



Edition 3 –  
April 2023

R E I D V A L E  
H O U S I N G A S S O C I A T I O N

# TRANSFER NEWS

EDITION 3 – APRIL 2023

## HAVE YOUR SAY – YOU DECIDE!

**This is an important consultation newsletter for Reidvale Housing Association tenants. Please give your views by completing and returning the enclosed consultation survey by Friday 19 May 2023.**

### A Message from the Management Committee

As you will know from our Transfer News publications, we have been exploring a transfer of engagement to another housing association. We are doing this after careful review of the host of challenges that Reidvale is facing if we stay independent. We are now confident that a transfer would bring much more for our tenants - more affordable rents, increased and faster investment in our homes and the local environment and access to a range of new services. As you will read later, in addition to these benefits, we would still be able to keep what's precious about Reidvale – the name will still feature to reflect our local focus, local services and staff will continue and there will be more support for local projects that our community relies on.

We updated you that the search was underway to find a potential suitable transfer partner that could make an attractive enough offer for our tenants against our transfer priorities if the transfer took place. After the closing date for bids, we conducted a detailed assessment/scoring of each proposal received. We are delighted to tell you that the Management Committee has agreed we have a winning bid that should be appointed as our preferred transfer partner. Our decision was based on what we all agreed is an excellent initial offer to Reidvale tenants, and the wider community.

We told you in the last Transfer News, before we proceed further, we want to consult with you to seek your support for us appointing the top scoring bidder as our 'preferred transfer partner'. If you support this, we can then work with the partner to develop their offer into detailed commitments further shaped by you and our other stakeholders. We would stress that this consultation is ONLY to seek your support to appoint them and move to the next stage. You are NOT being asked to vote for the transfer as much more consultation and information is needed before we get to that stage.

We are confident that we have secured a great initial offer and by far in excess of what Reidvale could do for you if the transfer did not happen. **Now it's time for you to decide what happens next so please:**

- ✓ Read this newsletter and come along to the open sessions mentioned later if you have questions.
- ✓ Complete and return the consultation survey form by the closing date of Friday 19 May 2023.

With our best wishes,

**Eddie Marley**  
Chairperson, on behalf of the Reidvale Management Committee

# Consultation on the Appointment of a Preferred Transfer Partner

This early stage consultation is a new approach developed by Reidvale Housing Association as part of our transfer process. It is aimed at testing tenant support to see if you wish to move to the next stage of the transfer process with the “preferred transfer partner” **It is not a vote for the transfer going ahead as this would only happen much later in the process with an independent tenant ballot.**

The consultation is in addition to the informal and formal consultation that will still take place if we move to the stage of appointing the transfer partner, developing the detailed joint transfer Business Case and transfer guarantees, and extensively consulting on these, culminating in an independent tenant ballot.

## Why is Reidvale looking at a transfer to another housing association?

For over 3 years, the Scottish Housing Regulator (SHR) has been engaging with Reidvale HA due to concerns about our governance and financial management. Whilst we have made some progress in addressing these issues, over the past years, more serious issues have come to light. Today, we have a 30 year financial plan that relies on us imposing very high rent increases (10% per year) over the next 8 years. Even with this, and taking out new loans, we would still need to deliver investment over a timeframe that we feel would be too long for tenants to wait. As some tenants will know too well, there is already a backlog of replacements (kitchens, bathrooms, heating, windows). In addition, we also need to tackle the major programme to address failing stonework in our tenements. A cost savings programme would also be needed, making it difficult for us provide the services you expect and to be the anchor of our community – a role that has been at the heart of Reidvale for so many years.

Given the extent of the problems, we carried out a strategic options appraisal to look at what we could do if we stayed an independent association against what was possible if we joined with another well governed and financially strong housing association. In April 2022, we decided that seeking a partnership

with another through a transfer of engagements was the best option to address the issues we faced and to do much more for our tenants and service users.

After a detailed competitive process open to all Scottish RSLs, the Management Committee has decided that the top scoring submission provides an excellent offer to tenants and the wider community and that they should be appointed as Preferred Transfer Partner.

## The Initial Offer from the Preferred Transfer Partner

We can reveal that the top scoring bid was from **Places for People Scotland**<sup>1</sup>. They are a financially strong organisation operating across Scotland. They are a registered housing association in Scotland, community benefit society, Scottish charity, and registered factor just like Reidvale. They are all about helping communities and the people who live within them to thrive. You can read more about them via their website:

[www.placesforpeople.co.uk/scotland](http://www.placesforpeople.co.uk/scotland)

The consultation presents the highlights of what Places for People Scotland has offered on our 6 transfer objectives. We have also shown you what Reidvale will be able to do for comparison. Please note that Places for People Scotland has submitted very detailed initial proposals, but at this stage, we have shared just the key parts of the offer on the issues you have said matter most.

If you have questions that are not answered in this document, please feel free to contact us or come to the open events we have planned where you can get the chance to meet staff from **Places for People Scotland**.

The following table sets out the transfer objectives and the initial offer from the preferred partner. The final column sets out what the position would be if the transfer did not happen, and Reidvale Housing Association remains your landlord based on our current business plan.

<sup>1</sup> Places for People Scotland’s registered name is Castle Rock Edinvar Housing Association. Places for People Scotland was formed by the merger of three housing associations in Scotland with decades of expertise and experience between them.

## Transfer Objective

## The Places for People Scotland Offer

## Reidvale HA without transfer

### Improving Rent Affordability



#### A 5 year rent freeze guarantee for all Reidvale tenants from 2024-25.

In the initial 5 year period the average Reidvale tenant would be **£4,299** better off. This equates to **£860 per year** or **£16.54 per week** (per tenant).

Beyond the initial 5 year period, commencing in financial year 2029/30, assumed rent increase at 3% for the remainder of the 30 year business plan.

The Reidvale business plan assumes a 10% increase in years 2024/25 through until 2031/2 (8 years).

With current pressures on household incomes and high inflation rates, this level of increase would create intense pressure on households in terms of affordability.

### Provide quality homes in an attractive environment



Delivery of a major accelerated planned investment programme of around £13.7m of capital investment in the first 5 years alone.

Almost double the Reidvale plans, allowing much needed investment in tenants homes (windows, kitchens, bathrooms, heating, doors/door entry and much more) and tackling the external stonework programme.

A programme of works would be agreed in consultation with tenants.

The above would be in addition to revenue (repairs and maintenance) spend of £7.3m.

Spend of £56.6m over the 30-year period to maintain and improve homes and the environment.

New local handyman service to help with the environment and do odd jobs for elderly/ vulnerable tenants.

Asset management and compliance staff to plan and supervise major work and ensure quality control and deliver health and safety compliance on all landlord matters.

Provision of a high quality, well managed, reactive repairs service using local trades, most of which would be in house provision.

Planned investment of just £7.47m over the 5 years. (£6.23m less than partner would deliver).

Tenants would have to wait far longer for much needed improvements.

£38.2m over 30 years (£18.4m less than partner would deliver). No planned environmental improvement works in the Reidvale area.

Limited staff capacity to effectively manage contractors and quality.

Reliance on private contractors for day to day repairs.

## Transfer Objective

## The Places for People Scotland Offer

## Reidvale HA without transfer

### Strong Governance and Financial Strength



**A 30-year business plan that addresses the gaps in Reidvale's current plan**, shows how all of the transfer promises will be delivered by using savings to fund a rent freeze and faster and more investment.

**A new 'Reidvale Customer Focus Group' that would keep the identity of the area.** This would be made up of local tenants/ residents and would have the remit of shaping local services and priorities and monitoring deliver of transfer commitments.

**Strong and skilled Management Board** that will ensure full compliance with Regulatory Standards, good governance, scrutiny, and robust decision making.

New borrowing would be required to deliver investment but would still be delivered over a much longer time frame.

Despite the already higher rent increase assumption, Reidvale would need to look at further efficiencies with limited options to make major savings.

Much less money would be available for investment and no provision has been made for the zero carbon agenda.

Continued frustration for Reidvale tenants with the lack of ability to address their concerns.

Difficulties in recruiting and retaining Management Committee members with the right skills mix to provide strong and effective governance.

Priority would be to achieve full compliance with Regulatory Standards.

### Deliver excellent services and housing opportunities.



**Current Reidvale office kept and expanded into a Community Hub** where other agencies can deliver local community projects/ services to meet the needs of tenants and residents.

**Staff transfer to the partner and local enhanced staff team still in place to ensure access to services and support.**

**Reidvale name will be kept for the office as part of the partner branding.**

Tenants will have **access to range of wider support services including Handy Person, Energy and Money Advice and Digital support.**

Tenants and factored owners would also have **access to a 24/7 customer service centre and on line services.**

**Access to wider housing options** within Places for People Scotland current and future housing portfolio.

Current Reidvale office kept.

Staff restructure required to address pay scales.

Reidvale unable to expand service provision given its lack of recent partnership working and the financial pressures it faces.

Limited ability to modernise the service or introduce digital services to tenants and staff because of costs involved.

Transfer Objective	The Places for People Scotland Offer	Reidvale HA without transfer
<p>Create greater opportunities and act as a community anchor</p> 	<p><b>Community Investment Team to support local projects access funding and deliver services.</b></p> <p>Priority will be <b>to re-open the Reidvale Neighbourhood Centre</b> to support the delivery of much needed local projects.</p> <p>Commitment to support <b>other existing projects</b> where they are in demand.</p> <p><b>Work through the new Reidvale Customer Focus Group to develop further projects and support to meet the needs of Reidvale tenants and community.</b></p>	<p>Challenges in directly supporting local projects due to lack of specialist community development expertise and the need for Reidvale to focus on its own challenges.</p>

## What would the transfer involve if it eventually went ahead?

The partnership would involve Reidvale transferring all of our interests to the Preferred Transfer Partner. This is known as a transfer of engagements. This is not a 'buy out' or commercial sale as money does not change hands between the associations. A transfer of this type allows one community benefit society to legally transfer all of the interests into another community benefit society. If the transfer takes place, Places for People Scotland would become your landlord and be responsible for the homes and services that we currently provide. All of your rights as a tenant would be protected and you would not need to sign a new Tenancy Agreement. It would become the factor for our tenement blocks. Our staff team employed at the transfer date would become employees of Places for People Scotland.

## How will the other housing association be able to pay for all of this?

When a housing association joins with another one through a transfer, this creates significant savings e.g. there would be no need for a separate Reidvale Management Committee or Director, there would be savings on things like IT cost, consultants, finance services, auditors, lawyers etc as Places for People Scotland already have these. However, it is important to note that Places for People Scotland is committed to retaining Reidvale Housing Association staff and observing all Transfer of Undertaking for the Protection of Employment - TUPE guidelines. This means you will continue to receive support from the existing staff who already serve you.

All of the savings created over the 30 years of the financial plan can then be used to pay for the things that matter most to tenants, e.g. lower rent increases, investment in houses, better services etc.

## Is this the final offer if the transfer took place?

The offer from Places for People Scotland is their initial detailed proposals based on the extensive information that we shared with them as part of the bidding process. This will be developed into a final transfer package informed by 'due diligence' on each other where we get the chance to fully explore any risks around the transfer before final commitments are made. The final transfer package would be shaped by comprehensive consultation and engagement with our tenants, customers and stakeholders that would happen over several months. You will have lots of opportunity to comment on the final plans and then vote on them in the eventual independent tenant ballot. If everything went to plan, the transfer would take place around a year from now. A transfer of engagements can ONLY take place if the majority of tenants voting in the future ballot, support it.

## Who is being consulted at this stage?

Only tenants are being consulted at this stage in accordance with statutory and regulatory obligations for this type of change. As with all communications, we will copy this to our factored owner and leaseholder customers, shareholders, and key stakeholders to keep everyone in the picture.

## Have Your Say – The Consultation Question

Based on what is presented above, we are asking you to complete and return the enclosed consultation survey form with a YES or NO to the following question:



**Based on their initial transfer offer, do you support Reidvale HA appointing Places for People Scotland as the preferred transfer partner to then work with us and you on the next stage of the transfer process?**

If you say **'YES'**, you want us to move onto the next stage of appointing the preferred transfer partner. You understand the initial offer to tenants from the Preferred Partner if the transfer went ahead. You know that Places for People Scotland would then work with us on developing the detailed Business Case and tenant commitments, shaped by tenant and stakeholder consultation, before any decisions are made.

If you say **'NO'**, you don't want this transfer process to proceed further. If Reidvale stays independent, you understand the key financial pressures we are facing and what this will mean for future rents, services, and investment. The priority would be to address all of the current regulatory failings which will take time and money. We would need to provide assurance to the Regulator that we have the skills to do this.

The Tenant Information Service will manage the survey consultation responses to ensure independence. The consultation form can be returned by posting to TIS in the sealed prepaid envelope provided, online via the TIS website, or by calling TIS. You can also return your form via our office where a sealed survey collection box is available to deposit your consultation form. Every secure tenant at the start of the consultation period will be issued with a **unique identification number** on their paper. You will need this to vote online or by telephone. In the case of joint tenants, each named tenant will be issued with a survey form/ number.

TIS will ensure confidentiality of how each tenant completes their form, but will report at the end of the consultation, the turnout, and the result of the survey to us. The Management Committee has set a target to seek **at least 60% of tenants who return the survey saying "Yes"** in support of appointing the preferred transfer partner before moving into the next stage. **It is therefore vital that you 'have your say' and complete and return the survey as change can only happen if our tenants want it.**

# What Happens Next?

If tenants are supportive of moving forward with the transfer plans into the next stage, we would then appoint Places for People Scotland as the Preferred Transfer Partner. We will report the survey outcome and if appropriate, set out the next stages to develop the transfer plans in a further newsletter and website update around late May 2023.

There will be lots of opportunity to meet Places for People Scotland, see much more detail on the package being offered, and input your views/ ask questions before you are asked to make any big decisions. We estimate that if everything went to plan, the transfer would take place around a year from now.

## Introducing your Independent Tenant Adviser

The Tenants Information Service (TIS) has been appointed as Independent Tenant Adviser to work with Reidvale tenants to ensure you have all the information you need and are supported throughout the process. TIS is a national organisation that has provided independent advice to a wide range of tenants of housing organisations in Scotland including those considering this type of transfer.



TIS have reviewed this consultation and will manage the survey returns. They will be at the drop in events noted below to provide advice. They will also provide a report on this consultation to the Management Committee. TIS will also carry out an independent assessment of the eventual transfer proposal to ensure that all the tenant promises offered are in line with what you want and can be paid for if the transfer proceeds. TIS provide a free advice line during the tenant consultation, so if you have any questions about the transfer proposal or want to get more involved, **please call TIS on 0800 488 0982.**





# GET INVOLVED!

## Transfer Focus Group

In the first Transfer News, we sought interest in joining new Transfer Focus Group that could act as a sounding board as we shape the transfer plans. The first meeting of the Focus Group will take place on Monday 24 April 2023, and this will be chaired by TIS. We will use this meeting to gather feedback on the initial offer and seek views on how we are best to engage with our tenants and other service users on the transfer, assuming we move to the next stages. If you expressed interest in joining the Focus Group, you will receive your invite directly. If you didn't express interest but now want to get involved in the Group, please call or email us or contact TIS.

## 'Have Your Say' Consultation Drop In Events

We will also be holding drop in sessions to allow you to pop in and chat to us about the consultation and ask any questions you may have. Jill Cronin (our Interim Director), Mags Lightbody (our Transfer Adviser) and team members will be at the events, along with Ilene Campbell – Chief Executive of TIS. We will also be joined at this session by Places for People Scotland (Katie Smart, Director at Places for People Scotland and Tom Norris, Managing Director). They will be there to listen to your views and answer any initial questions.

These sessions will take place in the **Reidvale Neighbourhood Centre, 13 Whitevale Street on Wednesday 3rd May from 2pm to 4pm** and another session between 5pm to 7pm. No booking is required, so feel free to drop by for an informal chat with us, TIS and Places for People Scotland.

Refreshments will be available and if you need any help or assistance to attend, just let us know.

**If you need this newsletter in another form or if you have any question, please do not hesitate to email us at [transfer@reidvale.org.uk](mailto:transfer@reidvale.org.uk) or call our office on 0141 554 2406.**