved the decision to ask tenants to vote on the transfer proposals. **If** tenants vote "yes" Councillors will also have to be satisfied that the transfer is fundable before approving the transfer. The Secretary of State would also have to approve the transfer before it could go ahead.

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